

# **Social Financing Framework**

FEBRUARY  
2023

## DISCLAIMER

This Social Financing Framework does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of **Bpifrance**, or the solicitation of an offer to subscribe for or purchase securities of **Bpifrance**, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of **Bpifrance** should be made solely on the basis of the information to be contained in the base prospectus and relevant final terms produced in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of **Bpifrance** and the nature of the securities before taking any investment decision with respect to securities of **Bpifrance**.

Prospective investors are required to take into account the information contained in the base prospectus, the relevant final terms and this Social Financing Framework regarding the expected use of the notes proceeds, and must determine for themselves the pertinence of said information, as well as that of any element that the relevant investor estimates is necessary for the purpose of investing in Social Financing Instrument of **Bpifrance**.

No assurance can be given that eligible projects will meet investor expectations or requirements regarding “social” or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment). Each prospective investor should have regard to the factors described in this Social Financing Framework and the relevant information contained in the base prospectus and seek advice from its independent financial adviser or other professional adviser regarding its purchase of the Social Financing Instrument of **Bpifrance** before deciding to invest. The **Bpifrance** Social Financing Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time.

Ethifinance has issued an independent opinion, dated in February 2023, on the Social Financing Framework of **Bpifrance** (the “Second Party Opinion”). The Second Party Opinion is a statement of opinion on certain sustainability and related considerations, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any other third party made available. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in any note, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the notes. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold any such notes and is current only as of the date it was issued. The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn.

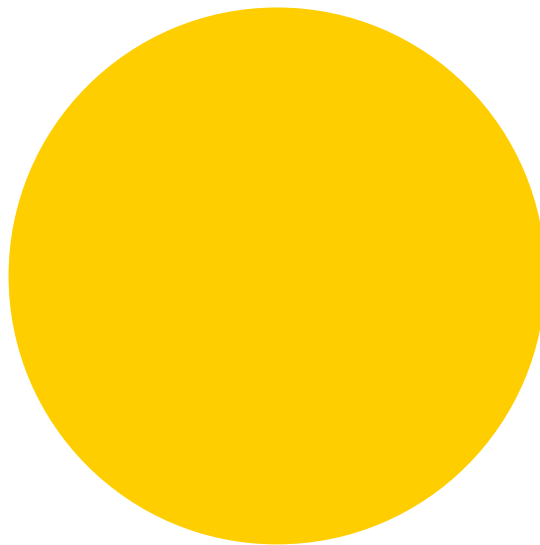
This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. Persons into whose possession such documents may come must inform themselves about and observe any applicable restrictions on distribution.

The information and opinions contained in this Social Financing Framework are provided as at the date of this document only and are subject to change without notice. **Bpifrance** does not assume any responsibility or obligation to update, modify or amend the information or to otherwise notify any recipient if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate. None of **Bpifrance** or its representatives and affiliates shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

Forward-looking statements:

This Social Financing Framework contains certain forward-looking statements that reflect **Bpifrance's** current views with respect to future events. These forward-looking statements are based on **Bpifrance's** current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of **Bpifrance** to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this document. **Bpifrance** does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this document. The information contained in this Social Financing Framework does not purport to be comprehensive and has not been independently verified by any independent third party.

This Social Financing Framework is the exclusive intellectual property of **Bpifrance**.



# Social Financing Framework

## CONTENTS

### 01. INTRODUCTION

---

- A brief overview of **Bpifrance** ..... 5
- **Bpifrance** global sustainable strategy ..... 6
- **Bpifrance** as the armed wing of the State to conduct its social missions ..... 10
- **Bpifrance**'s spirit will be oriented toward Employment, Innovation, and Inclusion ..... 16
- Rationale for **Bpifrance** Social Financing Framework ..... 18

### 02. BPIFRANCE SOCIAL FINANCING FRAMEWORK

---

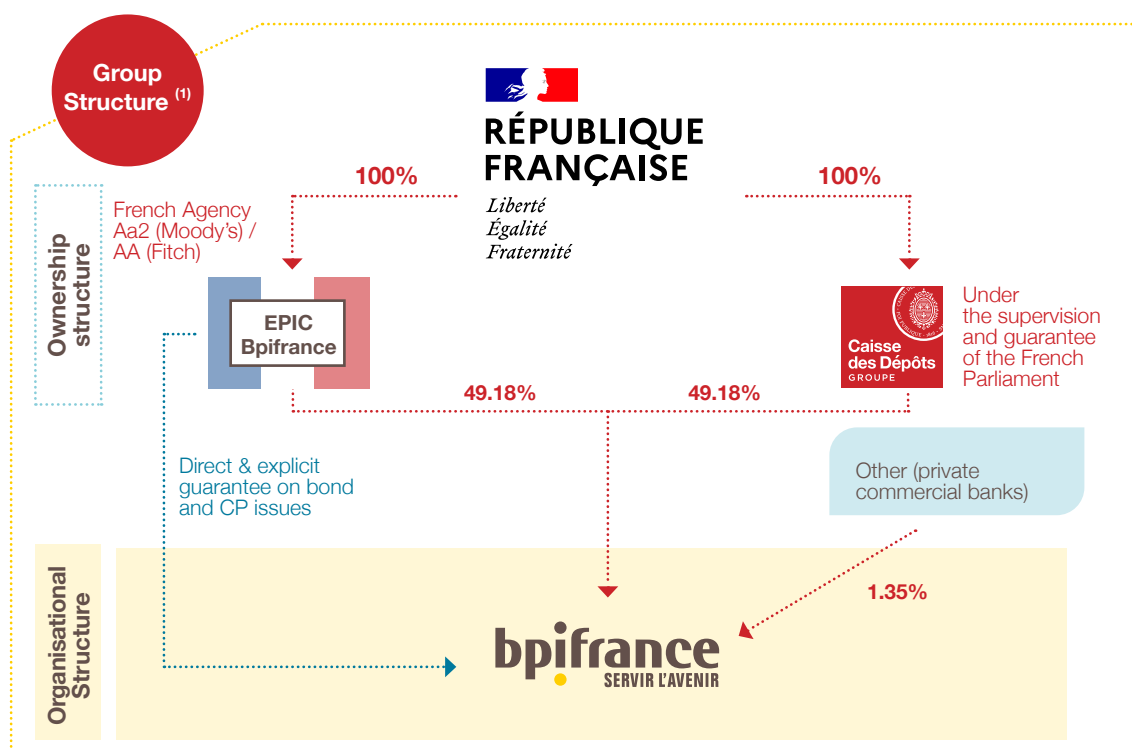
- Use of proceeds ..... 21
- Process for Project Evaluation and Selection ..... 30
- Management of proceeds ..... 33
- Reporting ..... 34
- External review ..... 38
- Documents and websites ..... 38

**01.**

**INTRODUCTION**

## • A brief overview of Bpifrance

**Bpifrance** is the French national promotional bank, innovation agency, sovereign fund and export credit agency. Its general interest mission leads **Bpifrance** to promote the financing and the development of companies operating in France, in particular SMEs. **Bpifrance** is a public group created by the law of 12 July 2013. It aims to finance and develop companies and acts in accordance with the public policies conducted by both the French State and French regional authorities. **Bpifrance** has a highly protected legal status and is tightly controlled by public authorities: 49.18% of its equity is owned by the French State and 49.18% by the *Caisse des Dépôts*. **Bpifrance**'s "raison d'être" reflects the 2019 "loi PACTE" which encourages companies to "include social and environmental issues related to their activity in their articles of association".



**Bpifrance**, the parent and banking entity of the group, is the bond issuer. Its corporate purpose is to finance and stimulate French SME's growth and innovation, by offering financing solutions which are suited for every stage of businesses' development.

Thanks to **Bpifrance**'s expertise, its 50 regional offices, and its 1,369<sup>(2)</sup> employees who are in daily contact with French Micro and SMEs, these French corporates benefit from a unique and efficient assistance. Hence, **Bpifrance** helps them grasp opportunities while overcoming their challenges. **Bpifrance**'s business model is the one of an atypical organisation, build to answer French enterprises' sustainable growth needs. It has been constructed around core and federative values "Serving the future".

<sup>(1)</sup> Commercial banks hold a 1.35% stake in **Bpifrance** and **Bpifrance** holds 0.29% of its own capital.

<sup>(2)</sup> 1,369 full time employees are working at **Bpifrance** network, out of 3,707 employees in total, as of 31 December 2021

## • Bpifrance global sustainable strategy

### General and public interest

Since its foundation **Bpifrance** believes that finance should serve general and public interest. It has been formalised by French parliamentarians at **Bpifrance** creation in 2012, to define its purpose and missions with a focus on ESG issues.

The mission of **Bpifrance** is also to develop and stimulate the French economy by financing the development and innovation of French Micro and SMEs (MSMEs). By supporting employment generation and preservation, by encouraging female entrepreneurship and by helping companies in disadvantaged areas, **Bpifrance is driven by economic, environmental, and social challenges.**

Four societal priorities - aligned with the UN's Sustainable Development Goals (SDGs) have been set by **Bpifrance** to constitute pivotal points of its commitments:

- Support employment and job creation
- Quality of governance & management
- Encouraging women's entrepreneurship
- Ecological and energy transition

Each of **Bpifrance's** activities is aligned with at least one Sustainable Development Goal (SDG).



As such, **Bpifrance** aims to contribute addressing SDGs challenges<sup>(1)</sup> faced by the French State as identified in the Sustainable Development Report<sup>(2)</sup>. **Bpifrance** conducts an impact assessment every year, with a 3-year look-back period, to assess its direct footprint covering economic, social and environmental impact.

### Bpifrance's key initiatives

In accordance with its general and public interest mission, **Bpifrance** leads to promote the financing and the development of companies operating in France, in particular SMEs. Moreover, **Bpifrance** is also committed to “support the implementation of the ecological and energy transition”<sup>(3)</sup> (in accordance with its constitutional documents established by the law of June 2005). Therefore, **Bpifrance** is a long-standing player in the financing of SMEs and in the green transition financing sector in France, as demonstrated by the below initiatives:

<sup>(1)</sup><https://dashboards.sdgindex.org/profiles/france>

<sup>(2)</sup><https://www.bpifrance.fr/download/media-file/76383>

<sup>(3)</sup>Ordonnance n°2005-722 dated 29 June 2005, article 1A

- By signing:

- Paris Agreement<sup>(1)</sup>
- Montreal Protocol<sup>(2)</sup>
- Santiago Principles<sup>(3)</sup>
- Poseidon Principles<sup>(4)</sup>
- Financial Institutions' Declaration of Intent on Energy Efficiency<sup>(5)</sup>
- United Nations' Principles for Responsible Investment<sup>(6)</sup>
- French Public Investor Charter for Climate<sup>(7)</sup> in December 2017 with the *Caisse des Dépôts*, the *Agence Française de Développement*, the *Fonds de Réserve pour les Retraites* and the ERAFP
- French Public Investor Charter for SDG<sup>(8)</sup>
- France Invest's SISTA<sup>(9)</sup> and Parité Charters<sup>(10)</sup> to increase financing for women entrepreneurs

- By supporting and promoting:

- ACT initiative (Assessing low Carbon Transition) from ADEME<sup>(11)</sup>
- Carbon Disclosure Project
- Planet Tech Care

- By becoming a member of:

- One Planet Sovereign Wealth Fund
- Carbon Disclosure Project
- "Nature 2050" program operated by CDC *Biodiversité*, which finance projects of restoration of biodiversity
- Club B4B+ (Business for Biodiversity Positive)
- "Companies committed for Nature<sup>(12)</sup>" lead by Biodiversity French Office

- By fostering biodiversity:

- Several training sessions are available at **Bpifrance Université** to help French companies find solutions to mobilize on the issue and on how to adapt their business model and reduce their impact
- By using GBS™, Global Biodiversity Score, developed by CDC *Biodiversité* to measure biodiversity footprint of **Bpifrance** listed companies' portfolio
- By working with France Invest Sustainability Commission on an assessment methodology dedicated to SMEs biodiversity footprint
- By questioning all its organisation on how to build a Biodiversity roadmap for all **Bpifrance** activities

- By excluding from financing and investing in controversial activities:

- Anti-personnel mines and cluster munition
- Tobacco

<sup>(1)</sup>[https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

<sup>(2)</sup><https://ozone.unep.org/sites/default/files/2019-08/Montreal-Protocol2000.pdf>

<sup>(3)</sup>[https://www.ifswf.org/sites/default/files/santiagoprinciples\\_0\\_0.pdf](https://www.ifswf.org/sites/default/files/santiagoprinciples_0_0.pdf)

<sup>(4)</sup>[https://www.poseidonprinciples.org/finance/wp-content/uploads/2019/07/Poseidon\\_Principles.pdf](https://www.poseidonprinciples.org/finance/wp-content/uploads/2019/07/Poseidon_Principles.pdf)

<sup>(5)</sup><https://www.unepfi.org/fileadmin/documents/DeclarationIntentEnergyEfficiencyFinance.pdf>

<sup>(6)</sup><https://www.unpri.org/signatory-directory/bpifrance-investissement/966.article>

<sup>(7)</sup><http://www.fondsdereserve.fr/documents/charte-des-investisseurs-publics-francais-en-faveur-du-climat.pdf>

<sup>(8)</sup>[https://www.rafp.fr/sites/default/files/file/charte\\_odd\\_des\\_investisseurs\\_publics\\_francais\\_.pdf](https://www.rafp.fr/sites/default/files/file/charte_odd_des_investisseurs_publics_francais_.pdf)

<sup>(9)</sup><https://cnumerique.fr/index.php/plus-de-50-fonds-dinvestissement-sengagent-pour-la-premiere-fois-financer-25-de-startups-fondees-ou>

<sup>(10)</sup>[https://www.franceinvest.eu/boite-outils/parite/charte-parite/#dearflip-df\\_16959/12/](https://www.franceinvest.eu/boite-outils/parite/charte-parite/#dearflip-df_16959/12/)

<sup>(11)</sup><https://actinitiative.org/act-in-france-soutien-financier/>

<sup>(12)</sup><https://engagespourlanature.ofb.fr/>



- By imposing restrictions on financing and investment in the fossil fuel sector:

- Since 2021 **Bpifrance** has committed to cease financing or investing in companies whose coal mining or coal-fired power generation activities exceed 5% of their revenues. By 2023, **Bpifrance** will stop investing or financing in infrastructures related to thermal coal, as well as direct financing or investing in new upstream fossil capacity and upstream transport infrastructure.

### A 360° view of Bpifrance Corporate Social Responsibility and ESG factors integration

**As an investor:** a responsible investor policy<sup>(1)</sup> is applied to operations in all activities. **Bpifrance** systematically takes into account extra-financial ESG criteria which likely have an impact on investment decisions. ESG assessment is integrated throughout the life cycle of each investment. Furthermore, in the due diligence phase, investment teams use an ESG assessment tool to identify potential ESG issues. This tool has been developed to be sector and size sensitive. It allows **Bpifrance**, as a responsible investor to assess ESG issues materiality related to the company activities. The ability of the company to face and respond to such issues is also taken into account. Additional due diligence could be conducted with the management to establish an improvement strategy, if needed, as stated in **Bpifrance** Responsible Shareholder Engagement policy.<sup>(2)</sup>

**As a financier:** an analysis of company ESG practices for credit applications or innovation support over certain thresholds has been implemented to assess ESG issues related to:

- Environmental issues: energy consumption, greenhouse gas emissions, use of natural resources and implementation of eco-friendly design, pollution and waste solutions.
- Labour issues: the evolution of the number of employees (including those under 25 years), the quality of jobs, workplace health and safety, dialogue and social, climate and human resource management.
- Societal issues: transparency and commercial practices with customers and suppliers, local preference for production, employment, and suppliers.
- Corporate governance.

Transition risk analysis has been reinforced for exposed sectors, including transportation, real estate, construction and building sectors. Those sectors are monitored by internal expert groups to establish best in class procedures on evaluation and analysis before financing.

**As an export credit insurer:** environmental and social aspects are included in project analysis for **Bpifrance Assurance Export** guarantees over €10M or located in sensitive areas, following OECD's ESG due diligence recommendations<sup>(3)</sup>. Since January 2021, **Bpifrance** and the French State propose preferential export guarantee conditions to sustainable projects, in line with the EU Taxonomy.

**As an employer:** the QWL<sup>(4)</sup> agreement addresses work conditions, focusing on health, stress, psychosocial risks, harassment, and violence at work. Some specific health measures to protect employees undertaken in 2020 have been reconducted. A training course for new managers is set up to prevent psychosocial risks. **Bpifrance** signed the Charter of Diversity, to fight all form of discrimination. A Gender Equality Agreement has been put in place. A new disability agreement has been signed in 2020.

<sup>(1)</sup><https://www.bpifrance.fr/download/media-file/41977>

<sup>(2)</sup><https://www.bpifrance.fr/download/media-file/73703>

<sup>(3)</sup><http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

<sup>(4)</sup>Quality of Work Life

As a voice to foster ESG: **Bpifrance** is stepping up CSR awareness-raising and training activities for businesses (324 companies impacted in 2021). **Bpifrance Université** offers 45 courses on CSR, more than 7,300 trainees attended in 2021. Many sector-specific guides have been developed to raise awareness about climate, risks and challenges of energy transition, opportunities, and solutions.

### Strong governance structure to meet ESG challenges

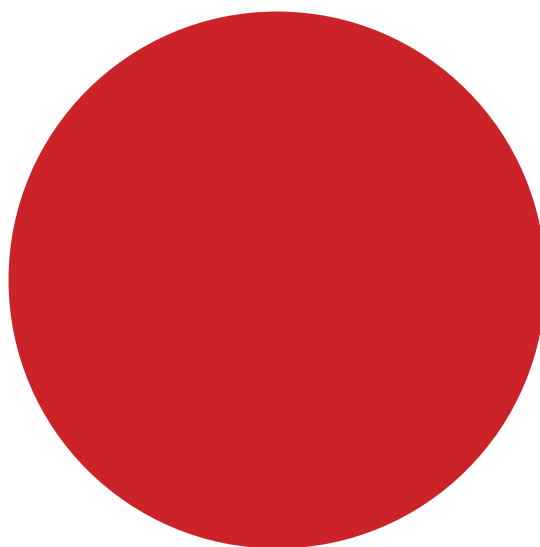
Governance bodies are determined by law:

- An Audit committee, a Risk Committee, an Appointments Committee, a Remuneration Committee.

Advisory Committees have been set up for:

- Financing Guarantees, Innovation, Climate.
- A dedicated Climate and Environmental Risk Committee.

A double principle of competence and parity is applicable at board level. The French State and *Caisse des Dépôts* are represented on the board of directors. To oversee **Bpifrance** Climate Plan, a Climate Committee has been incorporated to the governance bodies. To strengthen transparent body governance, regional guidance councils adapt **Bpifrance's** actions to local areas' specificities.



## • **Bpifrance as the armed wing of the French State to conduct its social missions**

As the French national promotional bank, innovation agency, sovereign fund and export credit agency, **Bpifrance** assists businesses of all sizes:

- For micro-businesses, **Bpifrance** aims at facilitating entrepreneurship by removing obstacle to creation (seed money, innovation aid, guarantees, financing, support for business creation).
- For SMEs and mid-caps, the focus of **Bpifrance** is to support the growth of French SMEs domestically and internationally (innovation aid, guarantees, financing, export support and insurance, consulting and training days, growth capital).
- For Large-Caps, **Bpifrance** participates in their growth by collaborative innovation projects, financing, export insurance and capital stabilization.

Part of **Bpifrance** activities is carried out under public policies and use dedicated funds from the French State, French regional authorities or Europe, such as:

- Guaranteeing loans granted by banking partners.
- Financing innovation through aid or loans.
- Export credit insurance.

Supporting development and resilience of SMEs to foster employment<sup>(1)</sup> in France:

### **Supporting the development of SMEs and employment**

The general mission of **Bpifrance** is to develop and stimulate the French economy by financing the development and innovation of French MSMEs. In 2021, **Bpifrance** has supported 57,600 MSMEs representing more than 511,000 jobs.

**Bpifrance** fulfils its role in supporting the development of SMEs and business startups. Fostering the creation of business is in the DNA of **Bpifrance**, in 2021, 59% of micro-businesses supported by **Bpifrance** had never been supported by any bank.

In 2021, **Bpifrance** has conducted an impact study over the 2011-2017 period which demonstrated that companies in development phase supported by **Bpifrance** overperformed the comparable control companies in terms of annual revenue, job creation and resilience<sup>(2)</sup>.

### **Strengthening the economic development and entrepreneurship in French territories**

To strengthen the French regions development, **Bpifrance** offers partnerships to develop a financing offer to cover most of businesses' needs for creation, innovation and development that are adapted to local characteristics. These services are developed with pooled tools, particularly for financing innovation and access to business credit.

In 2021, beneficiaries from **Bpifrance** support are geographically located<sup>(3)</sup> all over the French territory:

- 16% in rural area
- 72% out of urban metropolises
- 38% in industrial territory

<sup>(1)</sup> For more information: please refer to **Bpifrance**'s Impact in 2021: [https://www.bpifrance.fr/sites/default/files/2022-09/Impact\\_2021.pdf](https://www.bpifrance.fr/sites/default/files/2022-09/Impact_2021.pdf)

<sup>(2)</sup> <https://www.bpifrance.fr/nos-actualites/bpifrance-quels-effets-sur-leconomie-en-2021>

<sup>(3)</sup> For more information: please refer to **Bpifrance**'s Impact in 2021: [https://www.bpifrance.fr/sites/default/files/2022-09/Impact\\_2021.pdf](https://www.bpifrance.fr/sites/default/files/2022-09/Impact_2021.pdf)

As of 1<sup>st</sup> January 2019, **Bpifrance** has taken over the missions of *Agence France Entrepreneur (AFE)* and *Caisse des Dépôts* in favor of business creation. The aim of **Bpifrance Création**, the result of this merger, is to facilitate entrepreneurship for all actors by removing the barriers to information, financing, and growth. **Bpifrance** has extended its activity to support MSMEs, mid-caps companies, and startups in all regions.

**Bpifrance** has the mission to reinforce action toward entrepreneurship especially in the most disadvantaged territories. Considering this mission, **Bpifrance** launched the “*Prêt d’Honneur Solidaire*”, a zero rate and small size loan (between €1,000 and €8,000) targeted to unemployed individuals, state benefit recipients, individuals aged between 18 and 25 years old, disabled below 30 years old.

The “*Prêt d’Honneur Création-Reprise*” is dedicated to project’s promoters and has to be paired with another “*Prêt d’Honneur*”, to support borrower for business creation, development, or buyback.

### Supporting resilience of SMEs impacted by the Covid-19 Crisis

Since the beginning of March 2020, **Bpifrance** promptly reacted to the emerging economic shock resulting from the rising coronavirus epidemic in France. On 12 March 2020, **Bpifrance** launched a business contingency plan (“*Plan de soutien d’urgence aux entreprises*”<sup>(1)</sup>). Aimed at assisting entrepreneurs by mitigating cash flow difficulties of companies impacted by the Covid-19 pandemic, the response plan of **Bpifrance** was built around its commitment to support French businesses with strong measures during this unprecedented period and to preserve as much employment as possible.

**Bpifrance** has been the main operator of the “*Prêt garantie par l’État*”<sup>(2)</sup> launched by the French State, more than 700,000 companies have been helped.

**Bpifrance** emergency measures include:

- The suspension of all payments on existing loans for the most impacted **Bpifrance** customers.
- The establishment, in partnership with the French State and French Regions, of dedicated Covid-19 response loans: the “*Prêt Atout*”<sup>(3)</sup> and the “*Prêt Rebond*”<sup>(4)</sup>.
- Further emergency measures aiming to secure French companies’ financing in partnership with their banks.
- The “*Prêt d’Honneur Renfort*” is dedicated to strengthening capital stock of enterprises affected by the Covid-19 health crisis.
- The “*Prêt garantie par l’État – Soutien Innovation*” targeting innovative companies.
- Additional suspension of all payment has been made to companies in tourism sector.
- The “*Prêt Tourisme*” is an exceptional measure which has been followed by Dedicated Tourism Investment Plan, Tourism Support Plan and Tourism Aid Plan.

<sup>(1)</sup><https://www.bpifrance.com/2020/04/08/covid-19-bpifrance-emergency-plan/>

<sup>(2)</sup><https://www.economie.gouv.fr/covid19-soutien-entreprises/pret-garanti-par-letat#>

<sup>(3)</sup><https://bpifrance-creation.fr/encyclopedie/covid-19-mesures-exceptionnelles/aides-financieres-liees-a-crise-covid-19/pret-rebond>. This scheme may evolve in order **Bpifrance** to better suits its clients’ needs.

<sup>(4)</sup><https://www.bpifrance.fr/Toutes-nos-solutions/Prets/Prets-regionaux/Pret-Rebond>. This scheme may evolve in order **Bpifrance** to better suits its clients’ needs.

## Supporting the international development of SMEs and fostering social development in developing countries

**Bpifrance** is committed to provide a long-term support for international strategy of SMEs by financing their international development through two main solutions:

- Buyer Credit: financing solution directly granted by **Bpifrance** to the foreign customer of the exporting company.
- Supplier Credit: financing solution granted by the exporting company to its foreign customer and then buy-back by **Bpifrance** from the company.

These solutions are mainly deployed in developing countries and aimed at improving the access to essential services including education and healthcare, and developing basic infrastructure such as clean drinking water, clean transportation, and energy.

## Training and Advisory for entrepreneurs and SMEs

Access to continuing vocational training is unequal, more frequent for the most highly qualified, public-sector employees and employees of large companies.

**Bpifrance** offers an advisory support to startups, SMEs, and mid-caps with an objective to put companies on a sustainable growth path. **Bpifrance** assists businesses, entrepreneurs, and executives through three assisting programs ("*Accompagnement*"<sup>(1)</sup>):

- Accelerators programs ("*Accélérateurs*"<sup>(2)</sup>): 12 to 24 month programs for classes of thirty entrepreneurs. Their objectives are to help entrepreneurs to structure their companies in depth to reveal their potential by entrepreneurs networking, group training and individual advice. In 2021, 630 entrepreneurs have followed the program.
- Advisory program ("*Conseil*"<sup>(3)</sup>): **Bpifrance** has developed a consulting activity for executives to support them in their strategic or operational challenges. In 2021, 3,550 consulting missions have been achieved.
- University program ("*Bpifrance Université*"<sup>(4)</sup>): support the development of executives' skills, for the benefit of their company's development through online and classroom training. In 2021, 24,582 executives have been trained.

## Supporting Innovation of SMEs

**Bpifrance** believes that innovation for MSMEs and mid-caps, must be at the heart of the growth and development of companies. In 2021, **Bpifrance** has mobilized €6.2Bn in favor of 8,000 innovative companies through:

- Implementing financing and innovation aid support for innovative solutions (€3.5Bn of innovation aid in 2021)
- Loans solutions for innovative projects (€0.6Bn of loans in 2021) such as:
  - "*Prêt Innovation*"<sup>(5)</sup>: Financing of intangible expenses related to the industrial and commercial launch of innovations developed by innovative enterprises (SMEs and mid-caps).
  - "*Prêt d'Amorçage Investissement*"<sup>(6)</sup>: Financing the intangible needs related to companies in startup phase.

<sup>(1)</sup> <https://www.bpifrance.com/coach-for-entrepreneurs/>

<sup>(2)</sup> <https://www.bpifrance.com/coach-for-entrepreneurs/>

<sup>(3)</sup> <https://www.bpifrance.com/products/consulting/>

<sup>(4)</sup> <https://www.bpifrance-universite.fr/>

<sup>(5)</sup> <https://www.bpifrance.fr/catalogue-offres/soutien-a-linnovation/pret-innovation>

<sup>(6)</sup> <https://www.bpifrance.fr/catalogue-offres/soutien-a-linnovation/pret-damorçage-investissement>

- “Prêt Innovation R&D ” & “Prêt à Taux Zéro pour l’Innovation ”<sup>(1)</sup>:
  - Financing of incremental or new generation technological innovation projects relating to the financing of research, development and innovation (RDI) before industrial or commercial launch.
  - Financing of creative innovation projects (creative, artistic, and cultural activities).
- Investing in Capital Innovation<sup>(2)</sup> (€2Bn in 2021), 53% of the beneficiary companies were created less than 3 years ago

Through **Bpifrance Le Hub**<sup>(3)</sup>, **Bpifrance** supports startups by anticipating, identifying, and understanding current emerging trends. Since 2019, **Bpifrance** is the French operator of the Deeptech Plan<sup>(4)</sup>, which aims to double the number of research-based startups in 2023. In 2021, **Bpifrance** has deployed its financing mechanisms to 553 startups in the sector.

### Assisting SMEs in their Digital Transformation

**Bpifrance** helps entrepreneurs to assess their business’s progress towards digital transformation with:

- A self-assessment tool called the “*Digitalomètre* ”<sup>(5)</sup> with the possibility of support from a third-party expert.
- E-learning offered by **Bpifrance Université**<sup>(6)</sup>.
- **Bpifrance Le Lab** offers a practical guide for raising awareness to help MSMEs to prepare for GDPR with feedback from entrepreneurs<sup>(7)</sup>.
- A measurement tool called the “*Frenchfabomètre* ”<sup>(8)</sup> for assessing performance of the sectors of the future.
- A dedicated digital loan offer: “*Transformation Numérique*”, to support digital transformation for MSMEs.

The need for companies to adapt and take advantage of the digital shift is significant. It has become a key factor of resilience and growth for companies. The digital gap between small and large corporation has also been highlighted alongside this trend, impacting particularly MSMEs. These phenomena have especially gained momentum since the arrival of the Covid-19 pandemic. Based on this observation, a national initiative “*France Num* ” has been set up to help MSMEs, everywhere in the French territory, to enhance their digital habits. **Bpifrance** supports several “*France Num* ” initiatives in favour of the digital transformation of MSMEs.

<sup>(1)</sup> <https://subventions.fr/guide-des-aides/pret-a-taux-zero-pour-l-innovation-ptzi-bpifrance/>

<sup>(2)</sup> <https://www.bpifrance.fr/catalogue-offres/soutien-a-l-innovation/fonds-d-investissement-bpifrance-capital-innovation>

<sup>(3)</sup> <https://lehub.bpifrance.fr/>

<sup>(4)</sup> <https://www.bpifrance.com/2022/04/29/the-deeptech-plan-shows-successful-results-in-2021/>

<sup>(5)</sup> <https://bpifrance-creation.fr/entrepreneur/actualites/lancement-du-digitalometre-nouvel-outil-dauto-evaluation-digitale-bpifrance>

<sup>(6)</sup> <https://www.bpifrance-universite.fr/>

<sup>(7)</sup> [https://lelab.bpifrance.fr/get\\_pdf/744/bpifrance\\_le\\_lab\\_cnll\\_guide\\_rgpd.pdf](https://lelab.bpifrance.fr/get_pdf/744/bpifrance_le_lab_cnll_guide_rgpd.pdf)

<sup>(8)</sup> <https://mon-frenchfabometre.bpifrance.fr/>

## Socioeconomic advancement and empowerment

### • Supporting Social and Solidarity Economy

**Bpifrance** is historically involved in the financing of Social and Solidarity Economy companies such as association, cooperative and foundation. In 2021, its action reached approximately €510M towards 850 entities by offering them loans, support to innovation, capital investment and loans guarantee. **Bpifrance**, with “*Programme d’Investissement d’Avenir*” and the “*Fonds d’Innovation Social*”, continues to support this sector.

### • Supporting community inclusion

Underprivileged regions: **Bpifrance** is committed for equal opportunity and inclusion for young people from underprivileged backgrounds by supporting and developing entrepreneurship in underprivileged regions.

Women entrepreneurship: since its creation, **Bpifrance** supports and encourages women entrepreneurship and business creation by assisting and financing through business creation support and financing networks.

Inclusion of young people: through the «*1 jeune, 1 solution*» program, **Bpifrance** supports the inclusion of young people by offering special assistance to French SMEs and mid-caps companies. The goal is to recruit young talents to accelerate ecological and energy transition projects: the “*VTE Vert*”<sup>(1)</sup>.

Senior employment: as an employer, **Bpifrance** commits itself to encourage senior employment by setting mentoring program amongst generation. A skills patronage “*Mécénat de compétences*” for end of careers is to be set.

Inclusive recruitment towards employees with a disability: as an employer and through the *Mission Handicap*, **Bpifrance**’s employees conducted an awareness and communication campaign with participation in events such as the European Disability Week, Duodays<sup>(2)</sup> and the Handitech Trophy<sup>(3)</sup>.

## Financing the access to essential services

### • French healthcare sector

**Bpifrance** is a direct support to French healthcare sector through the financing of public hospitals, long-term care facilities (EPHAD) and other social housing for senior and young people. Accompanying MSMEs implantation in disadvantaged areas, which suffer from a lack of medical care “*Déserts Médicaux*”. **Bpifrance** launched dedicated actions to foster healthcare related activities with the emergence of “*La French Care*” movement that aims to create synergies in the sector. Symbolized by the “*coq blanc*”, “*La French Care*” ambition is to make France a driving force for innovation in healthcare. Additionally, **Bpifrance** is highly involved for the growth and industrialisation of healthcare startup, in line with the French State Strategic Plan “*Innovation Santé 2030*”<sup>(4)</sup>. Specific innovative sectors are supported by **Bpifrance**: bio-production of innovative therapies, digital health, emerging infectious diseases and CBRN threats.

<sup>(1)</sup> <https://bpifrance-creation.fr/entrepreneur/actualites/vte-vert>

<sup>(2)</sup> <https://www.duoday.fr/>

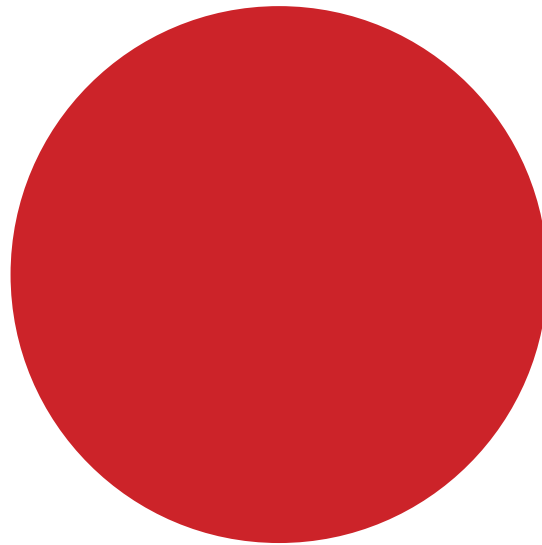
<sup>(3)</sup> <https://www.handitech-trophy.fr/>

<sup>(4)</sup> [https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2021/06/sante\\_innov30\\_a4\\_07\\_vdefdp.pdf](https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2021/06/sante_innov30_a4_07_vdefdp.pdf)



- **French education sector**

**Bpifrance** also supports the French education sector by financing educational institution (higher education, technical and vocational secondary education, cultural education, sports and recreation education), and by supporting companies through several programs among **Bpifrance Université** program. Besides, **Bpifrance** has a long-standing student loan guarantee scheme on behalf of the Ministry of Higher Education, Research, and Innovation. The scheme helps students whose parents cannot act as guarantor to be eligible for student bank loans. This student loan guarantee scheme represents almost €650M/year and 80,000 student loans were guaranteed in 2021. Additionally, a high contribution to the French State Strategic Plan “*Enseignement et Numérique 2030*” and a support to innovation at education’s service.





## • **Bpifrance’s spirit will be oriented toward Employment, Innovation, and Inclusion**

**Bpifrance** intends to become a major player in business resilience and a central actor for “*Plan France 2030*”<sup>(1)</sup>, a €30Bn government plan to address the significant challenges and build a decarbonized and resilient society by 2030.

**Bpifrance** disclosed an ambitious plan “*Plan Stratégique*”<sup>(2)</sup> for the 2021-2024 period featuring several social and economic purposes:

### **The next stage in the transformation of French industry**

Recent years have been marked by a proactive reindustrialization policy. French industrial companies are facing key challenges to ensure recovery (e.g. concerns regarding supply or recruitment) as well as long-term needs regarding major transitions (e.g. digital, industry 4.0), and consequently express the need of support on this path. **Bpifrance** aims to fully play its role of promotional bank. Fostering entrepreneur’s creativity and confidence and enabling the advanced transformation of France is in **Bpifrance**’s DNA.

#### • **Reindustrialization**

In addition to providing support for the challenges set by the strong recovery, **Bpifrance** will continue to deploy structural actions to support French reindustrialization through:

- Consolidation and structuring of the French industrial SMEs network with long-term financing such as unsecured loans, equity financing and support.
- **Bpifrance** will focus its direct investments on industrial build-ups with an objective to create European industrial champions.
- Since 2020, **Bpifrance** has been ensuring the deployment of the following €500M programs: “Securing critical industrial value chains (healthcare, agri-food, electronics, telecommunications, etc.)” and “Supporting industrial projects in the regions”.

#### • **Strengthen relations between SMEs/mid-caps and large companies**

The imbalance in relations between SMEs/mid-caps and large companies has led to unstructured the industrial value chains in France. To re-establish the relations and increase mutual knowledge between large companies and SMEs, **Bpifrance** wishes to strengthen its support offer by intervening at three levels:

- Accelerators programs (“*Accélérateurs*”) have implemented “Sector days” to systematize the involvement of large company in its support programs and increase the number of connections with industrial SMEs.
- For **Bpifrance**’s network, creation of a “commercial performance” consulting module geared towards prospecting of large companies and their decision-makers.
- University programs (**Bpifrance Université**) have developed a specific training about “collaboration between SMEs and large companies” on **Bpifrance**’s e-learning platform.

#### • **Disseminate innovation in industrial companies**

**Bpifrance** has developed a platform called *Tech in Fab*<sup>(3)</sup> which aims to bring together *La French Tech*<sup>(4)</sup> and *La French Fab*<sup>(5)</sup> ecosystems, by supporting the tech transformation of manufacturers. To bring together the 1,500 startups and 5,000 industrial companies the platform will capitalize on **Bpifrance**’s assets: *La French Fab* expertise and its extensive network of industrial companies, *La French Tech* expertise and its Digital Hub platform (referenced by 1,300 startups).

<sup>(1)</sup><https://www.bpifrance.com/2022/02/22/bpifrance-a-key-operator-in-french-investment-plan-france-2030/>

<sup>(2)</sup><https://www.bpifrance.fr/nos-actualites/bpifrance-au-service-de-la-croissance-des-entreprises-innovantes>

<sup>(3)</sup><https://www.lafrenchfab.fr/2021/04/02/plateforme-tech-in-fab-partenariat-france-industrie-bpifrance-pour-deeptech-tech-et-fab-allient/>

<sup>(4)</sup><https://lafrenchtech.com/en/>

<sup>(5)</sup><https://lafrench-fab.com/>

### • Deploy the “*Plan Nouvelle Industrie*”

Following the increase of requests from startups to finance production lines and factories, the “*Plan France 2030*” has given resources to **Bpifrance** to deploy the “*Plan Nouvelle Industrie*”. This plan will allow the emergence of around 100 new factories per year by 2025.

All those transformations will bring employment in French territories.

### Scaling up financing for innovation

#### • Support the growth of the innovation ecosystem

**Bpifrance** intends to broaden the base of French startups through the growth of innovation support Tech and Deeptech (objective of more than 1,200 Tech and Deeptech startups created per year by 2025 compared to 800 in 2020), and to further support the growth of startups and scale-ups, as well as their industrialization.

To achieve this ambition, **Bpifrance** will massively drive the startup financing ecosystem thanks to its fund of funds activity, and will amplify the dynamics of financing, direct investment, and non-financial support to Tech companies.

#### • Strengthen the impact of the “*Plan Deeptech*”

Since 2019, **Bpifrance** is the French operator of the “*Plan Deeptech*”, which aims to double the number of research-based startups in 2023 and to create 500 startups per year by 2025. A €3Bn plan to make France a Deeptech nation by 2025. To achieve this objective, this plan is deployed under three focuses:

- Stimulate creation of Deeptech startups (500 per year).
- Supporting growth and building the industrial leaders of tomorrow through a massive mobilization of resources, with the aim of creating 10 Deeptech unicorns<sup>(1)</sup> by 2025 and 100 industrial sites per year by 2030.
- Boosting innovation ecosystems in the regions and by sector.

### The inclusion of every actor in the economy

To provide a sustainable response to the major economic and social challenges, **Bpifrance** will be active alongside all entrepreneurs and business leaders, to assist them and enable them to participate in the economic growth and the development of a more inclusive society. This ambition will be focus on 6 mains actions:

- Supporting startup and micro-enterprises: over the period 2021-2024, **Bpifrance** will deploy €1.7Bn in loans dedicated to micro-businesses.
- Supporting entrepreneurs in all territories by facilitating the access to assisting programs (*Accélérateurs*, **Bpifrance Le Hub**, **Bpifrance Université**). **Bpifrance** aims to support 130,000 entrepreneurs by 2024.
- Facilitating student loan through the student loan guarantee scheme with an ambition of 80,000 student loan per year.
- Assisting and promoting women entrepreneurship.
- Making private equity accessible to private individuals by launching “*Bpifrance Entreprises 1*” and “*Bpifrance Entreprises 2*”.
- Integration of CSR and ESG issues by all business lines: **Bpifrance** will strengthen its role as a key player in the market for startups, SMEs, and mid-caps by increasing training programs throughout the country.

<sup>(1)</sup>A startup with a market cap of minimum \$1Bn

## ● Rationale for Bpifrance Social Financing Framework

As a promotional bank, **Bpifrance** has several focuses to conduct its activities:

- Support micro-businesses, SMEs, Mid Caps.
- Fortify and galvanize the French economic fabric on every territory.
- Support French economy competitiveness and foster a sustainable growth.
- Fulfill market failure, by supporting activities that no other financial actor wants to back.

Micro-businesses and SMEs are important contributors to employment in France. **Bpifrance** is fully committed to serve general and public interest. With 57,600 direct supports to MSMEs' in 2021, **Bpifrance** plays a major role to strengthen the economic development of territories and to support employment.

MSMEs employment generation and preservation are keys missions for **Bpifrance** and tend to be achieved by several means (support to MSMEs in disadvantaged areas, finance innovation, support MSMEs affected by a natural or health disaster, finance digitalization of MSMEs).

Business creations in France reached a new record with 995,900 new businesses in 2021, according to INSEE<sup>(1)</sup>. In every French territory, business creation has increased by at least 9%. To continue this expansion, entrepreneurs need to be coached and to be offered with an easy access to this essential service. **Bpifrance** has chosen to select operational expenditures dedicated to training and advisory on entrepreneurship and business development.

France counts 200,000 companies in the Social and Solidarity Economy (SSE) sector<sup>(2)</sup>. This sector employs 2.38 million people dedicated to individual non-profit organizations and collective or social utility projects. The socioeconomic advancements and empowerment represented by SSE follows **Bpifrance** DNA.

As an organization with strong social responsibilities, **Bpifrance** is involved in social inclusion by providing solutions to reduce inequalities and give access to essential services. Loans dedicated to finance healthcare and education sector are included into this Social Financing Framework. Even if **Bpifrance** activity is mainly based in France, **Bpifrance** also have an impact abroad thanks to its activity of export support. As such, **Bpifrance**'s Social Financing Framework integrates some export loans in developing countries.

**Bpifrance** acts as a financier catalyst for its borrowers. The presence of **Bpifrance** in the analysis of a project provides guarantee to external partners and attract them to be part of a co-financing loan. In 2021, €1 of **Bpifrance**'s loan dragged €4.9 of external funding, for innovation purpose €1 of **Bpifrance**'s loan dragged €3.5 of external funding<sup>(3)</sup>. As a contracyclical bank, **Bpifrance** also fills market discrepancies and is active where commercial banks would not bear the risk. By its presence, **Bpifrance** demonstrates a positive externality and seeks to maintain this virtuous circle. **Bpifrance** is a financing partner at the service of the collective interest, which has the vocation to intervene in market segments or in companies where other financial players are not, or not sufficiently, present.

**Bpifrance** considers this Social Financing Framework as an opportunity to further develop the market of sustainable finance in France, especially for the benefit of MSMEs. Through this Social Financing Framework, **Bpifrance** aims to reinforce its commitment to sustainability as it believes that Social Financing instruments are key financial instruments to achieve a fair economy.

<sup>(1)</sup><https://www.insee.fr/fr/statistiques/6041208>

<sup>(2)</sup><https://www.economie.gouv.fr/leconomie-sociale-et-solidaire#:~:text=Acteur%20C3%A9conomique%20de%20poids%2C%20,2%2C38%20millions%20de%20salar%C3%A9s>

<sup>(3)</sup><https://www.bpifrance.fr/nos-actualites/bpifrance-quels-effets-sur-leconomie-en-2021>

**02.**

**BPIFRANCE  
SOCIAL  
FINANCING  
FRAMEWORK**



This Social Financing Framework (the “Social Financing Framework”) has been established to set out the principles applicable to the issuance of social financing instruments by **Bpifrance**. It has been prepared in accordance with the Social Bond Principles (the “SBP”) published by the International Capital Market Association in June 2021<sup>(1)</sup>. The net proceeds of the Social Financing Instruments issued, or to be issued, by **Bpifrance**, aim at (i) reducing the social and territorial inequalities and (ii) fostering sustainable economic development of territories, in each case, in line with the social objectives of the European Union (“EU”) as set out by Article 3 of the Treaty on European Union (TUE) as implemented under the secondary law of the EU and UN Sustainable Development Goals<sup>(2)</sup> (the “UN Sustainable Development Goals”).

Furthermore, **Bpifrance** will provide its best efforts to follow the recommendations provided by the Platform on Sustainable Finance on its Final Report on Social Taxonomy published in February 2022<sup>(3)</sup> (the “Platform Report”).

This Social Financing Framework complements **Bpifrance**’s Green Bond Framework, highlighting **Bpifrance**’s crucial social missions and confirming **Bpifrance**’s position as an active issuer in the sustainable bond market.

From this Social Financing Framework, **Bpifrance** can issue:

- Standard Social Use of Proceeds Bond representing unsecured debt obligations with full recourse to the issuer only and aligned with the SBP.
- Other Social debt instruments including NEU MTN - Negotiable European Medium Term Note aligned with SBP.

For the avoidance of doubt, **Bpifrance** will be the issuing entity of the Social Financing Instrument, as well as the originator and the manager of the loans financed or refinanced by such Social Financing. The Social Financing issued under this Social Financing Framework will be subject to **Bpifrance**’s general policies in terms of financial and liquidity risk management.

<sup>(1)</sup>[https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles\\_June-2022v3-020822.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022v3-020822.pdf)

<sup>(2)</sup><https://sdgs.un.org/goals>

<sup>(3)</sup>[https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/280222-sustainable-finance-platform-finance-report-social-taxonomy.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/280222-sustainable-finance-platform-finance-report-social-taxonomy.pdf)

## ● Use of Proceeds

An amount equivalent to **Bpifrance** Social Financing proceeds will be allocated to the financing and/or re-financing, in whole or in part of new or existing projects as defined by the Eligible Social categories, such projects are defined below as Eligible Social Projects. In addition, **Bpifrance** Social Financing will apply the principles following financing principles:

- The Eligible Social Projects will be made considering a 3-year maximum look-back period, with a best effort basis on a 2-year look-back period. **Bpifrance** will provide on an annual basis, in a dedicated allocation and impact report, the distribution between financing and refinancing.
- The Eligible Social Projects are mostly targeted at beneficiaries in France and in developing countries for export financing.
- To avoid double counting, loans and projects already financed / refinanced under **Bpifrance** Green Bond Program or **Bpifrance** Covid-19 Response Bond won't be eligible under this Social Financing Framework.
- Eligible Social Projects Criteria are defined below.

Wishing to be aligned with best market practices, **Bpifrance** closely follows the latest market sustainable finance trends and highest technical standards. **Bpifrance** has considered, on a best effort basis, recommendations provided by the Platform on Sustainable Finance on its Final Report on Social Taxonomy published in February 2022<sup>(1)</sup>. Thus, Eligible Social Projects have been mapped against the proposed EU social objectives.

SOCIAL CATEGORY <sup>(2)</sup>	ELIGIBLE SOCIAL PROJECTS DEFINITION	ELIGIBLE SOCIAL PROJECTS CRITERIA	EU SOCIAL OBJECTIVES	SUSTAINABLE DEVELOPMENT GOALS	SOCIAL BENEFIT
Employment generation and preservation	<p><b>Loans to MSMEs in disadvantaged territories:</b> financing solutions aiming at supporting business and job creation to foster socio-economic development and attractiveness of French territories.</p>	<p>Loans dedicated to business creation, innovation financing (including R&amp;D), investments, operating cycle, cash flow and export financing.</p> <p><u>Target population:</u> MSMEs in disadvantaged territories.</p>	Decent Work	   	<p>Sustainable development of disadvantaged territories.</p> <p>Reduction of territorial inequalities.</p> <p>Prevention of unemployment.</p>

<sup>(1)</sup>[https://ec.europa.eu/info/sites/default/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/280222-sustainable-finance-platform-finance-report-social-taxonomy.pdf](https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/280222-sustainable-finance-platform-finance-report-social-taxonomy.pdf)

<sup>(2)</sup>Based on ICMA Social Project categories.

SOCIAL CATEGORY <sup>(1)</sup>	ELIGIBLE SOCIAL PROJECTS DEFINITION	ELIGIBLE SOCIAL PROJECTS CRITERIA	EU SOCIAL OBJECTIVES	SUSTAINABLE DEVELOPMENT GOALS	SOCIAL BENEFIT
Employment generation and preservation	<p><b>Loans to MSMEs affected by natural or health disaster:</b> financing solutions aiming at preserving employment.</p>	<p>Loans to entities affected by a natural or health disaster including but limited to pandemics, earthquakes, floods, or droughts.</p> <p><u>Target population:</u> Vulnerable MSMEs affected by natural or health disaster.</p>	Decent Work		Prevention of unemployment.
	<p><b>Loans to finance Innovation:</b> financing solutions aiming at supporting business creation, employment, and socio-economic development.</p>	<p>Loans dedicated to immaterial expenses supporting innovation project for industrial and commercial launch.</p> <p><u>Target population:</u> Innovative MSMEs or Small Mid Caps located in underperforming economic area.</p>	<p>Decent Work</p> <p>Inclusive and sustainable communities and societies</p>	 	<p>Development of territorial competitiveness.</p> <p>Prevention of unemployment.</p>
	<p><b>Loans to finance digitalization:</b> financing solutions aiming at supporting digital transformation to reduce economic, social and societal “disconnection” impacts and improve economic resilience.</p>	<p>Loans to accelerate and secure digital transformation in digitally lagging companies where an absence or inadequacy of offers relating to financing the digital transformation is observed.</p> <p><u>Target population:</u> Small Companies (MSMEs with a maximum of 49 employees).</p>	<p>Decent Work</p> <p>Inclusive and sustainable communities and societies</p>		<p>Reduction of digital gap and development of territorial competitiveness.</p> <p>Prevention of unemployment.</p> <p>Sustainable development of industry.</p>






<sup>(1)</sup>Based on ICMA Social Project categories.



SOCIAL CATEGORY <sup>(1)</sup>	ELIGIBLE SOCIAL PROJECTS DEFINITION	ELIGIBLE SOCIAL PROJECTS CRITERIA	EU SOCIAL OBJECTIVES	SUSTAINABLE DEVELOPMENT GOALS	SOCIAL BENEFIT
Socioeconomic advancement and empowerment	<b>Loans to SSE companies:</b> financing solutions aiming at developing Social Solidarity Economy (SSE).	Loans to associations, cooperative structures, and companies with “solidarity company” status.  <u>Target population:</u> SSE companies	Inclusive and sustainable communities and societies	 	Reduction of social and economic inequalities.  Empowerment of marginalized groups.  Social Inclusion.
Access to essential financing services	<b>Loans supporting social inclusion:</b> financing solutions aiming at supporting social inclusion through access to financing.	Loans dedicated to disadvantaged populations.  <u>Target population:</u> Underprivileged people including unemployed individuals, state benefit recipients, individuals aged between 18 and 25 years old, disabled below 30 years old.	Decent Work  Inclusive and sustainable communities and societies	 	Empowerment of disadvantaged populations.  Reduction of social inequalities.
Access to essential education services	<b>Training &amp; Educational Expenditures:</b> vocational training, universities, incubators and accelerators programs.	Training and educational operational expenditures dedicated to training on business development, entrepreneurship and advisory services  <u>Target population:</u> MSMEs and mid-caps managers.	Decent Work		Sustainable economic development of territories.  Improvement of quality of education.  Social and professional Inclusion.
	<b>Loans to support Education:</b> financing solutions supporting, improving and transforming the education system including but limited to schools, universities and 3rd level education facilities and training organizations.	Loans dedicated to public education entities.  Loans dedicated to educational institution in underserved /sensitive areas targeting specific NACE codes.  <u>Target population:</u> General population.	Inclusive and sustainable communities and societies		Inclusive and equitable quality education and learning opportunities.

<sup>(1)</sup>Based on ICMA Social Project categories.



SOCIAL CATEGORY <sup>(1)</sup>	ELIGIBLE SOCIAL PROJECTS DEFINITION	ELIGIBLE SOCIAL PROJECTS CRITERIA	EU SOCIAL OBJECTIVES	SUSTAINABLE DEVELOPMENT GOALS	SOCIAL BENEFIT
Access to essential healthcare services	<p><b>Loans to support Health:</b> financing solutions for healthcare development and improvement to guarantee access to quality healthcare across the nation France.</p>	<p>Loans to Public, Not-For-Profit health establishments and private establishments participating in the public hospital service (PSPH) as defined by French Law.</p> <p>Loans dedicated to entities in healthcare sector targeting specific NACE codes in underserved medical areas.</p> <p><u>Target population:</u> General population.</p>	Inclusive and sustainable communities and societies		<p>Improvement of availability and quality of medical care.</p> <p>Prevention against future health threats.</p>
Access to essential services and Basic Affordable Infrastructure	<p><b>Export loans to Developing Countries:</b> export financing solutions aiming at improving the access to essential services including healthcare and education.</p> <p>Export financing solutions aiming at developing basic infrastructure including clean drinking water, clean transportation and energy.</p>	<p>Export loans granted to entities improving access to essential services and basic infrastructure development in Developing Countries.</p> <p><u>Target population:</u> General population in Developing Countries.</p>	Inclusive and sustainable communities and societies	   	Support sustainable economic development of developing countries.

<sup>(1)</sup>Based on ICMA Social Project categories.

**Bpifrance**' Social Financing Framework aims at financing social projects with the end purpose to address or mitigate a specific social challenge and/or seek to achieve positive social outcomes for a target population. Therefore, through its Social Financing **Bpifrance** intends to support:

## Eligible Social Projects Criteria:

### For Loans to MSMEs in disadvantaged territories

Micro, small, medium sized enterprises (MSMEs)

- “Micro” companies: less than 10 employees with an annual turnover below €2M or a total balance sheet less than €2M.
- “Small” companies: less than 50 employees with a turnover below €10M or a total balance sheet of €10M.
- “Medium” companies: less than 250 employees with a turnover below €50M or a total balance sheet of €43M.

**Bpifrance** uses the European Union definition of MSMEs set out in EU Commission Recommendation 2003/361/EC, as updated from time to time. For “ETIs”, referred as Small Mid Cap, **Bpifrance** uses the French definition set out in decree 2008-1354 of the “*Loi de modernisation de l'économie*” (LME).

Disadvantaged territories are defined as municipalities (geographical zip code area) responding with at least 3 of the following criteria

- **An unemployment rate<sup>(1)</sup> in the top third of all areas in France.**
- **A relative poverty rate in the top third of all areas in France** poverty rate is the ratio of the number of people whose income falls below the poverty threshold, which has been established at 60% of the median household income for the total population.
- **A median household standard of living below French median household income.**
- **A percentage of tax paying household below the French average.**

The selection of disadvantaged territories is based on INSEE sources<sup>(2)</sup>.

### For Loans to MSMEs affected by natural or health disaster

- Loans identified as “*Prêt Tourisme*”, loans (1 to 12 years maturity with 0 to 36-month grace period, which may amount to up to €2M) dedicated to MSMEs and small mid-caps from the Tourism industry<sup>(3)</sup>.
- Loans identified as “*Prêt Tourisme 2*”, loans (1 to 10 years maturity with 0 to 24-month grace period, which may amount to up to €2M) dedicated to MSMEs and small mid-caps from the Tourism industry.
- Loans identified as “*Prêt garantie par l'État – Resilience*”, loans (1 to 6 years maturity with a maximum 12-month grace period, which may amount to up to €15M), dedicated to MSMEs and small mid-caps.
- Loans identified as “*Prêt Relance Tourisme COVID*”, (2 to 10 years maturity with a maximum 24-month grace period, which may amount to up to €2M), dedicated to MSMEs and small mid-caps from the Tourism industry.
- Or any loans to be disbursed by **Bpifrance** related to support MSMEs and small mid-caps affected by natural or health disaster that have similar characteristics as loans identified in the list above.

<sup>(1)</sup>Unemployment Rate is defined as Number of persons aged between 15 and 65 unemployed on Population between 15 and 65 for the municipality concerned

<sup>(2)</sup>Information on the methodology will be provided annually on the Allocation & Impact Report

<sup>(3)</sup>Tourism industry is related to the following NAF Codes: Z55.10, Z55.20, Z55.30, Z55.90, Z96.04, Z5520, Z56.10, B56.10, C56.10, Z56.21, A56.29, B56.29, Z56.30, Z50.10, Z50.30, Z51.10, A77.11, Z79.11, Z79.12, Z91.02, Z91.03, Z91.04, Z82.30, Z93.13, Z93.19, Z93.21, Z93.29.

## For Loans to finance Innovation

- Loans identified as “*Prêt d’Amorçage Investissement FEI 3*” or as “*Prêt d’Amorçage Investissement EGF*” or as “*Prêt d’Amorçage Investissement FNG*”, those loans (8 years maturity with a 36-month grace period, which may amount to up to €1M) are dedicated to innovative MSMEs (see definition below).
- Loans identified as “*Prêt Innovation FEI 4*” or as “*Prêt Innovation FNG*” or as “*Prêt Innovation EGF*”, those loans (7 years maturity with a 24-month grace period, which may amount to up to €5M) are dedicated to innovative MSMEs and small mid-caps (see definition below).
- Refundable advances “*Avance Innovation*” which aim at financing breakthrough innovation projects. Financing is made by tranches, for a maximum amount of €3M on a 3-year period.
- Or any loans to be disbursed by **Bpifrance** related to finance innovative MSMEs that have similar characteristics as loans identified in the list above.

All those loans do not finance material expenses, only immaterial expenses of the company in the seed phase, immaterial expenses needed to industrially launch the innovation project bore by the borrower. Those loans aim at support development and growth of young Innovative MSMEs to foster employment and competitiveness. **Bpifrance** believes that an Innovative companies will be source of new employment and will thrive economic additionalities for them and their stakeholders.

### MSMEs or Small mid-caps

Innovative MSMEs refers to an entity which has:

- Already received a subvention for R&D under a 36-month period.
- Or a Research Tax Credit (“*Crédit d’Impôt Recherche*”) under a 36-month period
- Or filled an industrial patent within 24 months.
- Or has R&D expenses higher than 10% of its operational expenses on 1 of the last 3 years.
- Or has won an R&D or Innovation award from an official organization or European Union.
- Or has raised capital from a Business Angel or a Venture Capital entity under a 24-month period.

Entities located in underperforming economic area are defined as municipalities (geographical zip code area) where the unemployment rate is higher than the OECD unemployment rate average.<sup>(1)</sup>

The selection of underperforming economic area is based on INSEE sources<sup>(2)</sup>.

## For Loans to SSE companies

Social Solidarity Economy companies:

- Legal persons constituted in the form of cooperatives, mutual societies, foundations or associations governed by the law of 1 July 1901.
- Solidarity-based companies benefiting by right from the ESUS (social utility solidarity enterprise) approval.
- Social utility companies.
- SSE companies which are not including in the exclusion list of non-eligible sectors.<sup>(3)</sup>

<sup>(1)</sup><https://data.oecd.org/unemp/unemployment-rate.htm>

<sup>(2)</sup>Information on the methodology will be provided annually on the Allocation & Impact Report

<sup>(3)</sup>A.11.02, B.11.02, Z.11.03, A.46.17, A.46.19, Z.46.71, Z.55.30, Z.64.20, Z.66.30, Z.68.31, Z.70.10

SSE companies assume democratic and participative business management, revenues generated are reinvested and individual profit is forbidden. In France, their legal structure is defined by law<sup>(1)</sup>. They aim at focusing business on human values and solidarity. General interest is at the heart of their mission.

### For Training & Educational Expenditures

- Annual expenditures related to training on business development, entrepreneurship and advisory services. It is part of the support (“*Bpifrance Accompagnement*”) **Bpifrance** offers to executives and companies.
- The targeted programs are “*Accélérateurs*”, “*Les Excellence*”, “*Bpifrance Université*”. Those programs aim at support structural development for MSMEs and mid-caps and put them on a sustainable growth path. **Bpifrance** believes that sustainable growth of MSMEs and mid-caps will be source of new employment and will generate positive economic externalities.

### For Export loans to Developing Countries

- Loans identified as “*Prêt Export Acheteur*” and as “*Prêt Export Rachat*”, loans (2 to 7 years maturity which may amount to up to €25M) dedicated to help internationalization of trade.
- Or any loans to be disbursed by **Bpifrance** related to export that have similar characteristics as loans identified in the list above.
- When it improves access to essential services and basic infrastructure development:
  - Healthcare, education, clean drinking water, clean transportation and energy.
- And where the importing entity is located in:
  - A developing country<sup>(2)</sup>.
- And had demonstrated the affordability and accessibility of related essential services.
- And do not operate in any controversial sector (exclusion list stated below).

### For Loans to finance digitalization

- Loans identified as “*Prêt Transformation Numerique*” (3 to 5 years maturity with a maximum 12-month grace period, which may amount to up to €50,000) dedicated to MSMEs with a maximum of 49 employees.
- Or any loans to be disbursed by **Bpifrance** related to support digitalization of MSMEs that have similar characteristics as loans identified in the list above.

A national initiative “*France Num*<sup>(3)</sup>” has been set up to help MSMEs, everywhere in the French territory, to enhance their digital habits.

The targeted population considered is small companies (MSMEs with a maximum of 49 employees). MSMEs are a fragile population, structurally suffering from a lack of access to credit, even more when financing immaterial expenses. Thanks to the “*France Num*” initiative backing these loans, **Bpifrance** mitigates the issue related to the absence of guarantee and enables MSMEs to obtain the necessary financing to make their digital transformation. In addition, the initiative provides MSMEs with guidance to adapt their business, to continue their operations, to keep employ and to grow.

<sup>(1)</sup>French Law: n°2014-856: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029313296>

<sup>(2)</sup><https://www.worlddata.info/developing-countries.php>

<sup>(3)</sup><https://www.francenum.gouv.fr/>

### For Loans to support Health

- Loans to Public, Not-For-Profit health establishments and private establishments participating in the public hospital service (PSPH) as defined by French Law.
- Or, loans to companies where the main relevant activity is associated to NACE Codes related to health sector<sup>(1)</sup> and operating in underserved medical areas.
- Underserved medical areas are defined as municipalities (geographical zip code area) which satisfy the following criteria:
  - “Zone d'intervention prioritaire (ZIP)” based on INSEE sources<sup>(2)</sup>. Those geographical areas suffer from a lack of medical care or a difficult access to health care.

### For Loans to support Education

- Loans dedicated to public education entities.
- Loans to companies where the main relevant activity is associated to NACE Code related to education sector<sup>(3)</sup> and operating in underserved educational areas.
- Underserved educational areas are defined as municipalities (geographical zip code area) which satisfy the following criteria:
  - At least one secondary school and/or primary school is considered by the French State as *Réseau d'Éducation Prioritaire (REP)* and/or *Réseau d'Éducation Prioritaire Renforcé (REP+)* based on INSEE sources<sup>(4)</sup>. Those geographical areas suffer from social difficulties which affect academic success.

### For Loans to support Social Inclusion

- Loans identified as “*Prêt d'Honneur Solidaire*”, (a zero rate and small size loan (between €1,000 and €8,000) targeted to unemployed people, state benefit recipients, aged between 18 and 25 years old, disabled below 30 years old).
- Loans identified as “*Prêt d'Honneur Création-Reprise*” is dedicated to project promoter to support borrower for business creation, development, or buyback.
- Or any loans to be disbursed by **Bpifrance** related to support Social Inclusion that have similar characteristics<sup>(5)</sup> as loans identified in the list above.

### Exclusion criteria for Bpifrance Social Financing

To demonstrate consistency in selecting Eligible Social Projects, **Bpifrance** has defined an exclusion list covering various non-sustainable sectors and material ESG issues. Thus, the following sectors may not be financed and/or refinanced by **Bpifrance** Social Financing proceeds:

- Mining and quarrying<sup>(6)</sup>
- Distilling, rectifying and blending of spirits<sup>(7)</sup>
- Manufacture of tobacco products<sup>(8)</sup>
- Manufacture of gas; distribution of gaseous fuels through mains<sup>(9)</sup>

<sup>(1)</sup>NACE CODE : Z.86.10 ; Z.86.21 ; C.86.22 ; Z.86.23 ; C.86.90 ; D.86.90 ; E.86.90 ; F.86.90 ; A.87.10 ; B.87.10 ; C.87.10 ; A.87.20 ; B.87.20 ; A.87.30 ; B.87.30 ; A.87.90 ; B.87.90 ; A.88.10 ; B.88.10 ; C.88.10 ; A.88.91 ; B.88.91 ; A.88.99 ; B.88.99

<sup>(2)</sup>Information on the methodology will be provided annually on the Allocation & Impact Report

<sup>(3)</sup>NACE CODE : Z.85.41 ; Z.85.42 ; Z.85.32 ; Z.85.51 ; Z.85.10 ; Z.85.20 ; Z.85.31 ; Z.85.52 ; A.85.59 ; B.85.59 ; Z.85.60

<sup>(4)</sup>Information on the methodology will be provided annually on the Allocation & Impact Report.

<sup>(5)</sup>Loans identified as “*Prêt d'Honneur*” Renfort have similar characteristics as loans “*Prêt d'Honneur Solidaire*” and “*Prêt d'Honneur Création Reprise*” but they are time limited. These loans have been deployed temporary (from 2021 to 2022) to support business creation by consolidating the quasi-equity of young companies (less than 5 years old) to support the activity during the health crisis.

<sup>(6)</sup>NACE B.05.10; B.05.20; B.06.10; B.06.20; B.07.10; B.07.21; B.07.29; B.08.11; B.08.12; B.08.91; B.08.92; B.08.93; B.08.99; B.09.10; B.09.90

<sup>(7)</sup>NACE C.11.01, NACE Z.11.01

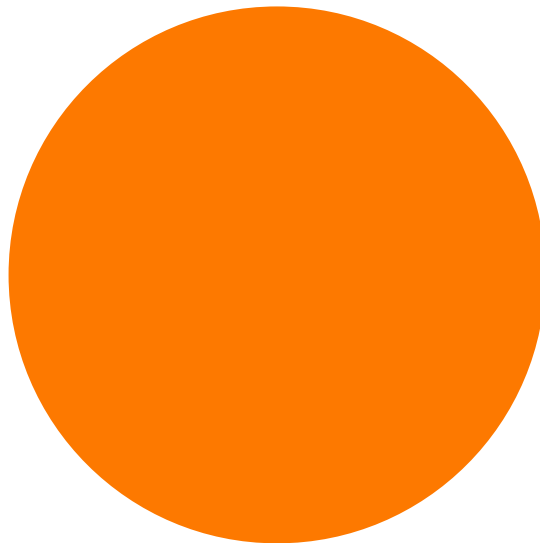
<sup>(8)</sup>NACE C.12.00, NACE Z.46.35, NACE Z.47.26

<sup>(9)</sup>NACE D.35.2

- Wholesale on a fee or contract basis for agents involved in the sale of fuels, ores, metals and industrial chemicals<sup>(1)</sup>
- Manufacture of coke and refined petroleum products<sup>(2)</sup>
- Processing of nuclear fuel<sup>(3)</sup>
- Manufacture of weapons and ammunition<sup>(4)</sup>
- Manufacture of military fighting vehicles<sup>(5)</sup>
- Gambling and betting activities<sup>(6)</sup>
- Defense activities<sup>(7)</sup>

In accordance with **Bpifrance** legal practices, additional Eligible Social Projects will be incorporate to **Bpifrance** Base Prospectus.

In addition, **Bpifrance** will not finance and/or refinance Eligible Social Projects that would not have been subject to any environmental review as well as any Projects bearing material controversies based on a reliable source.



<sup>(1)</sup>NACE G.46.1.2

<sup>(2)</sup>NACE C.19.10; C.19.20, NACE Z.19.20

<sup>(3)</sup>NACE C.24.46

<sup>(4)</sup>NACE C.25.40

<sup>(5)</sup>NACE C.30.40

<sup>(6)</sup>NACE R.92.00, NACE Z.92.00

<sup>(7)</sup>NACE O.84.22

## ● Process for Project Evaluation and Selection

**Bpifrance** has a strong expertise, as shown by its long-standing track record, in originating medium and long-term financing solutions. **Bpifrance** prioritizes very small businesses and small and medium sized businesses, that traditionally find it difficult to get financing due to their size or risk profile, and mid-caps companies. The evaluation and selection of these financing solutions are conducted in accordance with **Bpifrance** societal responsibility and strategic plan.

All Eligible Social Projects will be submitted to **Bpifrance**'s regular underwriting process. As a credit establishment approved by the *Autorité de Contrôle Prudentiel et de Résolution (ACPR)*, **Bpifrance** is subjected 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.

As such, **Bpifrance**'s credit risk policy is closely monitored and is established by its risk division. All financings are granted following a strict approval process through its support decision tool (*Outil d'Aide à la Décision*) which:

- (i) centralises in a single tool the studies of all the financing projects submitted to **Bpifrance**;
- (ii) determines the risk profile of the credit files based on the project and the counterparty;
- (iii) provides an audit trail of the decision-making process.

For the counterparty assessment, any ESG controversies related to the targeted company will decrease the counterparty score and raise the counterparty risk profile. In case of severe ESG controversy known by **Bpifrance**, the loan could not be granted.

Decision-making powers within **Bpifrance** are organised in such a way that the riskiest and/or high-volume cases are submitted through the headquarter's decision process (i.e., reviewed by the risk division and for the most sensitive credit files, reviewed by **Bpifrance**'s Credit Committees).

In addition, **Bpifrance** has set-up a Social Financing Committee which is composed of members of the Finance Department, Accounting Department, Studies Department, Evaluation Team, Risk Department, Conformity Department, Data & IA Department, and CSR Department.

This committee will meet at least once a year, and is responsible for:

- Verifying the traceability of the Eligible Social Projects and their compliance with the Eligibility Criteria.
- Monitoring the satisfactory allocation of the net proceeds raised through **Bpifrance**'s Social Financing Instrument issuance to the Eligible Social Category, as described in the "Use of Proceeds" section of this framework.
- In case of project/loans divestment or postponement, **Bpifrance** commits to reallocate divested proceeds to projects that are compliant with **Bpifrance** Social Financing Framework.
- Review Eligible Social Projects already allocated to verify that they are not facing major ESG controversy. The potential occurrence of such an ESG controversy can lead to the withdrawal of the project, temporary or definitive, from the list of Eligible Social Projects. A new Eligible Social Project would then be proposed for allocation as a substitute.



In addition, the committee will be in charge of discussing and validating the potential evolution of this Framework – to the extent possible – due to changes in corporate strategy, market and or regulatory developments.

### To mitigate environmental and social risks

As formalized in its ethic charter, all Eligible Social Projects financed by **Bpifrance** comply with laws in force, including with applicable regulatory environmental and social requirements. In addition, **Bpifrance** respects all international conventions signed by France, encompassing human rights, workforce health and safety, labour standards (e.g. International Labour Organization convention).

For its financing division, which targets mainly entities and entrepreneurs located in France and under the French legislation system, **Bpifrance** relies first on the French regulatory framework in addition to internal CSR practices on ESG risks assessment described below. Indeed, France is a Designated Country under the Equator principles<sup>(1)</sup>, which demonstrates the presence of environmental and social governance, legislation systems and institutional capacity designed to protect people and the natural environment.

ESG issues are considered in the financing business in a manner adapted to the business and customer relationship processes.

A simplified analysis of the company's ESG practices is provided for credit or innovation support cases above certain thresholds<sup>(2)</sup>. These questions are structured upon 4 pillars:

- For environmental issues: energy consumption, greenhouse gas emissions, use of natural resources and implementation of eco-friendly design, pollution and waste solutions.
- Labour issues: the evolution of the number of employees (including those under 25 years old), the quality of jobs, workplace health and safety, dialogue and social, climate and human resource management.
- Societal issues: transparency and fair practices, regional integration.
- Corporate governance.

Fiscal practices, such as respect for human rights, are examined as part of a normal financing review when these issues are relevant.

For a business manager, the CSR analysis of the company generally consists in formalising points that are addressed when analysing a loan application, without necessarily weighing on its operational agility.

This CSR assessment system was integrated in the study and decision support tool, with a view to simplifying the process in the operational phase, and evaluating the company's consideration of the issues on a scale of 1 to 4, in order to complete the information required for decision-making.

For export credit, **Bpifrance** has a dedicated team performing an environmental and social assessment. This assessment is framed by OECD recommendations and aims to ensure that projects comply with the local regulations and the relevant international standards, mainly those developed by the World Bank and the International Finance Corporation.

- World Bank Environmental and Social Standards,
- World Bank Safeguard Policies,
- IFC Performance Standards,
- World Bank Group Environmental, Health and Safety (EHS) Guidelines.

<sup>(1)</sup> <https://equator-principles.com/about-the-equator-principles/designated-countries>

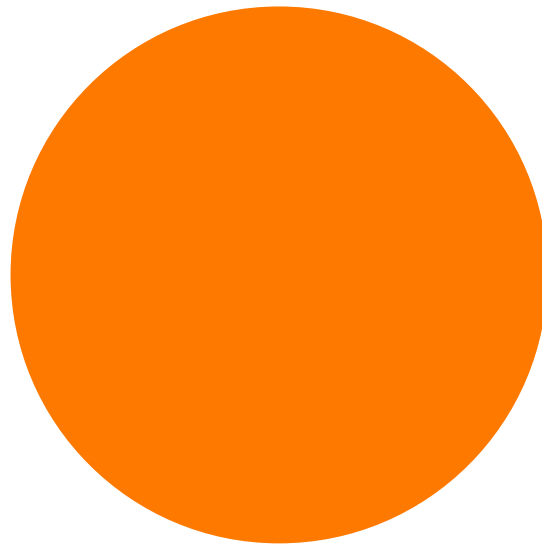
<sup>(2)</sup> For Export loans: Total Origination Amount of the project is above €10Mn and/or Project Localisation in a sensitive area  
For Innovation Loan: Total Origination Amount of the project is above €0,5Mn; for Medium and Long Term Loan : Total Origination Amount of the project is above €1Mn



As required by the OECD Guidelines, environmental and social due diligence are performed at the project level. In case of a project demonstrating significant potential impacts, then additional E&S impact assessment, monitoring and action plan will be required.

This integration makes it possible to enrich and clarify the awareness of company practices on environmental, social and governance issues, if necessary, and to enrich the offer to better meet the identified needs.

Additionally, **Bpifrance** relies on a strong governance structure with a dedicated governance and advisory committees including a Climate and Environmental Risk Committee. To oversee the **Bpifrance** Climate Plan, a Climate committee has also been incorporated to the governance. To strengthen transparent body governance, regional guidance councils adapt **Bpifrance**'s actions to local areas' specificities.



## ● Management of Proceeds

The proceeds of the Social Financing instruments issued under this Framework will be managed by the Social Financing Committee in a portfolio approach. **Bpifrance**'s treasury team will be responsible for the management of the net proceeds of Social Financing, to ensure that an amount equal to such proceeds is effectively invested in the financing and/or re-financing of Eligible Social Projects. The net proceeds of the Social Financing will be deposited in **Bpifrance**'s general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Social Projects, in accordance with the principles outlined in this Social Financing Framework. The Eligible Social Projects will be consolidated in **Bpifrance**'s balance sheet under the IFRS accounting standards. All relevant information regarding the issuance of **Bpifrance**'s Social Financing will be monitored and kept into **Bpifrance**'s accounting systems.

### Unallocated Proceeds

**Bpifrance** intends to allocate the proceeds of the Social Financing Instruments at the earliest convenience and in any case commits on a best effort basis to reach full allocation within the end of the calendar year after the issuance date of each Social Financing Instrument. In case a project becomes ineligible, **Bpifrance** commits to replace the net proceeds allocated to this project to another Eligible Social Project within a period of 12 months. Unallocated Proceeds to Eligible Social Projects are managed by **Bpifrance**'s treasury team in compliance with the procedures and internal policies regarding liquidity management, to ensure that the funds are invested in liquid, short-term and certain investments, with a view to their future allocation. For the sake of clarity Unallocated Proceeds will not be invested in GHG intensive activities<sup>(1)</sup> or activities listed in the exclusion list stated in section 2.1 of this Social Financing Framework.

**Bpifrance** may issue multiple series of Social Financings. The total outstanding amount of **Bpifrance**'s Social Financing will not be higher than the total outstanding amount of Eligible Social Projects in **Bpifrance** portfolio.

The internal methods for earmarking and allocating an amount equivalent to the net proceeds from the issuances of Social Financing will be reviewed by an external auditor.

### Coupon and final redemption payments

Coupon payments and final redemption of **Bpifrance** Social Financings are not directly linked to any associated Eligible Social Projects, as the interest payments periods and maturities may not match. Thus, coupons and final redemption payments of Social Financing are paid out of **Bpifrance**'s general liquidity pool at its sole discretion.

### Increases and buy-backs

Social Financing can be increased and further Social Financing can be issued, as long as the net proceeds of the relevant issuances are used for financing and/or refinancing of Eligible Social Projects. Partial or whole buybacks of Social Financing are possible to support **Bpifrance**'s funding program. Buybacks can also be financed from **Bpifrance**'s general liquidity.

<sup>(1)</sup> GHG intensive activities include Manufacture of gas; distribution of gaseous fuels through mains; Wholesale on a fee or contract basis for agents involved in the sale of fuels, ores, metals and industrial chemicals; Manufacture of coke and refined petroleum products; Processing of nuclear fuel.

## ● Reporting

**Bpifrance** will publish an allocation and impact report on an annual basis, until maturity. This report will be published on **Bpifrance**'s website at the occasion of the Annual Report's release. **Bpifrance** follows to the greatest extent possible to date, the recommendations of the ICMA Harmonised Framework for Impact Reporting<sup>(1)</sup> on sustainability reporting.

### Allocation Report

The Allocation Report will include, but not be limited to, the following information:

- Financial information on the **Bpifrance**'s Social Financing (ISIN, currency, amount, etc).
- Overview of the portfolio of Eligible Social Projects (including a split between eligible categories), and their average remaining term.
- Breakdown of the portfolio of Eligible Social Projects at origination and current balance:
  - By type of Eligible Social Projects
  - By number of Loans
  - By sector of activity/industry classification
  - By maturity
  - By origination
  - By remaining term
  - By loan size
  - By region
  - By borrower activity
  - By borrower NACE Code
- The portion of new financing vs refinancing; and
- The balance of any unallocated proceeds (if any) and the type of temporary investments.

<sup>(1)</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf)

## Impact Report

Annually, **Bpifrance** publishes an Impact Report aiming to provide transparent information on the Eligible Social Projects impacts of the allocated proceeds. **Bpifrance** reports, when feasible, relevant impact metrics which may include the following indicators:

ELIGIBLE SOCIAL PROJECTS	CONTRIBUTION TO SDGS TARGETS	OUTPUT / OUTCOME / IMPACT INDICATORS
<b>EMPLOYMENT GENERATION AND PRESERVATION</b>		
<p><b>Loans to MSMEs in disadvantaged territories</b></p>	<p><b>SDG 8.3.</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services.</p> <p><b>SDG 9.2.</b> Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p> <p><b>SDG 9.3.</b> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p> <p><b>SDG 10.1.</b> By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.</p> <p><b>SDG 10.2.</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p><b>SDG 11.a.</b> Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.</p>	<ul style="list-style-type: none"> <li>- Number of jobs created supported, and or retained</li> <li>- Number of jobs created supported, and or retained in disadvantaged territories</li> <li>- Number of loans to MSMEs</li> <li>- Number of beneficiaries</li> <li>- Number of loans to MSMEs with an executive woman</li> </ul>
<p><b>Loans to MSMEs affected by natural or health disaster</b></p>	<p><b>SDG 1.5.</b> By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.</p>	<ul style="list-style-type: none"> <li>- Number of French communes supported</li> <li>- Split by region</li> <li>- Number of startups supported</li> <li>- Average Loan Size</li> </ul>
<p><b>Loans to finance Innovation</b></p>	<p><b>SDG 8.2.</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.</p> <p><b>SDG 9.5.</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</p>	
<p><b>Loans to finance digitalisation</b></p>	<p><b>SDG 8.2.</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.</p>	

## SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT

<b>Loans to SSE companies</b>	<p><b>SDG 10.2.</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p><b>SDG 11.a.</b> Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning.</p>	<ul style="list-style-type: none"> <li>- Number of SSE benefiting from the loans, including a breakdown by type of SSE</li> <li>- Number of beneficiaries</li> <li>- Split by region</li> <li>- Average Loan Size</li> </ul>
-------------------------------	--	--

## ACCESS TO ESSENTIAL SERVICES

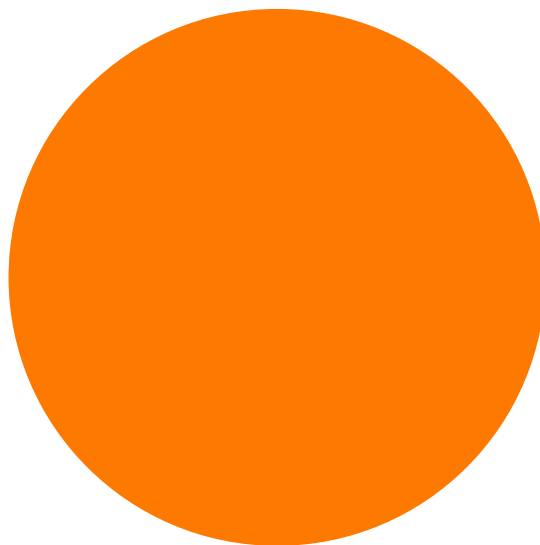
<b>Loans supporting social inclusion</b>	<p><b>SDG 1.4.</b> By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as financial services, including microfinance.</p> <p><b>SDG 8.5.</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p><b>SDG 8.6.</b> By 2020, substantially reduce the proportion of youth not in employment, education or training.</p>	<ul style="list-style-type: none"> <li>- Number of jobs created supported, and or retained</li> <li>- Number of unemployed beneficiaries</li> <li>- Number of state benefit recipients' beneficiaries</li> <li>- Number of women beneficiaries</li> <li>- Split of beneficiaries aged above 65 years</li> <li>- Split of executive aged below 30 years</li> <li>- Average Loan size</li> </ul>
<b>Training &amp; Educational Expenditures</b>	<p><b>SDG 4.4.</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>	<ul style="list-style-type: none"> <li>- Number of beneficiaries trained</li> <li>- Number of training hours provided</li> <li>- Number of entrepreneurs trained/advised</li> <li>- Number of consulting missions achieved</li> </ul>
<b>Loans to support Education</b>	<p><b>SDG 4.4</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.</p> <p><b>SDG 4.5</b> By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations.</p>	<ul style="list-style-type: none"> <li>- Number of education infrastructures benefiting from the loans, including a breakdown by location</li> <li>- Average Loan Size</li> </ul>
<b>Loans to support Health</b>	<p><b>SDG 3.8.</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p><b>SDG 3.d.</b> Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.</p>	<ul style="list-style-type: none"> <li>- Number of healthcare infrastructures benefiting from the loans, including a breakdown by location</li> <li>- Average Loan Size</li> </ul>

## ACCESS TO ESSENTIAL SERVICES AND BASIC AFFORDABLE INFRASTRUCTURE

<p><b>Export loans to Developing Countries</b></p>	<p><b>SDG 3.c.</b> Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.</p> <p><b>SDG 3.8.</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p><b>SDG 9.3.</b> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p> <p><b>SDG 10.2.</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p><b>SDG 11.c.</b> Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.</p>	<ul style="list-style-type: none"> <li>- Number of projects supported in developing countries</li> <li>- Number of loans to MSMEs supported in developing countries</li> <li>- Number of beneficiaries</li> <li>- Split by developing countries impacted</li> <li>- Average Loan Size</li> </ul>
--	---	--

Impact Reporting Methodology is published annually in the Impact Report, and if any change occurs in the methodology such change will be clearly stated in the Impact Report.

In case of any material controversies related to an Eligible Social Project, **Bpifrance** will provide investors with information on key issues at stake and actions put in place by **Bpifrance**.



## • External review

### Second Party Opinion

The Framework has obtained a Second-Party Opinion (“SPO”) from Ethifinance to confirm its alignment with the ICMA Social Bond Principles (SBP) as of June 2022 and to Social Objectives provided by Platform on Sustainable Finance in its Final Report on Social Taxonomy as of February 2022.

The Second-Party Opinion can be found on **Bpifrance** website, as stated below.

### External audit – post issuance

At the occasion of the audit of the annual accounts, **Bpifrance** will provide annually the assurance of an external third-party certifying a satisfactory allocation of the Use of Proceeds and the compliance of the allocation reporting with the Eligibility Criteria.

## • Documents and Websites

**Bpifrance** provides information regarding sustainable funding on its [website](#):

- **Bpifrance** Social Financing Framework
- Second Party Opinion on **Bpifrance** Social Financing Framework
- Debt Investor Presentation
- **Bpifrance** Social Financing Allocation & Impact Report
- External audit on **Bpifrance** Social Financing Allocation

