

**BPIFRANCE GREEN BOND 2023 – UPDATED
FRAMEWORK
INVESTORS PRESENTATION**

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Executive Summary of **bpi**france – The French Public Bank dedicated to all businesses



- Bpifrance is the French Public Bank dedicated to businesses, including an Innovation Agency, a Sovereign Fund and an Export Credit Agency ;
- Highly protected legal status and close supervision by public authorities: the French State through EPIC¹ Bpifrance (49.18%) and the *Caisse des Dépôts* (49.18%), owns and control Bpifrance ;
- Mission established by law on 12 July 2013: “Bpifrance is a public group that aims to finance and support the development of companies, acting in accordance with the public policies implemented both by the State and regional authorities”.

Directly and fully regulated by ECB and under domestic supervision by the AMF and ACPR² in particular

Debt issued both under EPIC Bpifrance's guarantee and ECB's State Agency classification

Alignment of bonds ratings on French State for Moody's and Fitch

Among top-performers in ESG

Bpifrance is involved in sustainable finance with dedicated financial instruments



- Bpifrance Group's fully-loaded Basel 3 CET1 ratio: 27.6% as at 31/12/2022



- **Liquidity**: HQLA³ level 1 and Agency haircut with ECB
- **SCR**: Eligible to a 0% risk factor stress for spread risk on bonds and loans



- **Aa2** (stable) / P-1 by Moody's
- **AA-** (stable) / F1+ by Fitch Ratings



- Moody ESG's rating: “**Advanced**”, highest level
- Sustainability's rating: “**Low Risk**”
- Ethifinance's rating: “**Advanced**”



- Program of **Green Bonds** aligned with ICMA GBP 2021 and taking into account some elements from EU GBS proposal
- Publication a **Social Financing Framework** aligned with ICMA SBP 2021

Executive Summary of **bpi**france Green Bond Framework – Strengths of the Framework

Bpifrance Updated Green Bond Framework demonstrates strong key points

As the armed wing of the state, Bpifrance is a strong support of the ecological and energy transition

- Bpifrance's Green Bond Framework has been established in line with its Climate Plan strategy which is based on two focuses:
 - aligning all activities of Bpifrance's clients with the carbon neutrality goal of the Paris Agreement
 - increasing actions in support of projects and companies that promote the ecological and energy transition
- This strategy notably aims to amplify **Renewable Energy** sector lending and investment capacities and to encourage the transition of **new and existing building**
- This framework includes exclusively **loans granted to French-based companies**

Alignment with EU Taxonomy

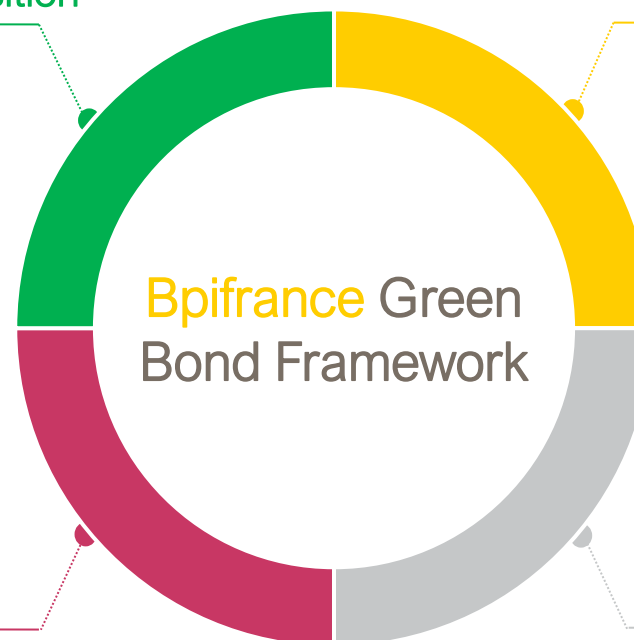
- Alignment of 100% of Renewable Energy Loans and a portion of Green Buildings Loans to the EU Taxonomy.
- These project categories are:
 - Aligned with Climate Change Mitigation
 - Aligned with DNSH
 - Aligned with MSS

Inclusion of a Greentech Loans category on a restrictive sectorial approach

- Supporting **Greentech's** creation and growth, constitutes one of the three main pillars of **Bpifrance Climate Plan**
- Eligible Greentech loans aim to **support and innovative solution** to enhance markedly and directly environmental impact of the solution's user on **at least one of the EU Environmental Objectives**
- Eligible Greentech loans have been identified on a **best-in-class sectorial approach**
- By Bpifrance definition, a Greentech has **the entirety of its operations in line with the eligibility criteria** stated above

Best Market Practices

- Alignment with latest version of ICMA GBP
- **Lookback period of 3 years**, with a 2 years best effort basis
- Publishing of an **allocation and impact report** on an annual basis, until maturity (project by project report and EUT mapping of eligible green loans)



Bpifrance Green Bond

01. Overview of Bpifrance

02. Bpifrance's Global Sustainable Strategy

03. Bpifrance: Funding Strategy

04. Overview of Bpifrance Green Bond Framework

05. Green Bond Transaction

06. Information provided in the future Impact & Allocation Report

07. Appendices

Overview of bpi**france** – A financing continuum, present in every key phase of business development

BPIFRANCE CREATION

Bpifrance support business creation and entrepreneurship throughout France



INNOVATION

Bpifrance support individual and collaborative innovative projects

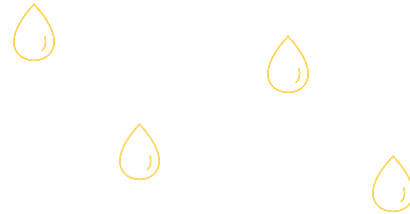


FINANCING

Bpifrance systematically seek to act in **co-financing** and **risk sharing**, with banks, to finance all businesses

CONSULTING & COACHING

Bpifrance provide advisory services and training programs to French SMEs



GUARANTEES

Guaranteeing loans granted by banking partners and/or equity funding organisations



EQUITY INVESTMENT

Bpifrance take **minor stakes** in growth businesses, from the **seed phase** to the **transfer phase**, often alongside national or regional local funds

DIGITAL

Bpifrance as a full-fledged fintech with digital platforms in order to grant loan to VSE



INTERNATIONAL

Bpifrance support export projects with **Export Credit Insurance** activity and financing solutions

Overview of **bpi**france – A public agency that meets all the needs of businesses with two different but complementary natures

(A)

Own-account Activities

- Cofinancing of **credit**, in the form of medium and long-term loans and financing of short-term receivables
- **Equity investment**¹, either directly or through investment funds

Funding: debt funding and shareholders' equity

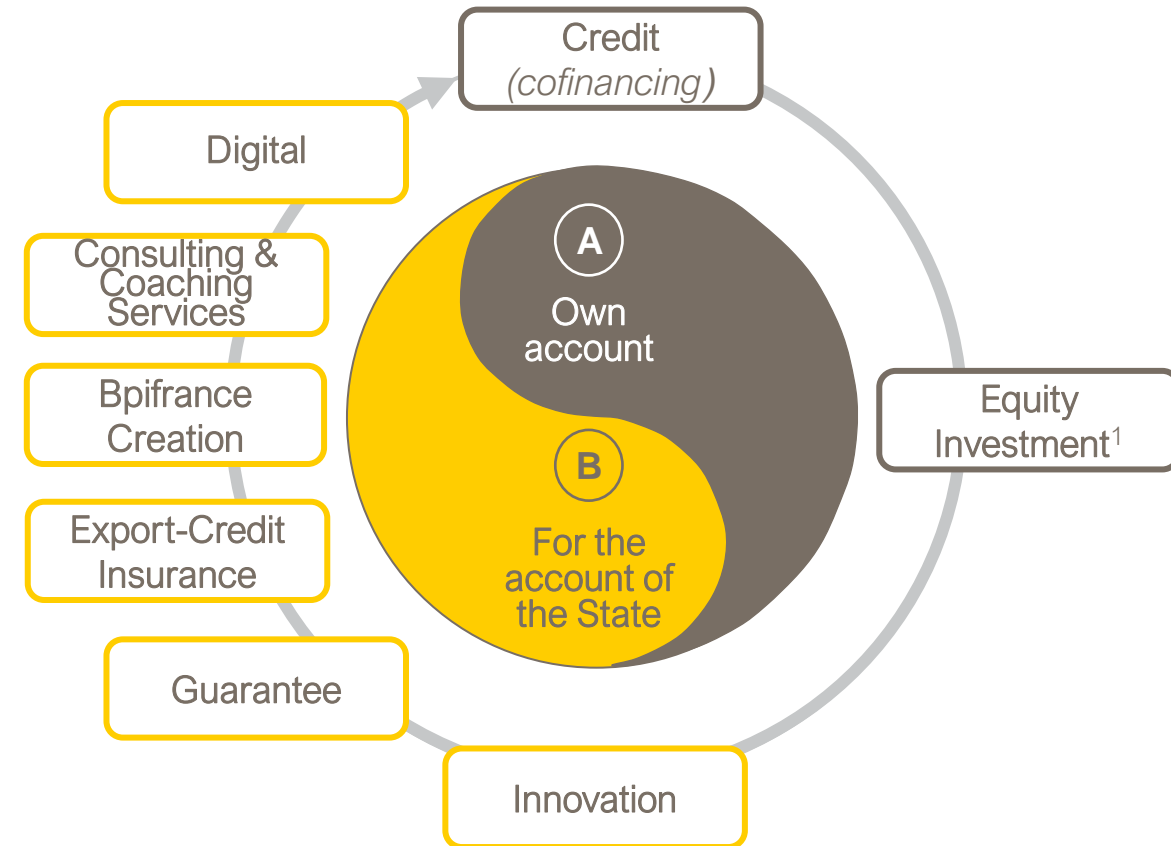
(B)

Activities carried out under public policies

These activities use dedicated funds² intended to cover commitments made under these assignments:

- Financing **innovation** through aid³ or loans
- **Guaranteeing** loans granted by banking partners and/or equity funding organisations
- Granting of public **Export-credit insurance** in the name, on behalf of and under the control of the French State
- **Bpifrance Creation** to support business creation and entrepreneurship
- **Consulting & Coaching Services** at every stage of business growth
- **Digital** through the deployment of digital platforms to grant loan to VSE.

Funding: allocations of public funds



Overview of bpi**france** – Bpifrance's activities are dedicated to support the French economy

Credit
Institution
€42.2bn

*of cofinancing
of credit loans¹*

Guarantee
Institution
€19.1bn

*of guarantee
commitments¹*

Innovation
Agency
€4.5bn

of innovation financing¹

Insurance
Export
Agency
€32.0bn

*of international
financing/insurance¹*

Direct &
Indirect
Investor
€4.8bn

Invested¹

Sovereign
Fund
€50.3bn

*of assets under
management¹*

Entrepreneurs
Coach
**3,400+
businesses**

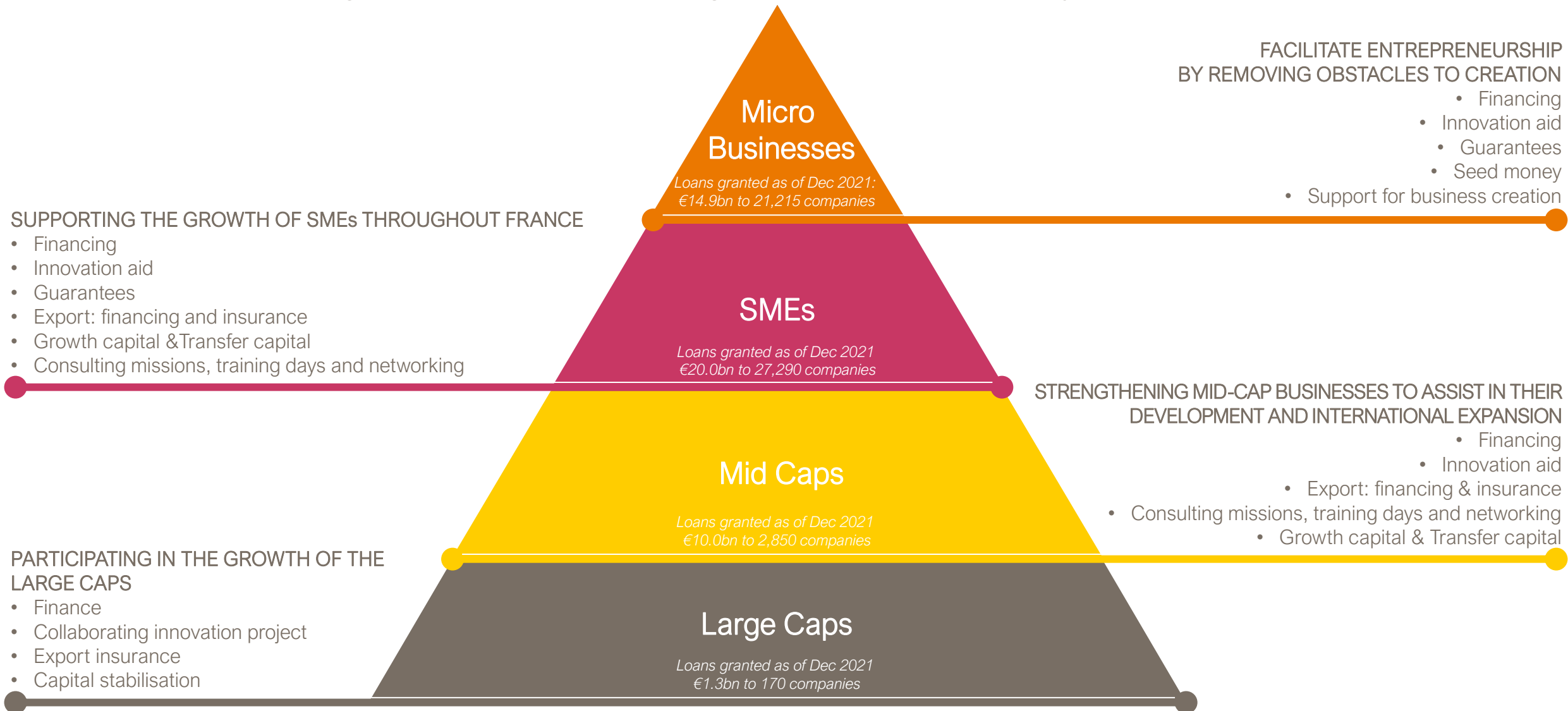
*Accelerated since
2015¹*

Digital
Bank
€0.4bn

of digital loans

Overview of bpi**france** – Bpifrance's activities are dedicated to businesses of all sizes

Bpifrance assists businesses of all sizes, primarily micro-businesses, SMEs, and mid-caps, but it also assists large caps that are considered strategic in terms of the national or regional economies, or for employment:



Overview of **bpi**france – Bpifrance has 4 societal priorities aligned with the UN's Sustainable Development Goals (SDGs)

Support Employment and Job Creation

- Developing local economies
 - Strengthening partnerships with the regions
 - Supporting micro-enterprises, SMEs, mid-sized companies and startups in all regions
- Equal opportunity and inclusion
- Digital transformation

Encouraging Women Entrepreneurship

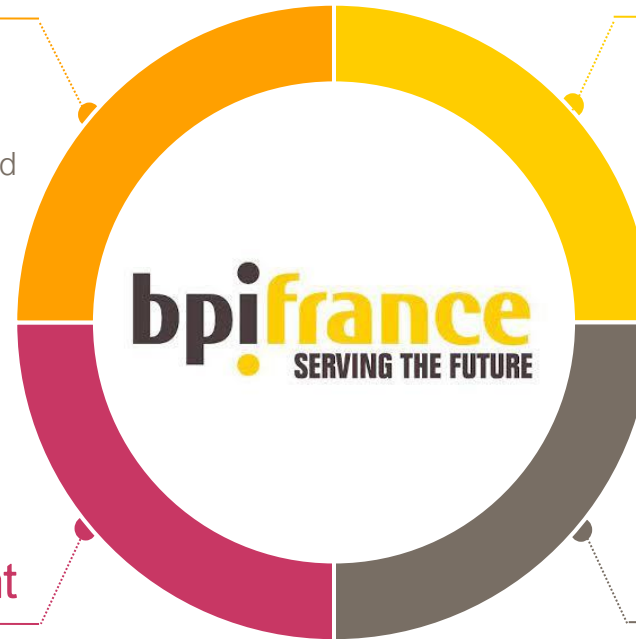
- Supporting entrepreneurship and business creation
- Share of businesses led by women in Bpifrance portfolio of direct holdings
- Increase women in Accelerator programs
- Create a monitoring and research program to break down barriers to the development of female entrepreneurship

Quality of Governance and Management

- Governance bodies including audit, risk appointments and remuneration committee
- Advisory committees for Financing-Guarantees, Innovation and Climate
- Refusing any unethical behavior and fighting all form of corruption

Ecological and Energy Transition

- Support the emergence and growth of Greentech
- Financing and investments for renewable energy
- Assist the transition of all companies thanks to all of Bpifrance's business lines to enable them to make their activity compatible with the Paris Agreement's carbon neutrality objectives



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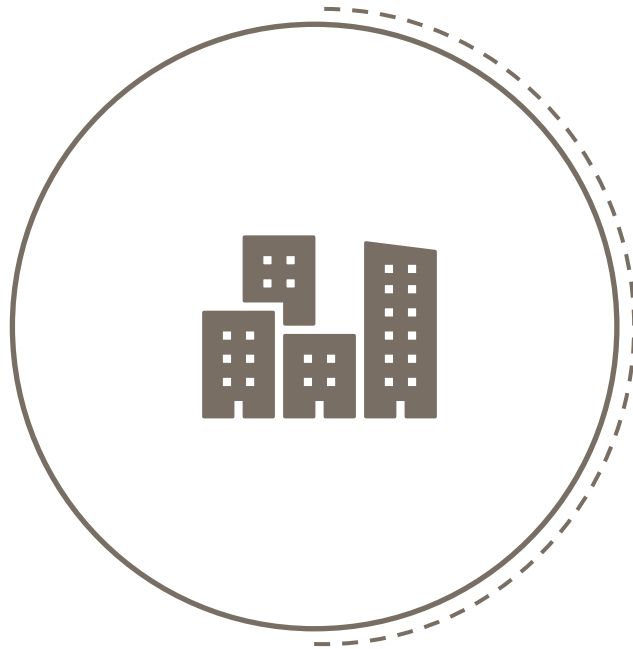
06. Information provided in the future Impact & Allocation Report

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bpi**france** 's global sustainable strategy – Committed to People & Climate (1/3)

Every Bpifrance activities are aligned with at least one Sustainable Development Goal¹ (SDG)

Bpifrance conducts an impact assessment every year, with a 3-year look-back period, to assess its direct footprint



Economic Impact



- A significant three-year impact on companies supported by Bpifrance: employment and sales grew more rapidly among these companies, with an estimated gain of **€121bn in sales, 360,000 jobs maintained or created and €1.9bn in export turnover** thanks to Bpifrance support.
- A strong commitment to help the most disadvantaged areas: Bpifrance's "Prêt Quartier" product helps businesses with potential that operate in underprivileged neighbourhoods.
- A strong societal commitment: Bpifrance encourages female entrepreneurship and supports integration of young people through dedicated programmes.
- Developing local economies: Bpifrance covers most business needs in the areas of creation, innovation and development with offers tailored to local characteristics.

bpi**france** 's global sustainable strategy – Committed to People & Climate (2/3)

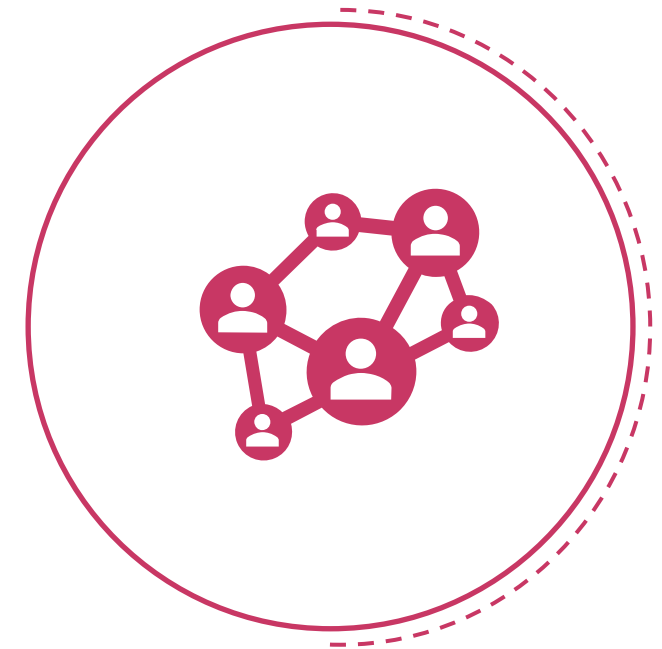
Every Bpifrance activities are aligned with at least one Sustainable Development Goal (SDG)

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Social Impact



- **Direct support for MSMEs:** over the 2013-2023 period, Bpifrance has supported 535,000 Micro, Small & Medium Enterprises.
- **Social & Solidarity Economy:** in 2021 Bpifrance's actions had a total value of approximately €510m and reached nearly 850 entities.
- **Social Inclusion:** Bpifrance grants loans dedicated to disadvantaged populations.
- **French healthcare:** Bpifrance launched dedicated actions to foster and develop healthcare-related activities.
- **Education:** in 2021, 2,250 entities received support through Bpifrance's programmes (*Accélérateur*, *Initiative Conseil*, *Bpifrance University*) and 80,000 students received loans.



Every Bpifrance activities are aligned with at least one Sustainable Development Goal (SDG)

Bpifrance conducts an impact assessment every year, with a 3-year look-back period, to assess its direct footprint



Environmental Impact



- **Climate Plan:** Bpifrance aims to significantly increase its annual financing and investment volumes for the ecological and energy transition, from €4.0bn in 2020 to nearly €6.6bn in 2025.
- **Restrictions on conventional and unconventional oil and gas investments or financing:** Since 2021, Bpifrance has been committed to ceasing all financing or investing in companies whose coal mining or coal-fired power generation activities exceed 5% of their revenues.
- **Education and training:** raising companies' awareness of energy and ecological transition issues through sector-based webinars and *Bpifrance University*. Over 9,000 participants have received training.
- **Diag Eco Flux:** a tool for identifying leverage points for generating savings in energy, materials, water and waste that has assisted over 1,000 companies. This new offer supplements other subsidised carbon emissions and material flows diagnostic tools.

bpi**france** 's global sustainable strategy – Bpifrance initiatives & commitments

Initiatives



Scope 1 and Scope 2 GHG emissions should be reduced by 40%¹ by 2030. Work ongoing on Scope 3 reduction measures



Active Carbon Footprint measurement of lending portfolio since 2020



A partner of *CDC Biodiversité* to raise awareness among Bpifrance clients



Bpifrance assesses and monitors a Transition Risk Quantification for highly exposed sectors



Waste management since 2019 in all Bpifrance locations



Since 2014 Bpifrance headquarter is a “Excellent - HQE building”, the second building in Paris has the same level since 2018



Since 2020 Bpifrance issued Use Of Proceeds Bonds to match assets and funding strategy

Commitments

Bpifrance is a signatory of:

- Montreal protocol²
- Paris agreement³
- Santiago Principles⁴
- Poseidon Principles⁵
- Financial Institutions' Declaration of Intent on Energy Efficiency⁶
- United Nations' Principles for Responsible Investment (PRI)⁷
- Charter of public investors for Climate⁸
- Charter of public investors for SDG⁹
- Charter of SISTA¹⁰ and Parity Charters¹¹

Bpifrance supports and promotes: **ACT** | **ASSESSING LOW CARBON TRANSITION**® | **Planet Tech'Care**

Bpifrance is a member of:



Bpifrance **excludes** from financing and investing in:

- Landmines and cluster munition, chemical and biological weapons, nuclear bomb, tobacco, fossil fuel, speculation on food commodities, gambling

1. on a 2022 baseline

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

3. https://unfccc.int/sites/default/files/english_paris_agreement.pdf

4. https://www.ifswf.org/sites/default/files/santiagoprinciples_0_0.pdf

5. https://www.poseidonprinciples.org/finance/wpcontent/uploads/2019/07/Poseidon_Principles.pdf

6. <https://www.unepfi.org/fileadmin/documents/DeclarationIntentEnergyEfficiencyFinance.pdf>

7. <https://www.unpri.org/signatory-directory/bpifrance-investissement/966.article>

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

9. https://www.rafp.fr/sites/default/files/file/charte_odd_des_investisseurs_publics_francais_.pdf

10. <https://cnnumerique.fr/index.php/plus-de-50-fonds-dinvestissement-sengagent-pour-la-premiere-fois-financer-25-de-startups-fondees-ou>

11. https://www.franceinvest.eu/boite-outils/parite/charte-parite/#dearflip-df_16959/12/

bpifrance 's global sustainable strategy – Integration of ESG factors into investment processes & significant funding applications

Direct Investment

- Mandatory ESG evaluation to consider extra-financial criteria likely to have an impact on Bpifrance's investments
- Results are discussed during Investment Committee and are included in the investment memo
- ESG evaluation is used to assess the company's progress

Indirect Investment

- Prior to any investment, Bpifrance assesses the investment doctrine of the targeted fund and considers whether it has adopted a responsible investor approach

Export Credit

- An environmental and social assessment is performed by Bpifrance by internal expert team dedicated to the subject.
- This assessment is framed by OECD recommendations and is built on International Finance Corporations standards (performance standards and EHS guidelines)

Financing & Innovation activities

- Before funding decision and in addition with internal procedure for credit origination, all financing applications with a gross amount equal to or greater than €1m and all innovation support applications, with a gross amount equal to or greater than €0.5m per program have to pass a 12-question analysis (CSR assessment) of the company's ESG practices is provided. These questions are structured upon 4 pillars: governance, environment, social, and society

bpifrance 's global sustainable strategy – Double Materiality: Bpifrance's exposure, impact & contribution to the transition

How Climate Change & the Transition impact Bpifrance

Bpifrance's Physical Climate Risk Approach

An assessment of how the investment portfolio and loan portfolio are exposed and vulnerable to **physical climate risks**

- ✓ A "Heatmap" has been developed to identify territories at risk, over the 2025 and 2100 horizons, which takes into account 5 climate hazards and 88 sector-based activities

Bpifrance's Transition Risk Approach

An assessment of how the investment portfolio and loan portfolio are exposed and vulnerable to **transition risks**

- ✓ Based on an internal tool (including risk add-on and individual counterparty risk, ECB transition trajectory taken into account)

How Bpifrance impacts the Climate system & the Transition

Annual measurement of Bpifrance's Carbon Footprint¹

Scopes 1 & 2

Calculated annually since 2021. Measures in place to decrease GHG emissions by 40% by 2030 on a 2022 baseline

Scope 3

Work In progress on the investment portfolio and loan portfolio

Bpifrance's Climate Plan²

Pillar 1

Accelerating business transition and transformation

Pillar 2

Amplification of funding toward renewable energy

Pillar 3

Support for the emergence and growth of Greentech

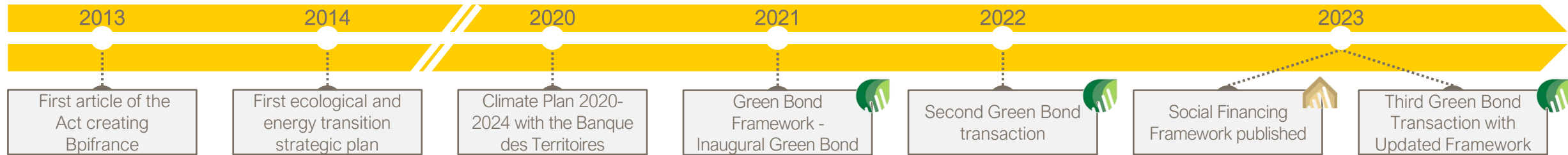
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bpi**france** 's global sustainable strategy – Climate Plan: Strategy and Ambitions

Bpifrance's climate strategy focuses on two core priorities:

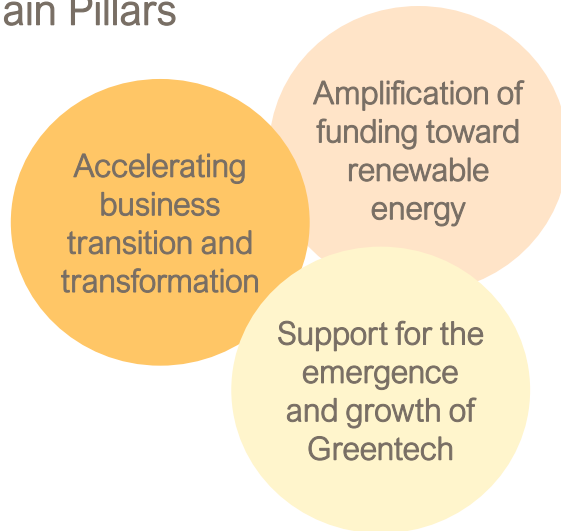
- 1 Aligning all activities of Bpifrance clients with the carbon neutrality goal of the Paris Agreements
- 2 Increasing the Group's actions in support of projects and companies that promote the ecological and energy transition

In 2020, **Bpifrance & the Banque des Territoires** launched an ambitious **Climate Plan** covering the 2020-2024 period

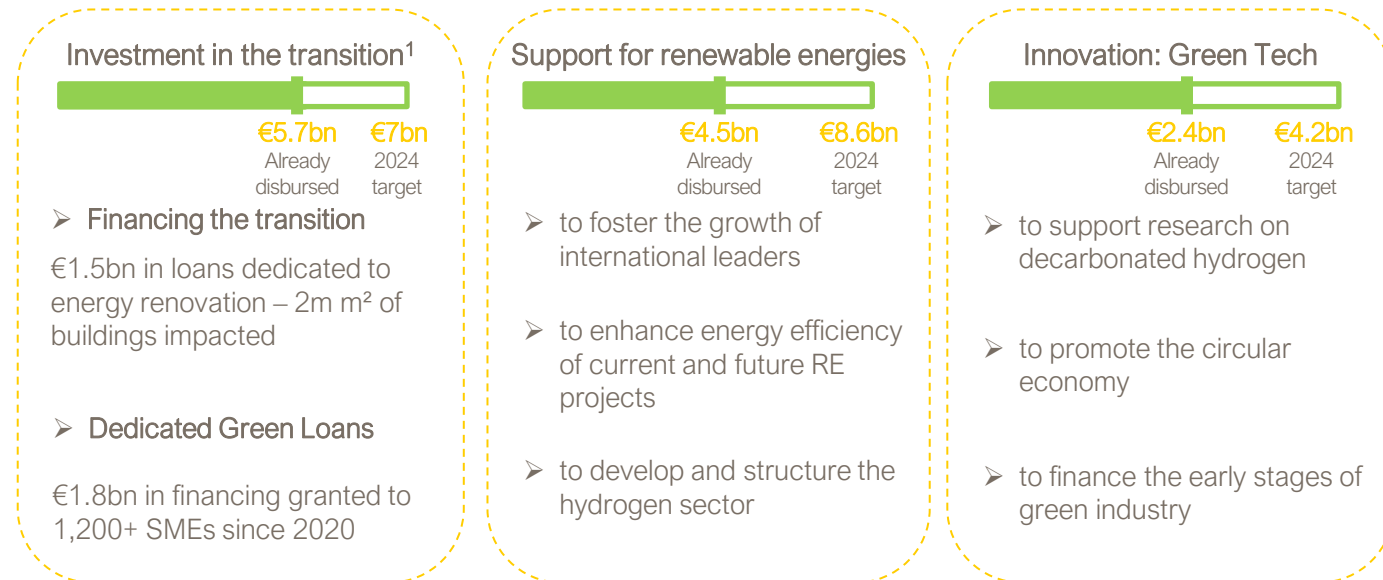


Bpifrance's Climate Strategy

3 Main Pillars



Bpifrance's Climate Actions since 2020 (as of December 2022)



1 - Including investments made by partner funds

Note: Additional information is available on Bpifrance's Climate Plan at: <https://presse.bpifrance.fr/plan-climat-de-la-banque-des-territoires-et-bpifrance-2020-2024-point-detape-a-mi-parcours-et-nouvelles-impulsions-pour-accelerer-la-transformation-ecologique-au-coeur-des-territoires-et-repondr/>

bpifrance's global sustainable strategy – Through its unique positioning, Bpifrance's missions are social oriented



Supporting development and resilience of SMEs to foster employment in France

- ❖ Supporting the development of SMEs and employment
- ❖ Strengthening economic development and entrepreneurship in local areas in France
- ❖ Encouraging the resilience of SMEs impacted by the Covid-19 Crisis
- ❖ Supporting the international development of SMEs
- ❖ Training and advisory services for entrepreneurs and SMEs
- ❖ Supporting innovation by SMEs
- ❖ Assisting VSEs in their Digital Transformation



Socioeconomic advancement and empowerment

- ❖ Supporting Social and Solidarity Economy
 - Financing Social and Solidarity-based Economy companies, such as non-profits, cooperatives and foundations
 - Dedicated programs¹ to support SSE sector
- ❖ Supporting community inclusion and disadvantaged people
 - Underprivileged regions
 - Female entrepreneurship
 - Inclusion of young people
 - Senior employment and inclusive recruitment



Financing the access to essential services

- ❖ French healthcare sector
 - Financing of public hospitals, long-term care facilities and other social housing
 - Accompanying entities in “*Déserts Médicaux*”
 - Supporting the growth and industrialization of healthcare start-up, in line with the French government's Strategic Plan²
- ❖ French education sector
 - Financing and supporting educational institution
 - Long-standing student loan guarantee scheme
 - Contribution to the French government's State “*Enseignement et Numérique 2030*” Strategic Plan

bpi**france** 's global sustainable strategy – Robust governance to meet ESG Challenges



Due to its particular positioning, Bpifrance's governance includes unique features:

- The **French State**  and **CDC** are represented on the Board of Directors
- **French regional guidance councils** that adapt Bpifrance's actions to the specificities of local areas
- **National Orientation Committee** (CNO) that helps Bpifrance support French businesses and the national economy



Strict **auditing and supervision by the French State** through the Ministry of Finance, General Inspectorate and Government Commissioner

In addition, Bpifrance reports to the **French Parliament** (public hearings)

Bpifrance's governance bodies observe the dual principle of competence and **parity**



Expert committees have been set up and feed into a dedicated Climate and Environmental Risk Committee, which reports directly to the board of directors

Sustainable financing committees evaluate and select projects:

- Green Bond Committee
- Social Financing Committee

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bpi**france** funding strategy – Bpifrance is a major bond issuer in the SSA sector

Bond and Commercial Paper programmes

€45bn

EMTN¹ Programme

€4bn

NEU MTN¹
Programme

€8bn

NEU CP Programme
Labelled STEP under ID 2685

€4bn

of Sustainable Bonds
outstanding



Investor Relations | Bpifrance



Ticker – BPIFRA
Bloomberg



Since 2011, an average annual issued amount of **€4bn** of **EMTN** on various maturity targeted across the curve from 3 to 10y



Variety of products: Benchmarks, TAP, PP + EUR & GBP

Green Bond Programme

- Maturity: 5 to 10y



Social Financing Programme

- Maturity: 3 to 10y



bpifrance funding strategy – Bpifrance is a major bond issuer in the SSA sector

Bpifrance's bonds ratings are aligned on French State's.

Frequent issuer of benchmark bonds in EUR, which benefits from (i) a **HQLA level 1** liquidity and (ii) an **Agency** haircut under the ECB haircut schedule. Bpifrance Debt Program is Eligible for the ECB's Public Sector Purchase Programme (**PSPP**).

Bpifrance's bonds are eligible for a **risk factor stress of 0%** (SCR) for spread risk on bonds and loans (under Solvency 2, Regulation EU 2015/35)

Bpifrance is a regular issuer

Bpifrance is continuously involved on **primary market**:

- **Benchmark bonds** issuance on a regular basis
- c.€1bn of bond issuance **each quarter**
- Funding needs **throughout the year** to match loans disbursement

Bpifrance offers variety of products to investors:

- From 3y to 10y **maturity**
- **EUR & GBP** bonds and other currencies very soon

A constant care of its own bonds liquidity

Bpifrance proposes **TAP** (public and private) on previously issued bonds to a maximum of €2bn outstanding amount per bond

And continuously **monitors secondary market liquidity indicators**

And the ambition to become a Top issuer of sustainable bonds

Bpifrance issued its first **Thematic Bond** in 2020

Since 2021, Bpifrance issued **Green Bond** annually

From 2023, Bpifrance launched its **Inaugural Social Financing Framework**

Bpifrance's target:

- **50%** of annual funding program on Green & Social bonds

bpi**france** funding strategy – A diversified range of Sustainable Financing



Green Bond Framework

2nd version published in March 2023



Social Financing Framework

Published in February 2023

Covid 19 Response Framework

Published in April 2020

Rationale of the Framework

This 2nd version is **aligned with the latest regulations and best market practices** to position Bpifrance as a pioneer player in the market of ecological transition

To further develop the market of sustainable finance in France, especially for the **benefit of employment, development of micro-businesses and SMEs**

To limit the impact of the Covid-19 pandemic on **SMEs economic activity**

Review of SPO

- Alignment with the **ICMA Green Bond Principles 2021 (with June 2022 appendix)**
- Alignment with **current version of EU Taxonomy** for Renewable Energy loans and portion of Green Building loans

- Alignment with the **ICMA Social Bond Principles 2021 (with June 2022 appendix)**
- Alignment with **Social Objectives of the Final Report on Social Taxonomy** (February 2022)

Use of Proceeds Eligible Projects

Renewable Energy Loans

Green Buildings Loans

New

Greentech Loans

New

MSMEs in disadvantaged territories

MSMEs affected by natural or health disaster

Innovation of MSMEs

Digitalization

Loans to SSE

Education

Loans supporting social inclusion

Health

Training

Export to developing countries

Covid-19 response loans that aim to support the economic activity of companies during the Covid 19 pandemic such as “Prêt Atout” and “Prêt Rebond”

SDG



Reporting

Allocation & Impact Report annually until maturity

Allocation & Impact Report annually until maturity

Allocation & Impact Report annually until maturity

Issuance

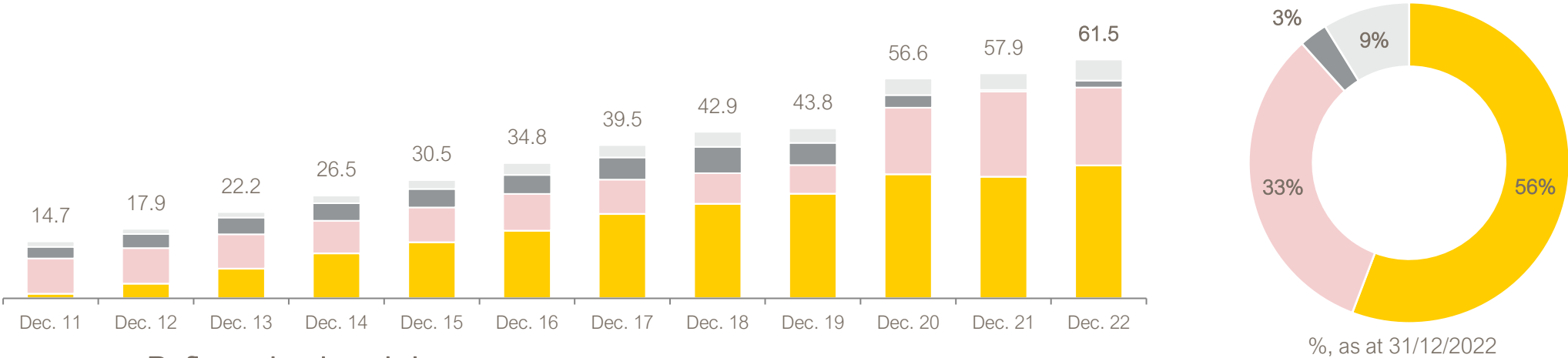
2022: €1.25bn – maturity date 05/2028¹
2021: €1.25bn – maturity date 11/2027¹

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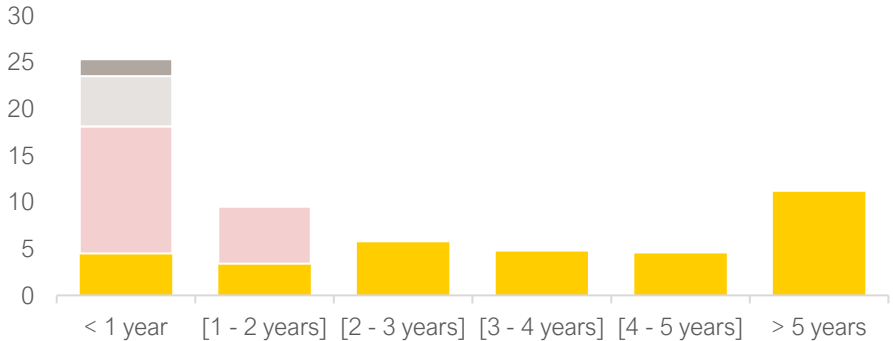
2020: €1.5bn – maturity date 02/2027

bpifrance funding strategy – An increasing refinancing structure to support business growth

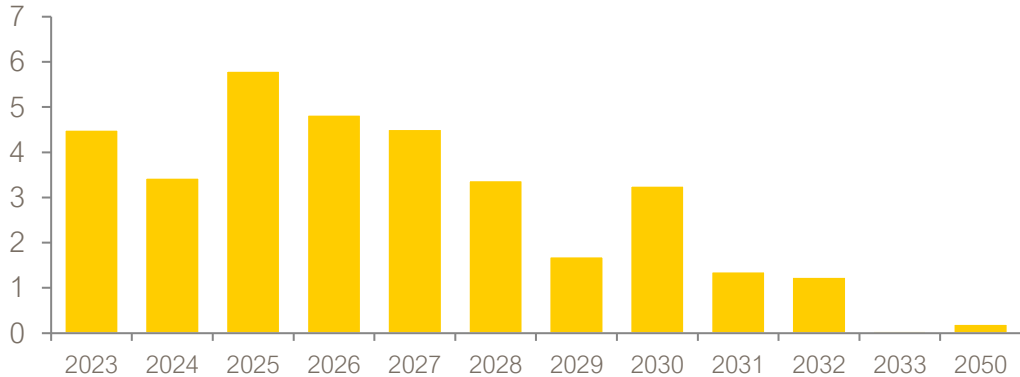
Bpifrance is regularly involved on primary market with Benchmark Bonds and TAP issuances.



€bn, as at 31/12/2022



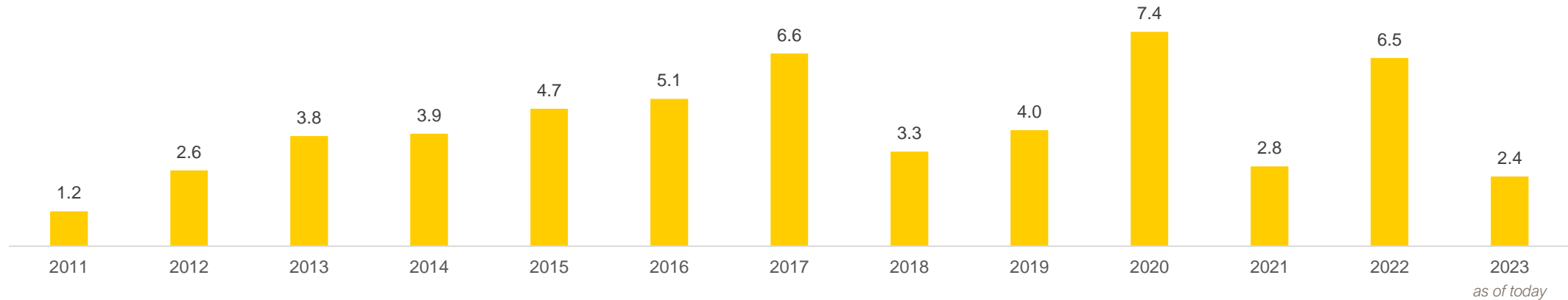
€bn, as at 31/12/2022



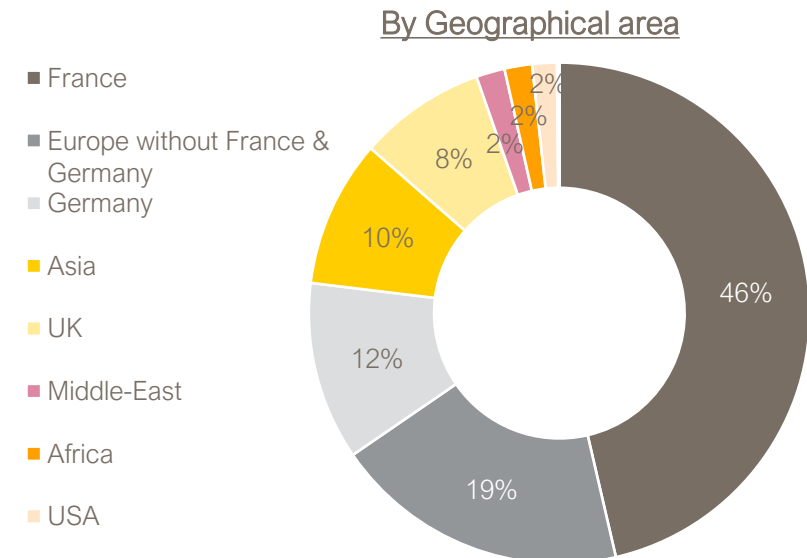
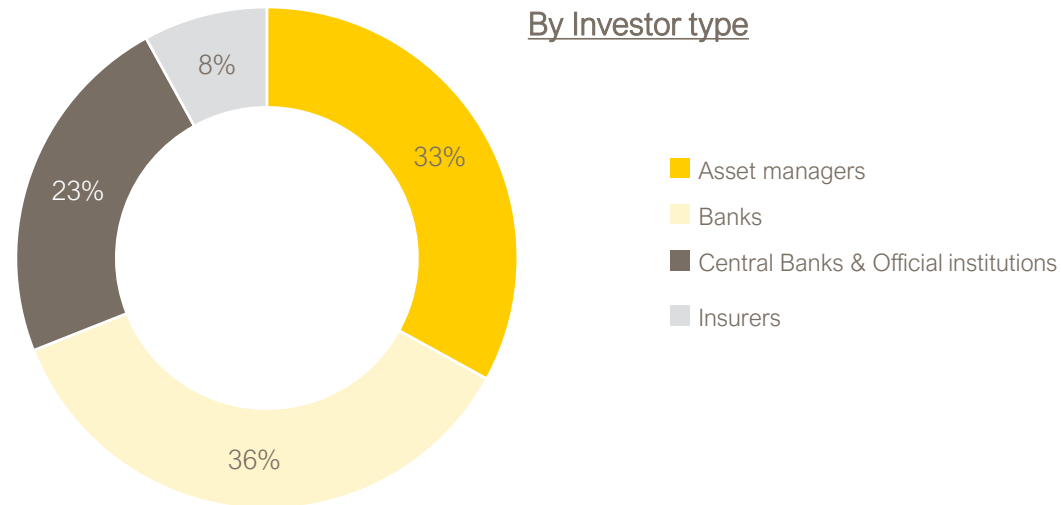
EMTN & NEU MTN Bilateral loans (including TLTRO) Repo Commercial Paper

bpi**france** funding strategy – A dynamic refinancing programme to support business growth

Bpifrance annual issuances (eq €bn)

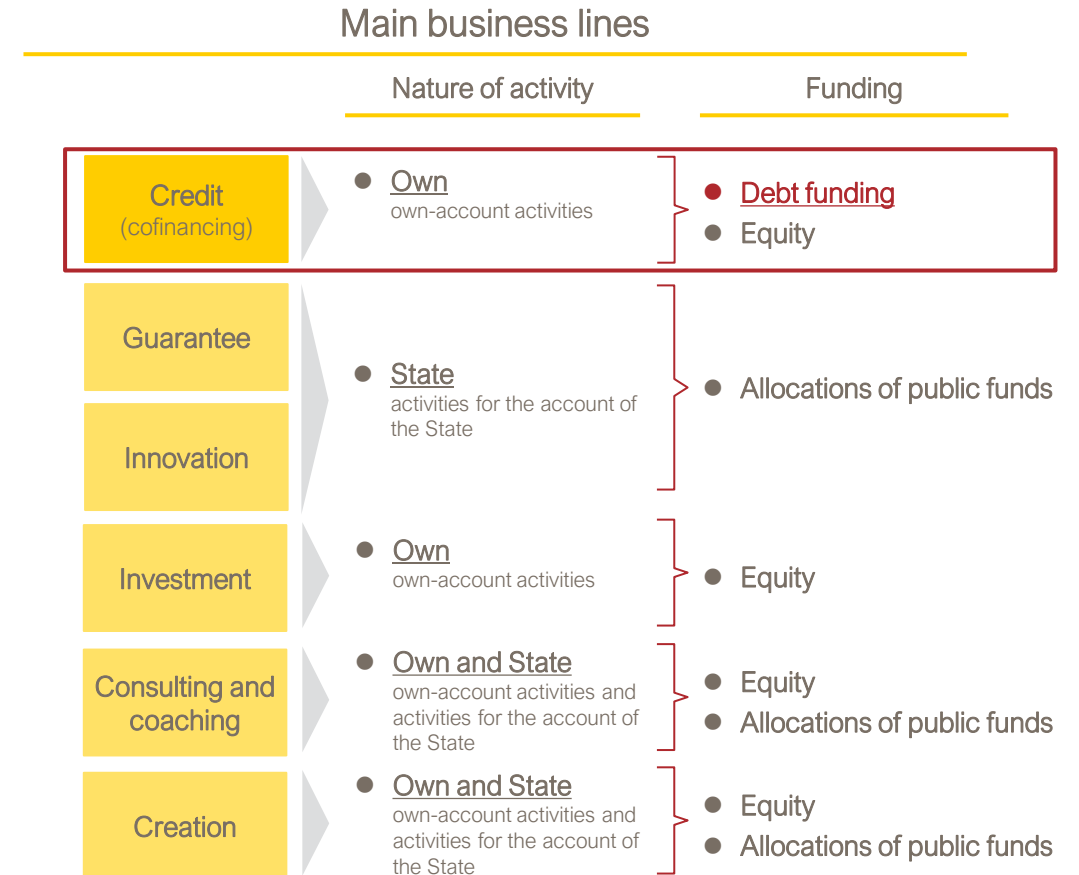
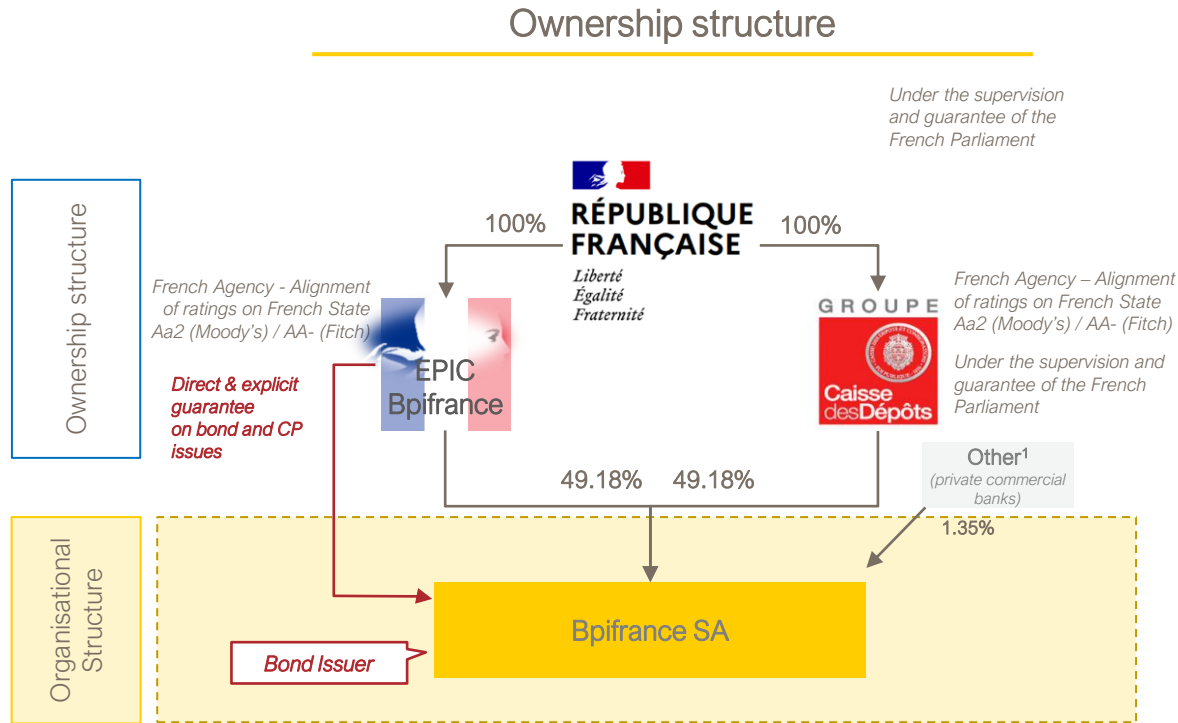


Bpifrance investors base



→ A growing interest among international investors over 463 investors in 43 countries

bpi**france** funding strategy – Bpifrance issues bonds and commercial paper to finance its loan portfolio



The bonds and commercial paper issued by Bpifrance are guaranteed by EPIC¹ Bpifrance by means of an autonomous, unconditional and irrevocable on-demand guarantee

bpifrance funding strategy – EPIC Bpifrance and the debt issuance programmes have earned high-quality ratings

The rating agencies deem **EPIC Bpifrance** to be a government-related issuer, credit-linked to the French State

MOODY'S > **Aa2** (Stable) / P-1

RATIONALE

- ✓ *EPIC Bpifrance* is fully owned by the French State and due to its status as an “Etablissement public à caractère industriel et commercial” (EPIC) benefits from an implicit guarantee from the State
- ✓ Its issuer rating is therefore derived from the application of a credit substitution approach whereby it is aligned with that of the French government
- ✓ Intrinsic operational and financial ties between **EPIC Bpifrance** and the French State
- ✓ The legal status of EPIC means that it is not subject to liquidation laws and its creditors have ultimate recourse to the French State



An EPIC (*Etablissement Public Industriel et Commercial*) is a legal entity that carries out commercial and industrial activities but is also governed by certain rules

FitchRatings > **AA-** (Stable) / F1+

RATIONALE

- ✓ *Bpifrance Group* is subject to strong administrative, legal and financial oversight by the French State, which defines its missions
- ✓ *Bpifrance Group's* commitments are supervised by parliament through annual performance reports
- ✓ A strategic public institution for implementing France's economic support policy
- ✓ As an industrial and commercial public agency, the EPIC cannot be liquidated or file for bankruptcy. It can only be dissolved by law, which would entail an automatic, unconditional transfer of all its assets and liabilities to the State, or to another public entity designated by the State
- ✓ Given **Bpifrance's** important role in government policy concerning SMEs and mid-caps [...], the French State would extend support in a timely manner in case of stress

bpi**france** funding strategy – Bpifrance is among top-performers in ESG

Bpifrance is a **responsible Group** with a **mission-statement defined by law** and supports **Energy and Environmental Transition**. Bpifrance aims to be among the top-ranking agencies, to match its ambitious objectives



Bpifrance's rating is at the highest level possible «Advanced» and above the industry¹

Advanced

Carbon footprint: **A** B C D

No involvement in controversial activities

Keys outputs:

- ✓ A strong environmental strategy
- ✓ Management of environmental impacts
- ✓ Social and economic development
- ✓ Environmental responsible financing



Bpifrance's ESG maturity score is «Advanced»² with an average ESG score of 73 out of 100

Advanced

Absence of any serious controversy provides further comfort on the robustness of ESG policies

Keys outputs:

- ✓ Robust HR practices and external stakeholders' relationship
- ✓ Solid governance structure
- ✓ ESG risk management system at corporate level seems mature



Bpifrance's ESG risk rating is «Low Risk»³ with an ESG score of 16.5 out of more than 40

Low Risk

Industry Group: **Bpifrance** is classified 124 out of 1,013 banks

Keys outputs:

- ✓ Exposure to different material ESG issues is rated **Low** for Bpifrance (highest level possible)
- ✓ Management to relevant ESG issues is rated **Weak** for Bpifrance (highest level possible)

Bpifrance Green Bond

01. Overview of Bpifrance

02. Bpifrance's Global Sustainable Strategy

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04. Overview of Bpifrance Green Bond Framework

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Overview of **bpi**france Green Bond Framework (1/2)

Rationale for Bpifrance Green Bond Framework update is to align it with the latest regulations and best market practices in order to position itself as a pioneer player in the market.

Bpifrance's Green Bond framework

✓ Fully aligned with the ICMA's Green Bond Principles (2021)



✓ The Eligible Green Loans aim to contribute to the following **EU Environmental Objectives**:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of resources
- Circular economy
- Pollution prevention & control
- Biodiversity & ecosystems



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



Renewable Energy Loans



Green Buildings Loans



Greentech Loans



Main Evolutions

New eligible categories: Green Buildings, Greentech



*Took into account some elements from the **EU Green Bond Standard Proposal** when relevant*



***EU Taxonomy alignment** of Renewable Energy Loans and portion of Green Buildings Loans*




*Strengthening of the **ESG risk process***

Overview of bpifrance Green Bond Framework (2/2)

Rationale for Bpifrance Green Bond Framework update is to align it with the latest regulations and best market practices in order to position itself as a pioneer player in the market.

Bpifrance's Green Bond framework

- ✓ Bpifrance has obtained a **Second Party Opinion** provided by **ISS CORPORATE SOLUTIONS**. An assessment of the use of proceeds categories alignment with the **EU Environmental Objectives** and **UN Sustainable Development Goals** has been made. 
- ✓ All the **Eligible Renewable Energy Loans** and a part of **Eligible Green Buildings Loans** are **aligned with the EU Taxonomy Delegated Acts** on:
 - ✓ Climate Change Mitigation Criteria
 - ✓ Do No Significant Harm (DNSH) Criteria
 - ✓ Minimum Social Safeguards (MSS) requirements.
- ✓ Bpifrance intends to allocate Eligible Green Loans on **an annual basis** to match the amount of proceeds of Bpifrance Green Bond program, on a portfolio approach.
- ✓ A look-back period of **maximum 3 years** has been defined, with **a best effort basis on a 2-year look-back period**.
- ✓ An **external review** of the Allocation Report will be made annually.



Main Evolutions

New eligible categories: Green Buildings, Greentech



*Took into account some elements from the **EU Green Bond Standard Proposal** when relevant*



***EU Taxonomy alignment** of Renewable Energy Loans and portion of Green Buildings Loans*



*Strengthening of the **ESG risk process***

Overview of bpifrance Green Bond Framework













Use of Proceeds

Project Evaluation
& Selection

Management of
Proceeds

Reporting

The net proceeds of Bpifrance's Green Bonds will be used to finance and/or refinance, in whole or in part, new or existing medium and long-term loans, located in France, aiming at financing the following three eligible green categories.

Eligible Green Categories	Description	EU Environmental Objectives	SDGs	EU Taxonomy Alignment
Renewable Energy Loans	<ul style="list-style-type: none"> Loans for construction and operation of electricity generation facilities dedicated to onshore and offshore wind and solar power projects 	<ul style="list-style-type: none"> ✓ Climate Change Mitigation 	 	
Green Buildings Loans	<ul style="list-style-type: none"> Loans for acquisition of existing buildings or construction of new buildings or refurbishment of existing buildings 	<ul style="list-style-type: none"> ✓ Climate Change Mitigation 	  	 <p>Only a part of the eligible loans See dedicated section in the next slide</p>
Greentech Loans	<ul style="list-style-type: none"> Loans to finance and support the emergence and growth of Greentech 	<ul style="list-style-type: none"> ✓ Climate Change Mitigation ✓ Climate Change Adaptation ✓ Sustainable Use and Protection of Resources ✓ Circular Economy ✓ Pollution Prevention & Control ✓ Biodiversity & Ecosystems 	    	

Overview of **bpi**france Green Bond Framework – Focus on Green Building Loans category

Use of Proceeds





Project Evaluation & Selection

Management of Proceeds

Reporting

The **Green Buildings Loans** category is comprising:

- loans financing buildings aligned with the EU Taxonomy (*Substantial Contribution Criteria, DNSH and Minimum Social Safeguards*)
- loans financing buildings that are aligned with the EU Taxonomy substantial contribution criteria or have achieved an environmental certification
- until 31/12/2025, loans financing the construction or acquisition of NZEB Buildings

	NZEB	NZEB – 10%	Highest level of certification	Energy Performance Certificate (EPC)	Certification achievements	Primary Energy Demand (PED) -30%
Taxonomy alignment ¹						
Details of the Eligible Green Building Loans category	<ul style="list-style-type: none">• Building permit was submitted from 1st January 2013• French Thermal Regulation (RT2012) = NZEB	<ul style="list-style-type: none">• Building permit was submitted after 1st January 2022• French Regulation (RE2020) = NZEB -10%• For buildings larger than 5,000m²:<ul style="list-style-type: none">◦ Traceable quality control processes in place during the construction process◦ Life cycle Global Warming Potential (GWP) calculated for each stage in the life cycle	<ul style="list-style-type: none">• HQE-BD v4: [≥ "Excellent"]	<ul style="list-style-type: none">• For buildings built before 31 December 2020:<ul style="list-style-type: none">- EPC (class A).- Or the building is in the top 15% of the national or regional building stock expressed• For buildings built after 31 December 2020:<ul style="list-style-type: none">- the building meets EUT Technical Screening Criteria applicable	<ul style="list-style-type: none">• HQE: [≥ "Excellent"]• LEED: [≥ "Gold"]• BREEAM: [≥ "Very Good"]• BBC Effinergie+• BBCA (<i>Bâtiments Bas Carbone</i>)• HPE [RT 2012 -10%]• THPE [RT 2012 -20%]• BePOS effinergie 2017 and BePOS+ effinergie 2017• E+/C-	<ul style="list-style-type: none">• Improved energy efficiency from renovation resulting in a reduction of primary energy demand (PED) of at least 30% within a maximum of 3 years in comparison to the energy performance of the building before the renovation(s)• Alternatively, the building renovation complies with the applicable requirements for major renovations of the Energy Performance of Buildings Directive
Eligibility	Eligible until 31 December 2025	Eligible since issuance	Eligible since issuance	Eligible since issuance	Eligible since issuance	Eligible since issuance

Overview of **bpi**france Green Bond Framework – Focus on Greentech Loans category















Use of Proceeds

Project Evaluation
& Selection

Management of
Proceeds

Reporting

- ❖ **Bpifrance's Greentech Definition:** A Greentech is considered as an entity which can provide an innovative solution (by a service, a product, or a technology) which enhance or will enhance markedly and directly environmental impact of the solution's user on at least one of the EU Environmental Objectives. By Bpifrance definition, the Greentech is not involved in other activity different from the one related to the EU Environmental Objectives associated
- ❖ **Specificity of Bpifrance:** Supporting Greentech's creation and growth, constitutes one of the three main pillars of Bpifrance Climate Plan
- ❖ **Restrictive Approach:** Eligible Greentech loans have been identified on a sectorial approach with Greentech providing an innovative solution on topics below:

Innovative Solution Category		SDGs			
New Energy	<ul style="list-style-type: none"> Assisting the research on hydrogen Enhancing renewable energy storage Assisting firms specialized in methanation Generation of energy from small scale hydropower Generation of energy from medium to large scale hydropower Installing and distributing smart grids Producing renewable energy 				
Green Industry	<ul style="list-style-type: none"> Financing the industrialization process of bio-based fertilizers Financing waste management Recycling materials 				
Agriculture and Food Industry	<ul style="list-style-type: none"> Biocontrol and green manure solutions Enhancing solutions for transformation and production for agriculture 				
Environmental Transition	<ul style="list-style-type: none"> Creating and supporting carbon capture solution 				
Clean Mobility	<ul style="list-style-type: none"> Enhancing biofuel solutions Battery technology that allows improvements in the field of renewable energy storage 				
Green Building	<ul style="list-style-type: none"> Financing firms specialized in developing technologies for smart buildings Supporting waste management solution on construction sites 				
Protection of Ecosystems	<ul style="list-style-type: none"> Financing firms specialized in drinking water filtration / purification solutions Improvement of air pollution control technology Marine ecosystem conservation Soil remediation and improvement services 				

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, small and medium-sized businesses, that **traditionally find it difficult to get financing due to their size or risk profile**.



Credit Risk Policy



ESG Risk Assessment



Green Bond Committee

All Eligible Green Loans will be submitted to Bpifrance’s regular underwriting process. They are granted following a **strict approval process** through its support decision tool which:

- (i) centralizes 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; and
- (iii) provides an audit trail of the decision-making process.

A simplified **analysis of the company’s ESG practices** is provided for credit or innovation support cases above certain thresholds, structured around 4 pillars:

Environmental issues	Societal issues
Labour issues	Corporate governance

Bpifrance adopts **specific ESG risk management process for each type of loan category**. See the Green Bond Framework for more detail.

The **Green Bond Committee** will meet at least once a year and is responsible for the following missions:

- ▶ **Verify the traceability** of the Eligible Green Loans **and their compliance** with the Eligibility Criteria
- ▶ **Monitor the satisfactory allocation** of the net proceeds to the Eligible Green Loans Category
- ▶ **Reallocate divested proceeds** to projects that are compliant with Bpifrance Green Bond Framework
- ▶ **Verify** that all Eligible Green Loans already allocated are **not facing major ESG controversy**
- ▶ **Discuss and validate potential evolution of this Framework**

The proceeds of the Green Bond Instruments will be managed by the Green Bond Committee in a **portfolio approach**.

Allocation on nominal equivalence basis

- **Earmarking** of Green Bonds Net Proceeds
- **Rapid allocation** Green Bonds Net Proceeds *with a full allocation within the end of the calendar year after the issuance date of each Green Bond.*

Financial terms

- A **look-back period** of 3-year maximum, with a best effort basis on a 2-year period.
- Possibility to issue Tap
- Bpifrance seeks to be a **repeat issuer** of Green Bonds



Internal tracking system

- **Additional trigger consideration** in place for Bpifrance Green Bond : *total outstanding amount of Bpifrance's Green Bonds will not be higher than the total outstanding amount of Eligible Green Loans in Bpifrance's portfolio.*
- External review of the internal methods for earmarking and allocating

Management of unallocated proceeds

- Treasury team management of any unallocated proceeds
- With an exclusion list defined in Bpifrance Green Bond Framework (**no GHG intensive activities or activities listed in the exclusion list**)

Overview of bpifrance Green Bond Framework

Use of Proceeds

Project Evaluation
& Selection

Management of
Proceeds

Reporting

External Review

Allocation and Impact Reports

- ✓ An **Allocation and Impact Report** published on an annual basis, **until maturity**.
- ✓ Following the **ICMA Harmonized Framework for Impact Reporting** on sustainability reporting.
- ✓ The **allocation report** will include information such as:
 - ✓ Financial information on Bpifrance's Green Bonds
 - ✓ Overview of the portfolio of Eligible Green Loans and average remaining term
 - ✓ Breakdown of the portfolio of Eligible Green Loans at origination and current balance
 - ✓ Split of Eligible Green Loans aligned with the **EU Taxonomy**
 - ✓ Portion of **new financing vs refinancing**
 - ✓ Balance of any unallocated proceeds (if any) and type of temporary investments
 - ✓ **Project-by-project** information on amounts disbursed and their expected impacts
- ✓ The **impact report** will present transparent information on the environmental impacts of the allocated proceeds. See details in dedicated slides.
- ✓ **Impact Reporting Methodology** disclosure on an annual basis.

External Review

Second-Party Opinion



- ✓ SPO on the Green Bond Framework's environmental credentials and its alignment with the **ICMA Green Bond Principles 2021** (with June 2022 Appendix 1)
- ✓ Assessment of the alignment of the Framework with both the **EU Green Bond Standard** proposal and the current version of the **EU Taxonomy**, concerning all Eligible Renewable Energy Loans and a part of Eligible Green Buildings Loans

External Audit

- ✓ **Annual external audit** certifying a satisfactory allocation of the Use of Proceeds and the compliance of the allocation reporting with the Eligibility Criteria

Bpifrance Green Bond

01. Overview of Bpifrance

02. Bpifrance's Global Sustainable Strategy

03. Bpifrance: Funding Strategy

04. Overview of Bpifrance Green Bond Framework

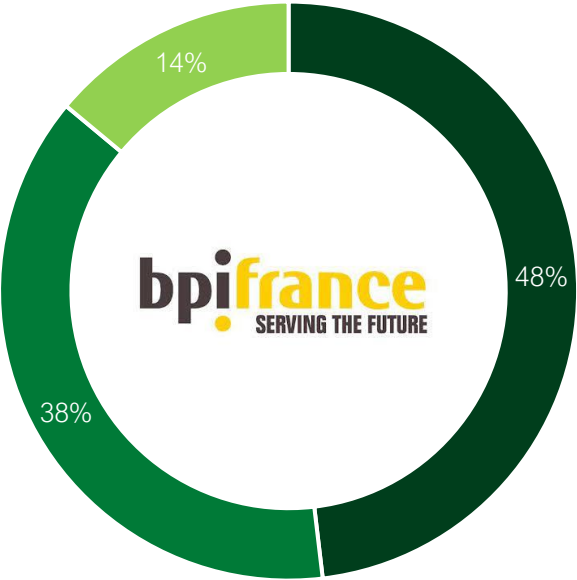
05. Green Bond Transaction

06. Information provided in the future Impact & Allocation Report

07. Appendices

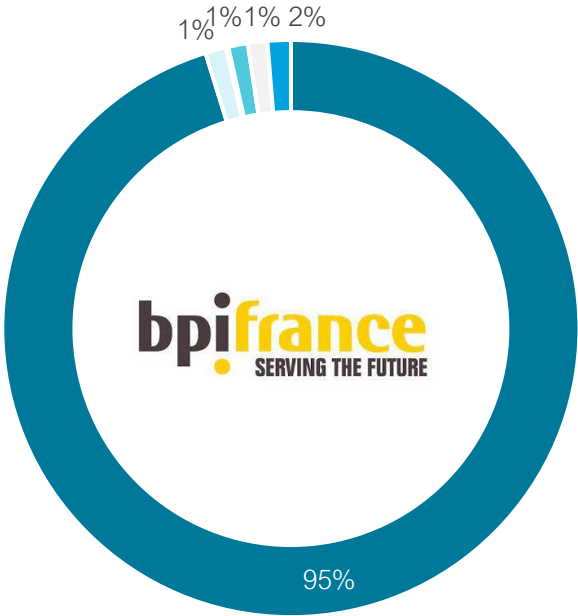
Green Bond Transaction – Breakdown of eligible Green Loans

Eligible Green Loans



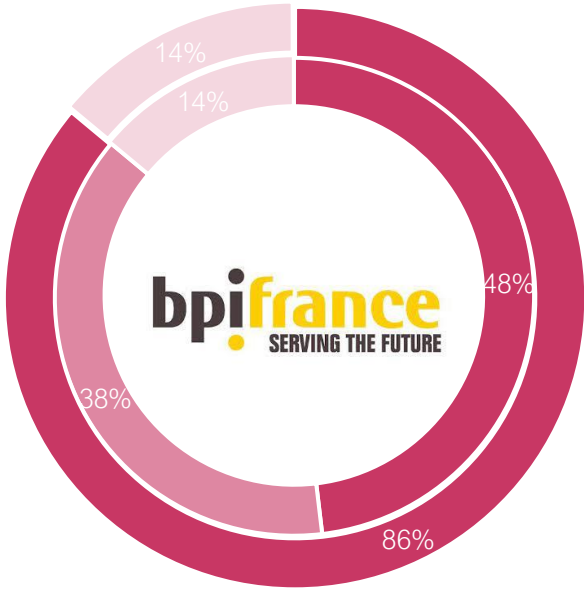
- Renewable Energy Loans
- Green Buildings Loans
- Greentech Loans

EU Environmental Objectives



- Climate Change Mitigation
- Climate Change Adaptation
- Sustainable Use and Protection of Resources
- Circular Economy
- Pollution Prevention & Control
- Biodiversity & Ecosystems

EU Taxonomy Alignment



- Taxonomy alignment
- Not aligned to the Taxonomy until 2025
- Not assessed to the Taxonomy

Green Bond Transaction – Cases of Eligible Green Loans of Bpifrance

SOLAR



- Bpifrance has financed the Project Manille that includes:
 - The construction of a portfolio of 103 photovoltaic roofs, in the center and west of France, on agricultural roofs, with unitary power ranging from 36 kW to 99 kW, developing a total of 10,046 kW;
 - The acquisition of a 1,018 kW plant on the roof of an industrial building located in Cournon d'Auvergne (63)

WIND



- Bpifrance has financed the Eole Yate project creation of a wind power plant of 24 machines in the commune of Yaté, in the southern province of New Caledonia.
- This project represents a power of 20.4 MW.
- The Group financed is present in New Caledonia since 2002 and has developed nearly 100 MW of wind power plants, of which 34 MW are in operation. In addition, 20 MW of wind power and 15 MW of solar power are to be built in the short term.

GREEN BUILDING



- Bpifrance has financed the rehabilitation of the LITWIN Tower and plans to build a 3-star category hotel. It is a 14-storey building with a total floor area of 9,483 m² of which 211 rooms.
- This building is certified by the BREEAM label "Very Good". That certifies the eco-responsibility of the building.
- The hotel will be perfectly connected to the road network and public transport due to its location at LA DEFENSE.

GREENTECH



- Bpifrance has financed a Greentech focused on the marine ecosystem conservation.
- This Greentech has developed an Artificial Intelligence & robotic innovation to protect the marine ecosystem with a small robot that collects floatings waste and oil spills.
- By acting as close as possible to the sources of pollution, it prevents the dispersion of pollutants in waterways, seas and oceans.

Bpifrance Green Bond

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Information provided in the future Impact & Allocation Report – Market Best Practices transparency

Allocation & 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** on sustainability reporting



Transparency of the reporting

- The allocation report will notably include the following information:
 - The **split of Eligible Green Loans aligned with the EU Taxonomy**
 - The portion of **new financing vs refinancing**
 - A **project-by-project** information on amounts disbursed and their expected positive and negative environmental impacts.






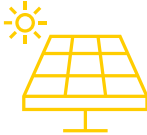









Impact Reporting Methodology

- An Impact Reporting Methodology will be published **annually in the Impact Report**
- If any change occurs in the methodology, such changes will be clearly stated in the Impact Report

Audit of the Allocation report annually

- 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**

Information provided in the future Impact & Allocation Report

Green Eligible Loans	Examples of output / impact indicators		
Renewable Energy Loans	 Renewable Energy Capacity installed (MW)	 Estimated annual GHG emissions avoided/reduced (tCO2e)	 Nationality of Wind Turbine Constructor
	 Annual Energy Production (MWh)	 Projects locations	 Nationality of Solar Panels Constructor
Green Building Loans	 Number of buildings	 Average energy consumption in kWh/m²/year	 Label and certification obtained
	 Type, localization and surface of buildings	 Estimated GHG emissions avoided relative to local baseline in tCO2eq/year	 Number of square meter impacted
Greentech Loans	 Number of job supported	 Number of projects (by geographical area)	 Split by EU Environmental Objectives

Bpifrance Green Bond

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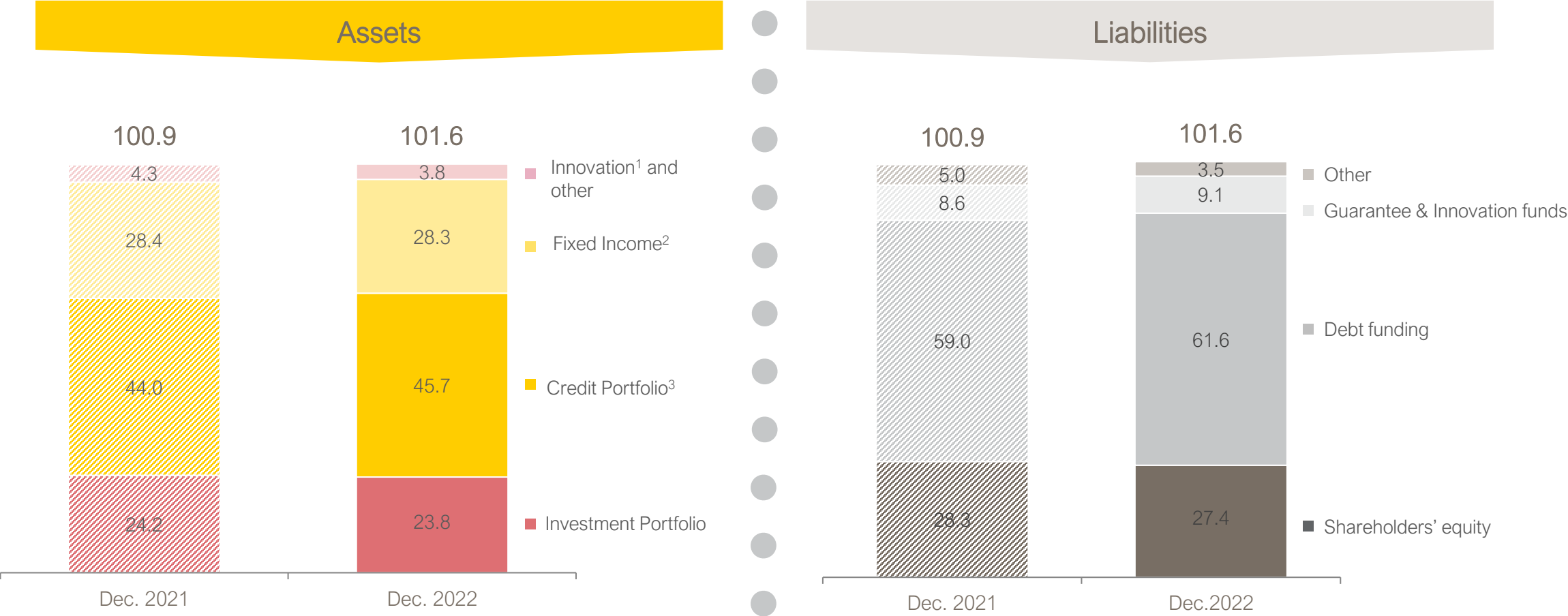
05. Green Bond Transaction

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07. Appendices

Appendices - Key financial figures – Bpifrance has a rock-solid balance sheet reflecting its safe and sound business model

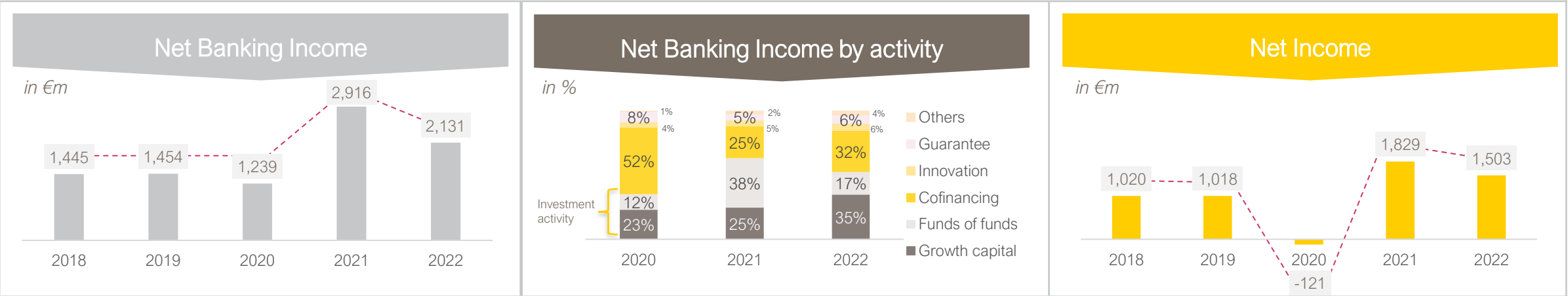
Business unit consolidated balance sheet (€bn)



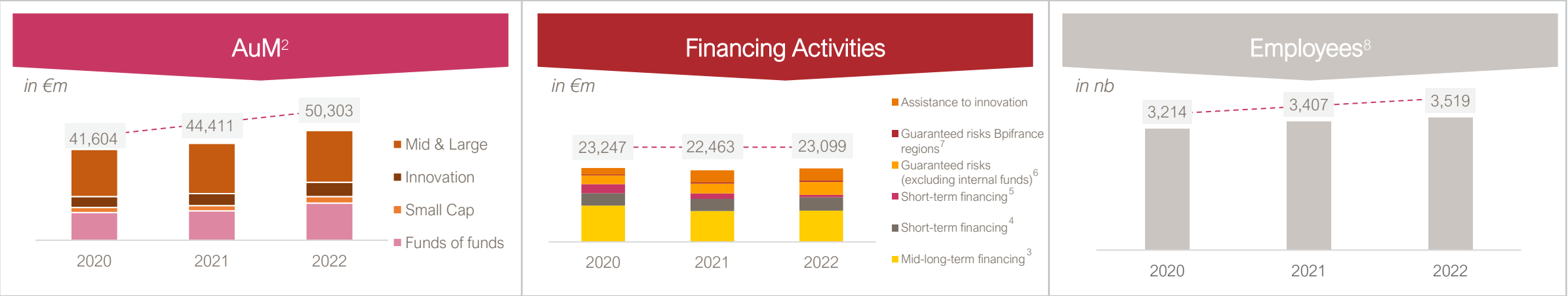
Appendices - Key financial figures – Summary

Bpifrance generates a net income of €1.5bn in 2022, a very significative level in a challenging macroeconomic environment. The net income of €1.8bn in 2021 included the Fund of Funds exceptional contribution with €0.9bn in positive portfolio revaluation

P&L



Breakdown of AuM, Financing Activities and Employees



1. The cost of future risk was conservatively provisioned in 2020, impacting the net income.

2. AuM from Investing Activities

3. Mid long-term financing - Co-financing of Investment

4. Short-term financing - Mobilisation of credit-claims

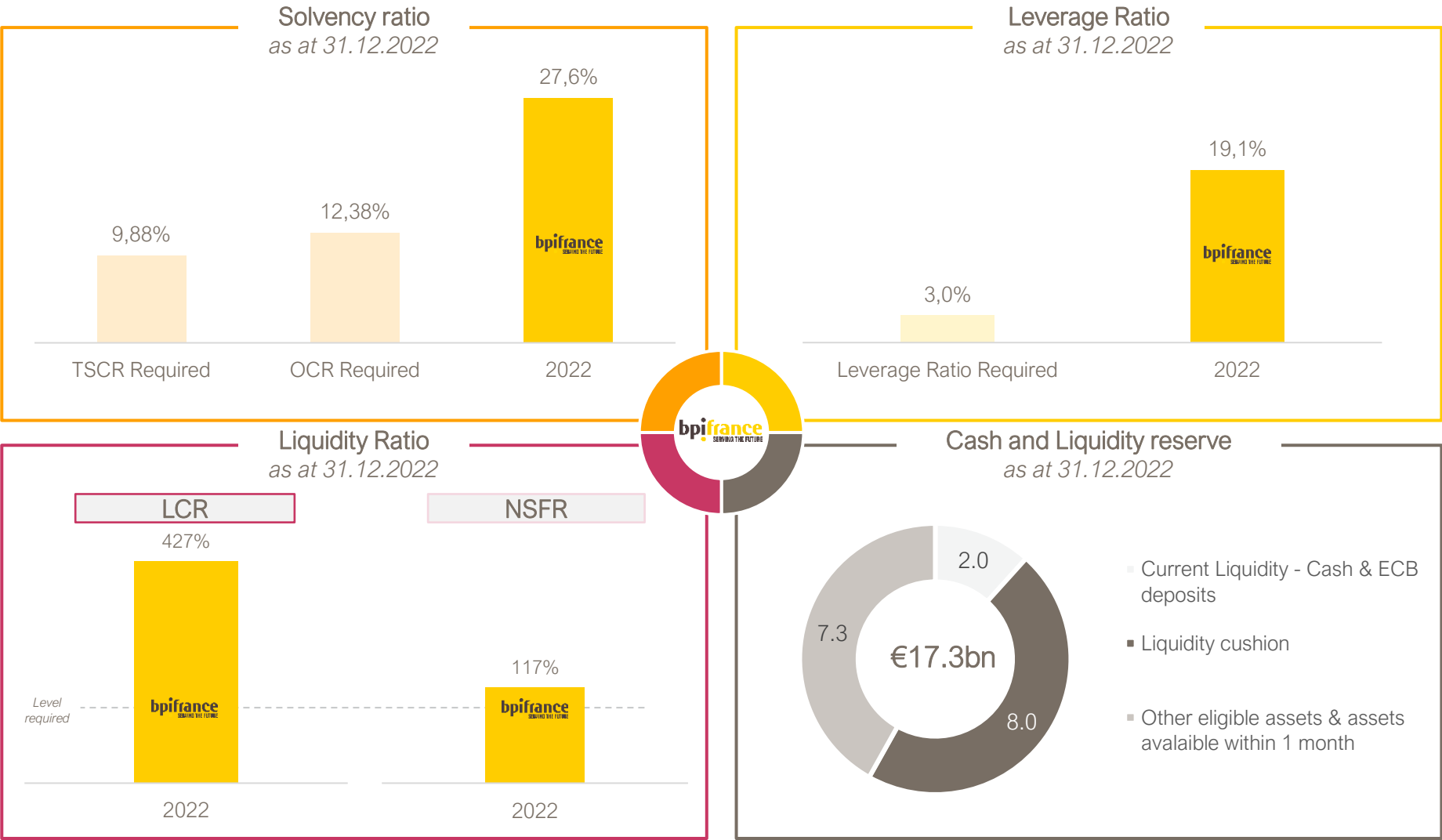
5. Short-term financing - Prefinancing from CICE

6. Amount of guaranteed risks (excluding internal funds)

7. Amount of guaranteed risks Bpifrance regions

8. Workforce as of 31 December 2022

Appendices - Key financial figures – Bpifrance’s solvency and liquidity ratios are among the strongest in the Eurozone



Robust solvency

Capital levels are significantly above Pillar 2 requirements:

- TSCR¹: 9.88%
- OCR²: 12.38%

Leverage ratio

maintained well above the 3% level required by the Basel Committee

High liquidity level

LCR and NSFR are far above the 100% level requirements

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- <https://www.bpifrance.fr/investor-relations>
- <https://www.bpifrance.fr/sustainable-finance>

● Headquarters

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