

FRAMEWORK EXTERNAL REVIEW

GREEN DEPOSIT FRAMEWORK

Natixis Corporate & Investment Bank SA
10 September 2024

VERIFICATION PARAMETERS

- | | |
|-----------------------|--|
| Covered Instruments | ▪ Deposits |
| Type of Framework | ▪ Green Deposit Framework |
| Scope of verification | ▪ Natixis Corporate & Investment Banking's Green Deposit Framework (as of Sept. 9, 2024) |
| Validity | ▪ Valid as long as the Framework remains unchanged |

CONTENTS

SCOPE OF WORK.....	3
NATIXIS CIB OVERVIEW	4
ASSESSMENT SUMMARY	5
FRAMEWORK EXTERNAL REVIEW ASSESSMENT	7
PART I: REVIEW OF NATIXIS CIB'S GREEN DEPOSIT FRAMEWORK.....	7
PART II: SUSTAINABILITY QUALITY OF THE ELIGIBLE ASSETS	13
A. THE CRITERIA OUTLINED IN NATIXIS CIB'S ELIGIBILITY GREEN DEPOSIT SELECTION SYSTEM	13
B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBLE ASSETS	14
PART III: CONSISTENCY OF THE GREEN DEPOSITS FRAMEWORK WITH NATIXIS CIB'S SUSTAINABILITY STRATEGY.....	19
ANNEX 1: Methodology	26
ANNEX 2: Quality management processes	29
About this External Review.....	30

SCOPE OF WORK

Natixis Corporate & Investment Banking ('Natixis CIB' or 'the Bank') commissioned ISS-Corporate to assist with its Green Deposit Framework ('GDF' or 'the Framework') by assessing three core elements to determine the quality of its green deposit selection system covering governance and processes¹ for allocating deposits towards eligible assets and the sustainability quality of the eligibility criteria:

1. The Green Deposit Framework - benchmarked against market practices and guidelines² for capital and loan markets approaches to environmental and social sustainability (see Annex 1)
2. The Eligibility Criteria - the description of the eligibility parameters to identifying eligible assets and assessment of Natixis' overarching risk management procedures considered relevant in the context of the Bank's sustainable financing and investment activities and the underlying Framework (see Annex 1).
3. The Green Deposit Framework and Natixis CIB's overall ESG profile - drawing on the key sustainability objectives and priorities defined by Natixis CIB.

Since this External Review does not include the analysis of the environmental benefits of eligible assets under its scope, we are not able to opine on any environmental benefits associated with the eligible assets.

¹ The methodology of external reviews provided for sustainable financing, lending, and investment strategies has been developed based on our expertise in assessing a range of sustainable finance-related instruments and frameworks. In general, these types of external reviews are not to be treated as a 'pass or fail' assessment of the sustainability quality of sustainable financing, lending, or investment strategies but rather as an overall assessment. Thus, obtaining an external review of an overarching financing framework does not imply a detailed assessment of the sustainability quality of each underlying transaction. A qualitative assessment of sampled eligible ESG products is not in the scope of the verification procedures.

² The assessment is based on current market practices for sustainable capital and loan markets referring to different market standards and voluntary guidelines including but not limited to the International Capital Market Association's (ICMA) [Green Bond Principles](#), and [Sustainability Bond Guidelines](#), the Loan Market Association's (LMA) [Green Loan Principles](#), the [UNEP-FI PRB](#), and the [Climate Bonds Initiative Standard Version 4.0](#) (version April 2023) [Guidelines proposed by the European Banking Authority \(EBA\) with respect to environmentally-sustainable lending](#).

NATIXIS CIB OVERVIEW

Part of Groupe BPCE, within GFS (Global Financial Services division encompassing Natixis CIB and Natixis Investments Managers and Natixis Wealth Management), Natixis CIB is a company headquartered in Paris, France. Natixis CIB is a leading global financial institution that provides advisory, investment banking, financing, corporate banking and capital markets services to corporations, financial institutions, financial sponsors and sovereign and supranational organizations worldwide. Natixis CIB's teams of experts in around 30 countries advise clients on their strategic development, helping them to grow and transform their businesses, and maximize their positive impact. Groupe BPCE covering Natixis CIB is committed to aligning its financing portfolio with a carbon neutrality path by 2050 while helping its clients reduce the environmental impact of their business. As part of the Global Financial Services division of Groupe BPCE, the second largest banking group in France through the Banque Populaire and Caisse d'Epargne retail networks, Natixis CIB benefits from the Group's financial strength and financial ratings.

ESG risks associated with the Natixis CIB's Industry

Natixis CIB is classified in the Commercial Banks & Capital Markets industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies³ in this industry are: business ethics, labor standards and working conditions, customer and product responsibility, sustainability, impacts of lending, and other financial services/products, and sustainable investment criteria.

This report focuses on the sustainability credentials of the Green Deposit Framework. Part III. of this report assesses the consistency between the Framework and the Bank's overall sustainability strategy.

³ Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁴
<p>Part I:</p> <p>Review of Natixis CIB’s Green Deposit Framework</p>	<p>The Green Deposit Framework reflects market practices. The scope of the Framework includes all Natixis Corporate and Investment Banking (CIB) business units and geographies. Where feasible, the Framework may be further improved with regard to defining an exhaustive list of eligible assets.</p> <ol style="list-style-type: none"> 1. Use of Proceeds: Natixis CIB has set forth a formal methodology to earmark deposits from clients to use of proceed-based and corporate-based financings and investments that aim to generate positive environmental benefits. 2. Process for Evaluation & Selection: Internal procedures defined for selection and evaluation of eligible assets are considered appropriately documented and transparent. Responsibilities and accountabilities are defined, and duties are segregated. Besides, the Bank has put in place a process to identify and mitigate risks of negative social and environmental impacts of eligible assets. 3. Management of Proceeds: The Bank tracks eligible assets in an appropriate way. The monitoring is carried out on a monthly basis for the Eligible Asset Pool. Furthermore, the Bank discloses the intended types of temporary placement for the unallocated proceeds in the Framework. 4. Reporting: Relevant reporting is conducted frequently and made available to the depositors. As data availability in terms of impact reporting improves, the Framework may be further improved by tracking the expected impact of Banks’ eligible assets on environmental objectives.⁵ 	
<p>Part II:</p>	<p>Natixis CIB has put forth multiple sets of eligibility parameters for its assets to be classified as eligible: Green Bond Investments (GBI) and the Green Weighing Factor (GWF) Loans. For the GWF Loans</p>	

⁴ The evaluation is based on the Natixis’ Green Deposit Framework (Sept. 9, 2024), on the analysed eligible asset selection system as received on Sept. 9, 2024.

⁵ However, it is also noted by the Bank that impact reporting is operationally not feasible as of now, due to the potential risk of double claim of the impact that can be done by the issuer/borrower.

<p>Sustainability quality of the eligible assets</p>	<p>the Bank relies on a third-party verified methodology⁶. For the GBI the Bank relies on external verification (i.e. Second Party Opinion) of the respective green bonds.</p>
	<p>ESG risks relevant in the context of the Bank’s green deposit activities are considered to be managed.</p>
<p>Part III:</p> <p>Consistency of the Green Deposit Framework with Natixis CIB’s Sustainability Strategy</p>	<p>The Green Deposits Framework is consistent with the Bank’s Sustainability strategy.</p> <p>The Green Deposit Framework is considered consistent with the Bank’s Sustainability strategy. The rationale for developing a Green Deposit Framework is described by Natixis CIB.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>

⁶ Independent Limited Assurance Report on the robustness and green integrity of Natixis Green Weighting Factor of KPMG, <https://natixis.groupebpce.com/wp-content/uploads/2023/01/KPMG-report-2022-Robustness-and-green-integrity-of-Natixis-Green-Weighting-Factor.pdf>.

FRAMEWORK EXTERNAL REVIEW ASSESSMENT

PART I: REVIEW OF NATIXIS CIB’S GREEN DEPOSIT FRAMEWORK

In its Green Deposit Framework, Natixis CIB defines its methodology for the selection of eligible assets as sustainable for the purpose of providing the methodology to earmark deposits from clients to use of proceed-based and corporate-based financings that aim to generate positive environmental benefits.

This External Review assesses the Framework against current market practices for sustainable capital and loan markets derived from market standards and established guidelines. The assessment focuses on key principles for transparency, public disclosure and non-contamination of sustainability labelled-products, set out in, among other the ICMA Green and Social Bond Principles, Sustainability Bond Guidelines and best market practices from other market standards for Sustainable Finance, such as the Loan Market Association Green and Social Loan Principles, the EU Green Bond Standards usability guide (March 2020), the TEG final report on the EU Taxonomy and Technical Annex, for ESG factor integration in equity and fixed-income.

CRITERIA	SUMMARY AND OPINION
<p>1. Use of Proceeds</p>	<p>Natixis CIB developed a Green Deposit Framework to enable the selection of its eligible assets and to provide the methodology to earmark deposits from clients (the “Green Deposits”) to use proceed-based and corporate-based financings that aim to generate positive environmental benefits.</p> <p>The Bank defines the eligible assets as Green Weighting Factor Loans and Green Bond Investments in the Framework:</p> <ul style="list-style-type: none"> Green Weighting Factor (GWF) Loans refers loans provided to all industries, excluding (i) public sector (Sovereigns, Agencies, Local authorities), (ii) Financial Institutions, and subject to Excluded Sectors. It includes both financings of expenditures tied to a specific purpose and general corporate expenditures, which have medium green and dark green GWF color rating.⁷

⁷ Please see Part II.A of this External Review to have more information and reference for Green Weighting Factor Loans and the Tool.

	<ul style="list-style-type: none"> Green Bond Investments refer to investments in Green Bonds under the liquidity buffer (LCR) investment mandate⁸ and includes investments made by Natixis CIB in Green Bonds with a Second-Party Opinion (SPO) confirming the alignment with Green Bond Principles as published by the International Capital Market Association (ICMA). <p>Per above-described criteria, an asset will be considered as eligible by the Bank. Natixis also checks whether (i) the sector of the corporate client is excluded from Natixis CIB’s Sector Policy, Environmental Social Responsibility (ESR) Policy, and if (ii) the corporate client receives a negative rating in ESG risk management during screening. The coal and tobacco industries are excluded in accordance with the policies. The minimum requirements and the details of exclusion criteria can be found in the Bank’s Universal Registration Document and Annual Financing Report 2023, as well as its Sector Policy disclosures available online.^{9 10}</p> <p>Natixis CIB discloses its sustainability strategy, strategic Corporate Social Responsibility (CSR) priorities, sustainable finance targets, and its action plans with an associated timeline.¹¹ The Bank discloses its current share of GWF color mix out of its total portfolio, as well as the volume of the sustainable loans, to which the Bank is committed.^{12 13} The Bank defines exclusion criteria for harmful projects categories, in line with best market practice.</p>
--	---

⁸ Natixis’ Liquidity Buffer Investment evolves around increasing sustainable green investment by 2024 through sustainable bonds, integrating climate-impact measure (liquidity reserve “temperature” measure) to monitor Paris Agreement alignment by 2024, and including ESG risk management as well as the Bank’s exclusion policies to limit portfolio exposure to controversial activities and negative ESG profiles. For further detail, please visit page 18 of the Climate Report of Groupe BPCE, 2022, Available at: https://groupebpce.com/en/content/download/33295/file/TCFD_RapportClimat2022_EN-01.pdf

⁹ Natixis Universal Registration Document and Financial Report, 2023, Available at: https://natixis.groupebpce.com/wp-content/uploads/2024/03/NATIXIS_URD2023_EN_2024_03_15.pdf

¹⁰ Natixis Sector Policies, Available at: <https://natixis.groupebpce.com/articles/sector-policies/>

¹¹ The details of the Bank’s Sustainability Strategy, including the action plans and key industry alliances, can be found in Part III of this External Review. In terms of sustainable finance and investment targets, the Bank targets to multiply its green revenues by 1,7. Hence, this is equal to a 70% increase. The amount for the target and the baseline in value is not publicly available. For more detailed information please refer to pages 65-66 of TCFD the Climate Report of Groupe BPCE, 2023, Available at: <https://groupebpce.com/content/download/37594/file/240326-TCFD%20-Version%20FR.pdf>

¹² In 2023, financing via GWF the Corporate and Investment Banking portfolio color mix is (percentage of GWF colored scope) was reported as 33% having green color; 35% being neutral, and 32% of financing having brown color. For more detail regarding the thresholds and meaning of the color system of Natixis, please refer to TCFD the Climate Report of Groupe BPCE, 2023, Available at: <https://groupebpce.com/content/download/37594/file/240326-TCFD%20-Version%20FR.pdf>

¹³ As of 31 December 2023, the Bank is committed in sustainable loans with a volume of Euro (EUR)13bn subscribed by Natixis and arranged sustainable bonds with a volume of EUR11.3bn.

	<p>The scope of the Framework covers all Natixis Corporate and Investment Banking business units and geographies as of today and includes new facilities and refinancing of existing facilities as well as new investments and existing investments-</p>
<p>2. Process for Evaluation & Selection</p>	<p>The process for asset evaluation and selection is defined based on the eligible asset criteria and is structured in a congruous manner.¹⁴</p> <p>The Use of Proceeds’ eligibility and exclusion criteria are implemented through the segregation of duties and a governance mechanism is applied during the application process to ensure that the assets are eligible and meet the defined criteria. Natixis CIB uses both its eligibility criteria outlined in the Framework to consider which products are eligible and an enhanced due diligence process for sensitive sectors. ESG risks associated with assets to be financed or invested in are identified and managed through an appropriate process.¹⁵ Natixis CIB defines exclusion criteria for controversial sectors and has clear guidelines in place to conduct enhanced due diligence processes when financing or investing in controversial sectors.</p> <p>Natixis CIB established Green Deposit Committee and involves various stakeholders in the process and provides information on how the selection and evaluation process fits the context of their overarching objectives and processes relating to environmental sustainability, in line with best market practices.¹⁶ Responsibilities across different departments are described in the Framework,</p>

¹⁴ All potential eligible assets go through Natixis standard credit and investment processes, which have been designed to ensure compliance with (i) the eligibility criteria, (ii) applicable national rules and regulations, (iii) credit risk analysis, (iv) the ten principles of the United Nations Global Compact, (v) the UN’s Guiding Principles on Business and Human Rights, (vi) the standards defined by the International Labor Organization (ILO), (vii) Equator Principles, as well as (viii) Groupe BPCE’s Due Diligence Plan covering ESG risk mitigation and management. Furthermore, when selecting and evaluating the corporate clients of the Bank for the eligibility for both products under the Framework, an analysis is performed covering (i) an assessment of the ESG risks, performance of the corporate client, its commitments, and action plans through a dedicated process implemented under Internal Control Framework, (ii) the sector of the corporate activities, and (iii) alignment with Natixis’ sectorial policies. For the detailed approach, please see the “Evaluation of Environmental & Social Risks” section of the Framework.

¹⁵ The details of the Bank’s ESG Risk Management, including the Bank’s Internal Control Framework covering the dedicated ESG risk management process, can be found in Part II B. of this External Review.

¹⁶ Natixis has formed a Green Deposit Committee consisting of representatives from the Green & Sustainable Hub, Finance & Treasury, Global Trade, Distribution & Portfolio Management, and Global Liquidity Buffer Portfolio departments and any other required functions with responsibility for governing the Eligible Asset Pool.

	<p>TCFD Climate Report, as well as in the ESR screening policy.^{17 18}</p>
<p>3. Management of Proceeds</p>	<p>An amount equal to the net proceeds of the Green Deposit will be earmarked to the Eligible Asset Pool with no exceptions.¹⁹ The net proceeds are tracked in an appropriate manner and attested in a formal internal process. The net proceeds will be managed on an aggregated basis for multiple GWF Loans and Green Bond Investments (portfolio approach).</p> <p>Through monitoring and management, Natixis CIB implements a buffer mechanism²⁰ to prevent unexpected decreases in the outstanding Eligible assets which may lead to excess deposits. The Green Deposit Committee will review the Eligible Asset Pool on a monthly basis to ensure the assets are still eligible, in the scope, and that the Eligible Asset Pool is larger than the total net proceeds of all Green Deposits. In case of a shortfall, the Committee holds the right to direct the shortfall amount into its liquidity portfolio consisting of cash and equivalents or other liquid marketable instruments.</p> <p>All eligible assets as part of the Eligible Asset Pool are subject to the Bank’s sustainability criteria based on Natixis CIB’s wider sustainability risk management processes. The GWF Loans color rating is monitored on a quarterly basis and reviewed on an annual basis via GWF color rating assessment. Natixis CIB clearly describes how the board and dedicated committees provide oversight of ESG-related issues. Natixis CIB clearly describes the process to monitor if a financial asset remains eligible on a monthly basis, and has a declassification mechanism in place when an eligible asset is deemed non-compliant anymore., The</p>

¹⁷ Natixis Sector Policies, Available at: <https://natixis.groupebpce.com/articles/sector-policies/>

¹⁸ The Climate Report of Groupe BPCE, 2023, Available at: <https://groupebpce.com/content/download/37594/file/240326-TCFD%20-Version%20FR.pdf>

¹⁹ The net proceeds are managed within the central treasury function of Natixis CIB. It is worth noting that the Bank excludes eligible assets that are already earmarked to any other existing sustainable financing frameworks of Natixis or Groupe BPCE. The term/maturity of the deposits are defined as maximum 12 months by Natixis.

²⁰ The buffer rate is decided as 30% buffer rate for loan assets and 50% for bond assets. The Bank also applies a haircut to eligible loan assets. For example (i), in the event a single eligible asset represents 60% or more of the eligible pool of GWF assessed loans, Natixis apply a 50% haircut to that loan, and (ii) the outcome amount of the 50% haircut will be split 50/50 and made available to the green deposit offer into two steps as (1) the first half since the beginning of the green deposit product and (2) the second part in case of lack of eligible assets.

	<p>Bank clearly describes the data collection, tracking, and reporting mechanisms of the current/past eligible assets.</p>
<p>4. Reporting</p>	<p>Natixis CIB commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The Bank reports on its progress against its GWF color mix and climate targets in Groupe BPCE’s Climate Report which is made publicly available on its website on an annual basis,²¹ and on the use of Green Deposits in its Green Deposit Report which will be available for the Bank’s clients on a quarterly basis. Natixis CIB explains that the level of expected reporting will be on portfolio level and will include (i) confirmation of the amount of Green Deposits earmarked to the eligible asset pool,²² (ii) a breakdown between eligible industries and eligible GWF color ratings for GWF Loans, as well as the percentage of eligible assets invested into green bonds with an SPO for the Green Bond Investments. As data availability in terms of impact reporting improves, the Framework may be further improved by tracking the expected impact of the Banks’ eligible asset pool on environmental objectives.²³</p> <p>The Bank discloses its data in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) for reporting.</p> <p>The latest version of the Green Deposit Framework is published on Natixis CIB’s website.</p>
<p>6. External Review</p>	<p>Natixis CIB worked with its internal methodology teams in the development of this Framework, including the eligible assets’ eligibility criteria to ensure continuing development and refinement of the eligibility criteria with emergent practices and identifying themes of focus. The Framework may be updated in the future in light of new market practices. It is also worth noting that Natixis CIB’s internal GWF methodology under the Framework has been established and is regularly being updated with the assistance of a group of external consultants. Moreover,</p>

²¹ The Climate Report of Groupe BPCE, 2023, Available at: <https://groupebpce.com/content/download/37594/file/240326-TCFD%20-Version%20FR.pdf>

²² It is reported by Natixis that the Eligible Asset Pool to which green deposits are earmarked is excluded from this segment of reporting due to the confidentiality of the data.

²³ However, it is also noted by the Bank that impact reporting is operationally not feasible as of now, due to the potential risk of double claim of the impact that can be done by the issuer/borrower.

the GWF methodology is externally verified by a third-party verifier.

Natixis CIB has appointed ISS-Corporate to provide an External Review of the Green Deposit Framework and its alignment with the Bank's overall strategy and market practices. Besides, the eligible asset pool's volume are subject to a limited assurance verification provided by an external independent auditor or any other independent qualified provider, on an annual basis. The Bank commits to making the limited assurance report available to the clients investing under this Framework.

The Bank's Green Deposits Framework is reviewed from time to time, at Natixis CIB's discretion, including potential future alignment with evolving market practices and guidelines. In case of substantial changes to the Green Deposit Framework, Natixis CIB will require an update of the external review by an external verifier.

The Framework will be publicly available on the Bank's website.²⁴

²⁴ The Framework will be available at: <https://cib.natixis.com/home/>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBLE ASSETS

A. THE CRITERIA OUTLINED IN NATIXIS CIB'S ELIGIBILITY GREEN DEPOSIT SELECTION SYSTEM

This section provides information on the sustainability credibility of the key sets of criteria defined by Natixis CIB, this review gives an overview over the selection parameters without opining on the robustness or alignment with market practices. Natixis CIB has set forth the following sets of eligibility criteria for its eligible assets to be classified as sustainable:

- The Green Weighing Factor (GWF)

The GWF makes it possible, on a rating scale composed of seven colours ranging from dark brown to dark green, to determine the climate performance while taking into account the risk of the most material non-climate environmental externalities (water, waste, biodiversity, pollution) of all its financing activities outside the financial sector.²⁵ In April 2022, KPMG delivered an independent second party opinion report in the form of a limited assurance report assessing the robustness, environmental integrity of the methodology, its operational implementation and its ambitions.²⁶

- Green Bond Investments (GBI)

Natixis CIB invests in Green Bonds under its liquidity buffer (LCR) investment mandate. It is a requirement for the Green Bonds the LCR invests in to have obtained an external verification through a positive Second Party Opinion (SPO) assessment, which needs to confirm alignment with the International Capital Market Association's (ICMA) Green Bond Principles.

²⁵ For further detail, please see Natixis' Green Deposit Framework Chapter 2.2.

²⁶ KPMG report, <https://natixis.groupebpce.com/wp-content/uploads/2023/01/KPMG-report-2022-Robustness-and-green-integrity-of-Natixis-Green-Weighting-Factor.pdf>.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBLE ASSETS

The table below evaluates Natixis CIB’s ESG-specific risk management measures and policies that are considered relevant at the Groupe BPCE (including Natixis CIB) level and that are considered relevant in the context of its the selection of eligible assets. The KPIs emphasize sustainability-related risks considered relevant to the banks’ operations. The KPIs are derived leveraging the [ISS ESG Corporate Rating](#) to identify the relevant topics based on its industry; these KPIs are then further integrated with additional elements derived from market principles such as the task force on Climate-Related Financial Disclosure.²⁷ The minimum requirements for a positive assessment are based on the number of sub-indicators (specific to each KPI) that are satisfied as part of any KPI.

The Framework covers all Natixis Corporate and Investment Banking operations.

ASSESSMENT AGAINST KPIs

ESG investment guidelines for financial institutions

Natixis CIB has lending and investment products and borrowers on a global level. While for the eligible bonds under the GBI, the Bank does not disclose the information on the location, for the GWF Loans, Natixis CIB has borrowers in Australia, Botswana, Canada, Chile, China, Colombia, France, Italy, Kazakhstan, Luxembourg, the Netherlands, Peru, Portugal, Spain, Sweden and the United Kingdom at the time of this External Review.

Natixis CIB has an environmental and social management system to consider the environmental, social and governance (ESG) risks involving the business lines, CSR and control functions. The financing process includes an analysis of the ESG impacts for each corporate client via the process “Internal Control Framework”. Through this process, Natixis CIB identifies, assesses and monitors ESG risks throughout the client onboarding and credit approval processes for their corporate clients. The process includes the application of ESR policies in sensitive sectors²⁸, a specific risk management process in project financing and dedicated financing, and a strengthened corporate assessment which includes an analysis of the ESG impacts for each corporate client. The process under the “Internal Control Framework” has two levels of assessment: During the KYC (Know Your Client) process, every corporate client is assigned a level of vigilance based on an ESR questionnaire covering four areas (controversies to which the client may be exposed, sectors in which the client operates, maturity of the risk management framework and type of business relationship with Natixis CIB). As a second step during the credit approval process, clients identified as most at risk are subjected to in-depth analysis (16 risk dimensions covering ESG factors are taken into account and analysed according to their materiality). The findings are communicated to the Credit Committee. Managing

²⁷ Task force on Climate-related Financial Disclosures, 2022 Status report, <https://assets.bbhub.io/company/sites/60/2022/10/2022-TCFD-Status-Report.pdf>

²⁸ Currently Natixis has the following sectors defined as sensitive sector: Power (Coal), Nuclear, Oil and Gas, Defense and Security, Mining, Palm Oil, Tobacco. This list may be subject to updates.

environmental and social risks across Natixis CIB’s financing business lines involves analyzing clients and transactions to ensure they comply with its ESR policies and exclusion commitments, analysing transactions according to the Equator Principles or other evaluation methods, such as the IFC Performance Standard²⁹ for instance, and analyzing controversial issues that its clients may run into. Identified risks are mitigated through either recommendations that Natixis CIB will pose to the client, which are then monitored by the Front-Office. Or, for Project Finance, Natixis CIB can request E&S Action Plans. Should the credit committee or reputational risk committee decide to, Natixis CIB holds the right to withdraw from a transaction.

Labor, Health, and Safety



Natixis CIB has formal labor, health and safety policies in place. Natixis CIB enforces the Duty of Vigilance Act. The Bank confirmed that the French Duty of Vigilance Act apply to all activities/transactions signed by Natixis across all regions/countries including non-dedicate purpose projects outside Equator Principles Designated countries. The French law on the duty of vigilance requires Natixis CIB to prepare, publish and implement a duty of vigilance action plan containing reasonable vigilance measures that can identify and prevent the risks of violating human rights and basic freedoms, harming the environment, and endangering occupational health and safety, that are associated with the activities conducted by Natixis CIB as well as its subsidiaries, subcontractors and suppliers with which an established commercial relationship is maintained, when these activities are concerned by this relationship.

Furthermore, Natixis CIB is a signatory of the Equator Principles which apply respective labor, health and safety standards for in-scope projects. For eligible assets that are located in Equator Principles Designated Countries high health, safety and labor standards are ensured by the relevant national legislation. For dedicated financing projects outside of the Equator Principle Designated Countries falling under the scope of the Equator Principles, Natixis CIB also ensure that the IFC performance standards apply.

Biodiversity



The vast majority of the assets³⁰ under this Framework will undergo an assessment according to the GWF (GWF Loans). The GWF colour rated financing also goes through the “Internal Control Framework”. which is integrated in the financing granting process. Biodiversity is one of the 16 risk dimensions proposed for study in in-depth analyses by the analysts of the E&S (“Environmental & Social”) Risk team. As an integral part of the granting

²⁹ IFC Performance Standard, <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>.

³⁰ I.e. ca. 85% of the assets.

process, Natixis CIB assesses, for all assets under the Green Weighting Factor scope of application, biodiversity aspects in relevant sectors³¹ as well as the impact of dedicated financing solutions (project or asset financing) on Key Biodiversity Areas³². When a biodiversity risk is identified as material via the “Internal Control Framework”, the Front-Office and/or Credit Risk must perform a biodiversity risk analysis. The analysis can be escalated to the E&S Risk team which will perform an in depth analysis on the basis of either materiality/gravity of identified risks, or the need for specific technicality/expertise in the in depth analysis.

Furthermore, Natixis CIB is a signatory of the Equator Principles which apply respective biodiversity standards for in-scope projects. For eligible assets under Natixis CIB’s Green Deposit Framework that are located in Equator Principles Designated Countries, biodiversity standards are ensured by the relevant national legislation. For each transaction, the business lines’ front officers ensures that its clients observe the practices required in the sector (including the Equator Principles). In accordance with the Equator Principles, Natixis CIB requires its clients to examine all the risks and potential impacts of their projects from an environmental, social, health and safety perspective and to take all the necessary steps to minimize and correct the potential impacts. Protecting biodiversity is an integral part of these requirements. The quality of the client’s impact studies, and management systems is also taken into account when assessing the project. The assessment is generally performed by an independent consultant, and according to Natixis CIB it pays particular attention to the preservation of natural and critical habitats, in compliance with the regulations applicable to the project. For projects located in non-Designated Countries, additional action is required to meet the conditions set by the International Finance Corporation (IFC). For projects in a non-Designated Country, the client needs to provide additional due diligence to identify potential impacts on biodiversity and action plans to mitigate these risks in order to comply with IFC PS standards (IFC PS 6 for biodiversity).

Dialogue with local communities



For the vast majority of eligible assets³³ community dialogue is one of the 16 risk dimensions proposed for an in-depth analyses by the analysts of the E&S (“Environmental & Social”) Risk team. As integral part of the granting process, when risk are identified as material via the “Internal Control Framework”, the Front-Office and/or Credit Risk must perform a risk analysis. The analysis can

³¹ Natixis defines sectors as being relevant from a materiality perspective in accordance with internal and external experts. These have been defined during the designing/updating of the GWF methodology.

³² Key Biodiversity Area (KBA) are defined with the following tool: <https://www.keybiodiversityareas.org/sites/search>.

³³ I.e. ca. 85% of the eligible assets.

be escalated to the E&S Risk team team which will perform an in depth analysis on the basis of either materiality/gravity of identified risks, or the need for specific technicality/expertise in the in depth analysis.

Further, for eligible assets under Natixis CIB’s Green Deposit Framework that are located in Equator Principles Designated Countries dialogue with communities is ensured by the relevant national legislation. Natixis CIB is a signatory of the Equator Principles which apply respective standards for the dialogue with local communities for in-scope projects.

Responsible treatment of customers with debt repayment problems



Natixis CIB can not guarantee that the debt restructuring is offered under non-detrimental conditions. However, aside from that Natixis CIB pro-actively approaching customers to avoid over-indebtedness proceedings. If necessary, Natixis CIB will connect the client with dedicated correspondents. The clients are counselled by legal advisors on an business as usual basis including during potential situations that would influence their ability to repay their debt. If the client has debt repayment/solvency issues, they will be monitored internally by the Restructuring Department.

Carbon-related financing



Group BPCE (including Natixis CIB) reports their carbon-related financing numbers in their 2023 Task Force on Climate-related Finance Disclosure (TCFD) report. According to the report, as of 2022 Group BPCE’s gross exposure to the oil & gas sector is EUR 2 billion, to the power generation sector is EUR 21.6 billion, to the automotive sector is EUR 1.6 billion, to the steel sector is EUR 0.4 billion and to the cement sector is EUR 0.2 billion. In addition, Groupe BPCE will reduce the carbon emissions from the end-use of the Oil and Gas production activities it finances by 70% between 2020 and 2030 (updated from 30% in December 2023).



Aiming for carbon neutrality by 2050 Groupe BPCE (including Natixis CIB), is a signatory to the Net-Zero Banking Aalliance (NZBA). At the end of December 2022, Groupe BPCE published its first intermediate targets for the energy and Oil & Gas (O&G) sectors by 2030 which also apply for Natixis CIB. The carbon intensity of the activities financed by Natixis CIB in the electricity production sector will be below 90 Gco₂e/kWh (target of the Net Zero Emissions scenario by 2050 according to the International Energy Agency) by end of 2030³⁴.

Financed emissions

³⁴ Document d’Enregistrement Universel et Rapport Financier Annuel, p. 424: https://natixis.groupebpce.com/wp-content/uploads/2024/03/NATIXIS_URD2023_FR_2024_03_15.pdf.



Regarding financed emissions, as of today, Groupe BPCE discloses the financed emissions regarding the carbon-intensive sectors covered by the Net Zero Banking Alliance both on- and off-balance sheet. All sectors are measured using the PCAF (Partnership for Carbon Accounting Financials) method (excluding power whose carbon intensity is calculated as a weighted average of outstanding). In December 2022, Groupe BPCE published intermediate alignment targets for two of the most highly emission-intensive sectors: the power generation sector and the 'oil & gas' sector. In December 2023, three new intermediate alignment targets (automotive, cement, steel)³⁵ were published and the first targets published in December 2022 were reinforced. In line with its NZBA commitments, Groupe BPCE will publish emission reduction targets for 2030 for the other sectors defined by this alliance during 2024.³⁶

Exclusion Policy

ESR policies have been drawn up and included in the risk policies applied by the business lines working with the most sensitive sectors³⁷. These policies cover the following sectors: the coal industry, the oil and gas industries, the defense sector, and the tobacco sector. For other industries Natixis Corporate and Investment Banking has internal ESR policies for the nuclear, mining & metals, and palm oil sectors. These apply to financing operations and cover the following issues: nuclear: compliance with the strictest international security rules (IAEA, etc.), reliability of technologies, demonstration by the host country and the operator of their capacity to control and operate their nuclear industry, based on specific criteria; mining and metals: compliance with international mining industry standards as well as the IFC (World Bank) environmental & social performance criteria; palm oil: traceability and compliance with best practices and applicable standards.

³⁵ BPCE press release on NZBA intermediate targets regarding automotive, steel and cement: <https://newsroom.groupebpce.fr/actualites/le-groupe-bpce-elargit-son-ambition-de-reduction-demissions-carbone-en-publiant-de-nouvelles-cibles-sectorielles-46cc-7b707.html>.

³⁶ BPCE TCFD climate report, p. 44-47, <https://groupebpce.com/en/csr/our-csr-approach>.

³⁷ Natixis' Universal Registration Document 2022, Chapter 7.3.1: https://natixis.groupebpce.com/wp-content/uploads/2023/05/NATIXIS_URD-2022_EN_PDFi_v4.pdf.

PART III: CONSISTENCY OF THE GREEN DEPOSITS FRAMEWORK WITH NATIXIS CIB'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by Natixis CIB

TOPIC	NATIXIS' APPROACH
<p>Strategic ESG topics</p>	<p>The Bank's business lines align the Group strategic plan "BPCE Vision 2030"³⁸ which encompasses the overall business and growth strategy. One of the key levers of this vision is to ensure ESG positive impacts are accessible to all. As part of this commitment, GroupeBPCE focuses on the following objectives set by 2030:</p> <ul style="list-style-type: none"> ▪ Increasing the support for energy renovation solutions for individual clients; supporting transition plans tailored to each individual company; supporting local authorities for their transition policies; ▪ Enabling local players to join forces, with the help of Natixis CIB cooperative shareholders ▪ Local initiatives to protect Natixis CIB natural assets (water and forests) ▪ Reaching 100% of the employee's companies and governing bodies of Groupe BPCE committed around ESG issues ▪ Providing Natixis CIB's client with end-to-end support in their sustainable transition planning and delivery ▪ Committing BPCE's goal to aligning Natixis CIB portfolios with a "net zero" emissions trajectory by 2050, by leveraging the Green Weighting Factor ▪ Measuring and steering the climate impact internally by continuing to deploy the "Green Weighting Factor", and also by enabling public sector decarbonization trajectories to be monitored as part of Groupe BPCE's Net-Zero Banking Alliance (NZBA).

³⁸ BPCE's strategic plan, Available at: <https://www.groupebpce.com/en/the-group/strategic-plan/>

<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Group announced interim alignment targets for 2026:</p> <ul style="list-style-type: none"> • Continue to support energy renovation and changes in the energy mix by increasing renewable energy financings by +15%. • Accompany its corporate clients for their transition is at the heart of the vision through dedicated advisory and a systematic dialog around ESG topics. • Maintain its status of key player in territories by increasing financings for the social & solidarity economy, public housing and public actors by +8%. • Committed to steer decarbonization trajectories of the highest carbon-emitting sectors and to act for preserving over 30 local natural ecosystems. <p>At GFS level, the interim targets are the following:</p> <ul style="list-style-type: none"> ▪ Support & advise Natixis IM’s clients in their environmental transition with increased sustainable transition strategies beyond climate, with an ambition of +5% of assets under management in transitions beyond climate (average annual growth by 2026) ▪ Support for all customers in their environmental transition, offering ESG finance solutions on natural and social capital, with an aim of accelerating green revenues growth by 1.5 growth of Natixis CIB by 2026 from 2023 baseline. <p>These targets are publicly disclosed in the annual universal registration document³⁹ and the Task Force on Climate-related Financial Disclosure report and monitored on a quarterly basis.⁴⁰ Moreover, the Bank currently does not intend to have Net-Zero Banking Alliance (NZBA) targets SBTi verified.</p>
<p>Action Plan</p>	<p>The Bank’s climate trajectory and related operational financing decisions are using the Green Weighting Factor</p>

³⁹ Universal Registration Document 2023, <https://groupebpce.com/en/investors/results-and-publications/registration-document>

⁴⁰ TCFD report 2023, <https://groupebpce.com/en/the-group/publications>

	<p>(GWF) tool, and the monitoring of public decarbonization trajectories at Group BPCE level within the framework of the NZBA.⁴¹</p> <ul style="list-style-type: none"> ▪ The Bank commits to dedicating financing to the electrification of the vehicle ranges, production of critical metals for renewable energy and batteries; carbon capture technologies, power grid reinforcement; low-carbon steel production projects (using green hydrogen in blast furnaces), and low-carbon cement solutions. Revenues from green and sustainable activities are expected to grow by 1.5 faster than Natixis CIB revenue by 2026 from 2023 baseline. <p>In order to achieve its targets, Natixis CIB is focusing on adapting and expanding product offering and business origination, including the development of strategic sector advisory and roll out of ESG advisory.⁴²</p>
<p>Climate Transition Strategy</p>	<p>As part of its Climate Transition Strategy, Groupe BPCE has intermediate alignment targets for the sectors with the highest emissions:⁴³</p> <ul style="list-style-type: none"> ▪ In the power generation sector, in 2030, the Group’s objective is to be below the 90g CO₂e/kWh threshold set by the International Energy Agency (IEA) in its Net Zero Emissions 2050 scenario; ▪ For the oil and gas sector, the Group aims to reduce carbon emissions related to the end use of financed oil or gas production by at least 70% by 2030 in line with the IEA’s Net Zero Emissions 2050 scenario,⁴⁴ ▪ in the automotive sector, the Group aims to reduce carbon intensity by 40% compared to 2022 and achieve a carbon intensity of less than 100g CO₂e/km by 2030, focusing on financings for automobile

⁴¹ BPCE Non-Financial Performance Statement, p. 83, <https://url.uk.m.mimecastprotect.com/s/8ziKCr870u5Ep5wsjFl1y?domain=groupebpce.com>

⁴² BPCE’s strategic plan, Available at: <https://www.groupebpce.com/en/the-group/strategic-plan/>

⁴³ Group BPCE decarbonization commitments, Available at: <https://newsroom-en.groupebpce.fr/bac-a-sable-wiz/news/groupe-bpce-amplify-its-decarbonization-ambition-by-publishing-new-commitments-to-cover-the-eleven-most-carbon-emitting-sectors-globally-d6e5-53927.html>

⁴⁴ This target is updated in July 2024 against an initial 2022 target of a 30% reduction.

	<p>manufacturers associated with light vehicles ad BPCE Lease for leasing activities;</p> <ul style="list-style-type: none"> ▪ For the cement sector, the goal is to achieve a carbon intensity of less than 525kg CO₂e/ton of cement by 2030, targeting cement and clinker producers. ▪ In the steel sector, the aim is to achieve a carbon intensity of 1.4t CO₂e/ton of steel by 2030, focusing on steel producers. ▪ In the aluminium sector, the Group aims to achieve a financed carbon intensity of 6t CO₂e/t aluminium by 2030.⁴⁵ ▪ In the aviation sector, the Group aims to achieve a financed carbon intensity of 750g CO₂e/RTK by 2030.⁴⁶ ▪ In the commercial real estate sector, Groupe BPCE aims to achieve a financed carbon intensity of 32 kg CO₂/m², representing a reduction of 30% by 2030.⁴⁷ ▪ In the agriculture sector, Groupe BPCE is defining an action plan that combines climate issues and sustainable agriculture in a broad sense, integrating biodiversity, water, and ecosystems alongside agricultural sectors and other actors in the value chain (agricultural supplies, processing, distribution, etc.).⁴⁸
<p>Top three areas of breaches of international norms and ESG controversies in the industry⁴⁹</p>	<p>Financial market irregularities, failure to mitigate climate change impacts, and layoffs.</p>
<p>Breaches of international norms and ESG controversies by the Bank</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Bank would be involved has been identified.</p>

⁴⁵ This target is compared to the baseline value of 6.5t CO₂e/t aluminium as at 31/12/2022. The scope includes aluminium smelting activities (scope 1 & 2) of the entire Groupe BPCE.

⁴⁶ This target is compared to the baseline value of 920g CO₂e/RTK as at 31/12/2022. The scope includes airlines, aircraft leasing companies, and asset financing (scope 1, 2 & 3 well-to-wake).

⁴⁷ This target is compared to the baseline value of 46 kg CO₂/m²as at 31/12/2022. The scope includes asset and corporate financing (emissions related to building use) in the Natixis CIB portfolio.

⁴⁸ This action plan aims to encourage initiatives for food security in the French territories while preserving farmers' incomes. Three levers are being mobilized: adapting the Group's financing and products to address new challenges, activating territorial and sectoral synergies, and training bank advisors to support farmers' projects in a sustainable manner.

⁴⁹ Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Commercial Banks and Capital Market industry are displayed above. Please note that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

<p>Sustainability Reporting</p>	<p>The Bank reports on its ESG performance and initiatives on an annual basis. The report is prepared according to the TCFD guidelines.</p>
<p>Industry associations, Collective commitments</p>	<p>The Bank is a member of the Net Zero Banking Alliance coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI) and a signatory of the Equator Principles. Since 2021, Groupe BPCE has been a signatory of the GFANZ (Glasgow Financial Alliance for Net Zero).</p> <p>Moreover, Natixis CIB's Environmental Social Responsibility (ESR) strategy⁵⁰ is based on a set of international agreements and consultations within the banking industry, including: the United Nations Global Compact; the United Nations Principles for Responsible Investment (UN-PRI); the Principles for a Responsible Banking Sector (PRB); the Equator Principles; the OECD Guidelines for Multinational Enterprises; the Green Bond Principles and the Social Bond Principles (ICMA); the Climate Bonds Initiative; the Carbon Disclosure Project (CDP); the Diversity Charter; the Responsible Purchasing Policy, and the Act4nature international policy.⁵¹</p>
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>Groupe BPCE (including Natixis CIB) issues both green and social bonds. As of end of December 2023, BPCE had EUR 11.3 billion outstanding ESG bonds, of which EUR 7.5 billion were dedicated to green and transition projects (i.e., renewable energy, green building, sustainable agriculture) and EUR 3.9 billion to social ones (i.e., human development in education, healthcare and social services, local economic development for employment conservation & creation).</p>

⁵⁰ Natixis' Environmental Social Responsibility (ESR) strategy, <https://natixis.groupebpce.com/our-commitments/environmental-social-responsibility/>

⁵¹ Natixis' Financial Report, 2022, https://natixis.groupebpce.com/wp-content/uploads/2023/05/NATIXIS_URD-2022_EN_PDFi_v4.pdf

Rationale for establishing the Framework

Natixis CIB is committed to support the growth of the sustainable finance market and contribute to the green transition. Through this Framework, Natixis CIB aims to provide with the methodology to earmark deposits from clients to both use of proceed-based and corporate-based financings that generate positive environmental benefits (eligible assets). The Green Weighting Factor methodology used to identify some of the eligible assets (GWF Loans) is built to track the environmental impact of the Bank's lending activities and ultimately achieve its sustainability objectives.

Opinion: *The key sustainability objectives and the rationale for establishing the Green Deposit Framework are clearly described by the Bank.*

DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as the cited Framework remain unchanged.
2. ISS-Corporate, a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. External Reviews are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this External Review is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these External Reviews, or any information provided therein. If the External review is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the External Review is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This External Review, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the External Review wholly or in part, the distribution of the External Review, either free of charge or against payment, or the exploitation of this External Review in any other conceivable manner.

© 2024 | ISS-Corporate.

ANNEX 1: Methodology

PART I: REVIEW OF THE GREEN DEPOSIT FRAMEWORK

We consider relevant market guidelines in the assessment of sustainable finance strategies including but not limited to fixed-income transactions. The analysis considers criteria from a set of different market standards, voluntary guidelines and best practices e.g. the International Capital Market Association’s (ICMA) Green, Social Bond Principles, and Sustainability Bond Guidelines, Sustainability-Linked Bond Principles, the Loan Market Association’s (LMA) Green Loan Principles, Social Loan Principles, Sustainability Linked Loan Principles, the United Nations Environment Programme – Finance Initiative Principles for Responsible Banking (UNEP-FI PRB), the Climate Bonds Initiative (CBI) – Climate Bonds Standard V4.0, and Guidelines proposed by the European Banking Authority with respect to environmentally-sustainable lending. The application of the ICMA and LMA principles, comprising voluntary guidelines is limited to the assessment of the characteristics of a specific transaction or issuance.

SECTION	ASSESSMENT CRITERIA
<p><u>1. Use of Proceeds</u></p>	<p>For a financing strategy to be classified as sustainable, banks should embed these within the context of their overarching sustainability objectives. Banks provide transparency on how to increase positive impacts, reduce negative impacts, and mitigate ESG risks. The sustainability strategy is expressed by referring to alliances such as the UN Sustainable Development Goals, the Paris Climate Agreement, or national or regional frameworks.</p> <p>The sustainable financing strategy should define clearly and comprehensively what transactions are deemed as sustainable based on precise parameters. Ideally, the bank should provide an exhaustive list of eligible sustainable activities. Those criteria should ensure a positive contribution to relevant sustainability objectives and be sufficiently precise to ensure a minimum level of contribution to those objectives (e.g., clear definition, quantified thresholds, or impact indicators) while ensuring that other objectives are not harmed.</p>
<p><u>2. Process for Evaluation & Selection</u></p>	<p>Banks should have a comprehensive and documented process in place to ensure that the funded projects align with the eligibility criteria for sustainable financing instruments. Moreover, where applicable, information about climate and sustainability-related business objectives of the borrowers and/or investors should be collected. The borrower of a green/social loan should clearly communicate the environmental/social objective(s) of the projects, the process by which the borrower determines how the project(s) to be funded fits within the eligible projects categories; and complementary information on the processes by which the borrower identifies and manages</p>

	perceived, actual or potential environmental and social risks associated with the relevant project(s).
<u>3. Management of Proceeds</u>	Clear governance mechanisms should be in place to ensure that the products classified as sustainable remain in line with the criteria for sustainable investment, lending, or financing instruments throughout their lifecycle. This should include a process to deal with products that cease to meet the eligibility criteria. Effective governance procedures pertaining to sustainability, assigning clear roles and responsibilities, and segregating duties are in place to promote sustainable business practices. With respect to borrowers and dedicated financing transactions, banks should ensure that they diligently monitor the allocation of proceeds toward sustainable projects and activities.
<u>4. Reporting</u>	Relevant reporting should be conducted frequently and, where feasible, made publicly available to communicate classified sustainable transactions, as well as the impact and progress of the sustainable financing strategy. Elements to be reported on should be communicated clearly at the inception of the strategy and capture the most significant areas of impact on environmental and social topics.
<u>5. Verification</u>	It is recommended that in connection with the establishment of a sustainable financing framework, banks obtain external reviews. External reviews should be made publicly available.

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBLE ASSETS

A. THE CRITERIA OUTLINED IN NATIXIS CIB'S ELIGIBLE GREEN DEPOSIT SELECTION SYSTEM

This section describes each of the parameters included in Natixis CIB's sustainable finance selection.

B. ASSESSMENT OF NATIXIS CIB'S ESG RISK MANAGEMENT

ESG Risk Management KPIs

The Risk Management KPIs serve as a structure for evaluating the sustainability quality – i.e., the social and environmental added value – of the proposed selection criteria as well as the Bank's overall financing operations.

It comprises firstly the definition of the selection criteria offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance can be clearly identified and described.

If a majority of the criteria fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks. In addition, the KPIs assess sustainability-related risks considered relevant to the financing operations of the Bank. The evaluation was carried out based on information and documents provided on a confidential basis by the Bank (e.g., Due Diligence procedures).

PART III: GREEN DEPOSIT FRAMEWORK'S LINK TO NATIXIS CIB'S SUSTAINABILITY STRATEGY

This section provides an assessment of the sustainability quality of the Group and how the underlying Green Deposit Framework contributes to its sustainability strategy. Drawing on the ISS ESG Corporate Rating, a focus is put on the Group's overarching sustainability policies as well as the management of related ESG risks.

ANNEX 2: Quality management processes

SCOPE

Natixis CIB commissioned ISS-Corporate to compile a Green Deposit Framework External Review. The External Review process includes verifying whether the Green Deposit Framework aligns with market practices for sustainable finance and assessing the management of ESG risks for its sustainability credentials. Further the Bank's sustainable financing classification system is described.

CRITERIA

Relevant Standards for this External Review stem from key principles for transparency and non-contamination of sustainable labelled products, including:

- International Capital Market Association's (ICMA) Green, Social Bond Principles, and Sustainability Bond Guidelines, Sustainability-Linked Bond Principles,
- Loan Market Association's (LMA) Green Loan Principles, Social Loan Principles, Sustainability Linked Loan Principles
- UNEP-FI PRB
- Climate Bonds Initiative (CBI) – Climate Bonds Standard V4.0
- Guidelines proposed by the European Banking authority (EBA) with respect to environmentally sustainable lending

CLIENT'S RESPONSIBILITY

Natixis CIB's responsibility was to provide information and documentation on:

- Green Deposits Framework
- ESG Impact and Risk Management
- Governance procedures

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS-Corporate has conducted this independent External Review of the Sustainable Finance Framework by Natixis CIB based on a proprietary methodology and in line with market practices and relevant market standards for sustainable finance.

The engagement with Natixis CIB took place from January to September 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and

team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

As part of our Sustainable (Green & Social) Bond services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

ISS-Corporate provides external review services for sustainable financing and responsible investment strategies by assessing the robustness of its client’s frameworks.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For more information on External Review services, contact: SPOsales@iss-corporate.com

Project team

Project lead	Project support	Project support	Project supervision
Ezgi Mangura Associate Sustainable Finance Research	Kathinka Gruber Associate Sustainable Finance Research	Marika Peressoni Analyst Sustainable Finance Research	Marie-Bénédicte Beaudoin Associate Director Head of Sustainable Finance Research