

Paris, December 11, 2017

Natixis deepens its commitment to the climate and the environment

Two years after ceasing financing for the coal industry worldwide, Natixis is making new commitments in favor of the climate and the environment.

Natixis will introduce in 2018 an internal “Green Incentive” mechanism geared to further aligning its financings with the objectives of the Paris Agreement and reinforcing its contribution to the transition toward a low-carbon economy.

Natixis also pledges to no longer finance oil extracted from tar sands or companies whose business primarily relies on exploiting oil extracted from tar sands.

Natixis also pledges to no longer finance oil exploration and production in the Arctic.

Natixis Assurances is joining in the initiatives to fight global warming announced by the French Insurance Federation (Fédération Française des Assurances) on December 7.

Natixis’ new commitments are underpinned by:

- the belief that financial institutions have a responsibility to accentuate the efforts already made to develop renewable energies worldwide;
- the desire to support clients who are themselves already engaged in energy transition for their own business activities.

Natixis has been developing recognized expertise in the transition toward a low-carbon economy for many years now, particularly in the fields of renewable energy financing (74% of electricity production projects financed), infrastructure financing, SRI asset management (including a range of sustainable infrastructure funds), and green bonds.

Natixis provides clients with the expertise of specialist teams housed within:

- Asset Management: Mirova, a conviction-based management company specializing in responsible investment, offers its own investment solutions and is further developing its range in partnership with Natixis Investment Managers’ affiliates worldwide;
- Specialized Financial Services: Natixis Energéco, a major player in renewable energy financing in France, offers credit and leasing solutions in this sector;
- and Corporate & Investment Banking: Infrastructure Finance, and the Green & Sustainable Hub, an operational hub set up in 2017, which offers a broad spectrum of green finance expertise.

Natixis to introduce an internal “Green Incentive” mechanism in 2018

Natixis considers that by adjusting the tools used to manage its activities, it can improve the structure and impact of its financings, and thereby further align them with the goals of the Paris Agreement and reinforce its contribution to the transition toward a low-carbon economy.

Without waiting for the regulation to evolve, Natixis is set to initiate in 2018 a Green Incentive internal mechanism, designed to factor in environmental risks and thereby favor the most virtuous financings from a transition standpoint relative to other financings.

This mechanism will apply to Natixis’ financings in Corporate & Investment Banking and Specialized Financial Services, throughout the world.

The practical details will be specified after an impact study that will rely as far as possible on existing taxonomies used on the market. It will improve the ability to factor in physical and transition-related risks, in a manner consistent with the expected reinforcement of public climate policies geared to attaining the objectives of the Paris Agreement. The mechanism will lead to changes in the metrics used to allocate Natixis’ capital and manage its activities. It will improve internal ROE on projects impacting positively on the climate and the environment.

Natixis is willing to collaborate with other financial institutions wishing to examine and implement similar practices, particularly as regards sharing impact analysis methodologies, the taxonomy and the ensuing adjustments. This initiative is consistent with the position of principle held by the French Banking Federation (FBF), which advocates a structural support mechanism for financings in favor of energy and ecological transition.

The project will be overseen directly by Natixis' Senior Management Committee. A progress check will be published by end-June 2018.

End to financing of oil extracted from tar sands throughout the world

Natixis also makes a commitment to no longer finance the exploration, production, transport or storage of oil extracted from tar sands, throughout the world.

Natixis makes an additional commitment to no longer finance companies whose business primarily relies on exploiting oil extracted from tar sands.

Natixis pledges to no longer finance, anywhere in the world:

- exploration and production projects concerning oil extracted from tar sands;
- infrastructure projects (pipelines, terminals and others) primarily devoted to transporting or exporting oil extracted from tar sands;
- exploration and production companies whose business is primarily backed by reserves of oil extracted from tar sands;
- companies whose revenues primarily rely on the exploration, production, transport, storage or export of oil extracted from tar sands.

End to financing oil exploration and production in the Arctic

Natixis is also to cease financing oil exploration and production projects in the Arctic.

Natixis Assurances

Natixis Assurances joins in the initiatives to fight global warming announced on December 7 by the French Insurance Federation.

Natixis Assurances ceased investing directly in the coal industry through its general funds two years ago, as part of Natixis' exclusion policy.

For any new subscription of a life insurance policy, Natixis Assurances will integrate by the end of 2018 a unit-linked product into its range, which will have an ESG and/or Climate label,

Natixis Assurances joins in the issuer/investor initiative launched by the French Insurance Federation in partnership with MEDEF (the French Employers' Union) on climate data transparency.

Laurent Mignon, Natixis' Chief Executive Officer, says "We are convinced that financial institutions have a major responsibility in the transition toward a low-carbon economy, and Natixis intends to make a strong, practical, pragmatic and innovative contribution to this process.

This is why we embedded CSR - in all its facets - as a major enabler of our strategy in all our business lines, so that it guides our actions in all our activities, and deepens our commitments to our clients, employees and shareholders, as well as to all our partners and stakeholders.

By further aligning our financings with the objectives of the Paris Agreement, Natixis is entering a new phase in its engagement in favor of the climate and the environment".

About Natixis

Natixis is the international corporate and investment banking, asset management, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 31.2 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Epargne.

With more than 17,000 employees, Natixis has a number of areas of expertise that are organized into four main business lines: Asset & Wealth Management, Corporate & Investment Banking, Insurance and Specialized Financial Services.

A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks.

Listed on the Paris stock exchange, it has a solid financial base with a CET1 capital under Basel 3(1) of €12.9 billion, a Basel 3 CET1 Ratio ⁽¹⁾ of 11.5 % and quality long-term ratings (Standard & Poor's: A / Moody's: A2 / Fitch Ratings: A).

⁽¹⁾ Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards following ECB regulation 2016/445.

Figures as at September 30, 2017

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