

# Responsible Financing and Investment Charter

Sustainability Department  
2025



## CONTENTS

<b>1</b>	<b>Preamble .....</b>	<b>3</b>
<b>2</b>	<b>Scope of application.....</b>	<b>3</b>
<b>3</b>	<b>Context.....</b>	<b>4</b>
	3.1 Upstream and downstream inclusion of societal and environmental concerns .....	4
	3.2 Special commitments .....	4
	3.3 Intervention principles .....	4
<b>4</b>	<b>Charter commitments .....</b>	<b>5</b>
4.1	Managing ESG controversies.....	5
4.2	Exclusion of sectors/activities and sovereigns .....	6
4.2.1.	Regulatory exclusions .....	6
4.2.2.	Voluntary exclusions .....	6
<b>5</b>	<b>Implementing the management of controversies and exclusions .....</b>	<b>7</b>

## 1 Preamble

Aware of climate, social and ecological issues, La Banque Postale assumes and claims in all its activities a desire to support its customers, companies or regions in responsible and sustainable development. As a mission-led company, La Banque Postale has made its community foundations the key driver of its performance in support of the just transition. The social and environmental targets set out in the Bank's Articles of Association constitute a real governance tool for La Banque Postale.

This community-based approach involves the ongoing consideration of constantly changing environmental, social and governance (ESG) issues and risks, and the implementation of concrete actions in line with the Bank's strong commitments.

The purpose of this document is to present and explain the fundamental principles of lending and investment with which La Banque Postale complies.

This charter complements the Bank's strategy to increase its contribution to the financing of the just transition. La Banque Postale undertakes to continue:

- the development of its sustainable financing offer by expanding its range and by marketing green loans, social loans and sustainability-linked loans to its retail, professional, corporate and local authority customers, while respecting the highest market standards;
- financing assets and energy projects focused exclusively on renewable energy;
- issuing its own green, social and/or sustainable bonds each year;
- the deployment of an impact measurement tool (Impact Weighting Factor) to measure the impact of each of the Bank's transactions from an environmental, regional and social inclusion perspective.

La Banque Postale's goal to lead by example in taking into account its direct and indirect societal and environmental impacts is also reflected in a responsible and innovative offering policy. The Bank is endeavouring to eco-design its offers with the help of specific indicators. The 'ESG checklist' takes ESG issues into account in the design and marketing of all new products or those that have undergone a significant transformation. It also measures the share of products and services classified as 'sustainable'. An offer is labelled 'sustainable' when it meets a minimum threshold of the ESG checklist criteria.

## 2 Scope of application

The provisions of this charter apply to the financing and investment activities of La Banque Postale Group's Corporate and Investment Banking division<sup>1</sup>. The activities of the Bancassurance divisions in France and abroad as well as those of the private banking and asset management division are currently excluded<sup>2</sup>.

---

<sup>1</sup> Subsidiaries included.

<sup>2</sup> CNP Assurances, LBP AM and Louvre Banque Privée are excluded from the scope of application of this charter.

### 3 Context

#### 3.1 Upstream and downstream inclusion of societal and environmental issues

La Banque Postale is particularly aware – in its lending and investment policies – of its direct and indirect impact on society and the environment. As such, it is committed to carefully analysing both the financial and non-financial performance of the legal persons to which it grants financing solutions and in which it invests.

Information on La Banque Postale's exposure to ESG risks is regularly reported to the Supervisory Board and Executive Board in order to integrate it into the Group's strategy, operational targets and risk management system. The Executive Committee and the Group Risk Management Committee (GRMC) also receive feedback on these subjects.

Since 2020, the Group Risk Department includes a department dedicated to ESG risk management. It defines the general ESG risk management framework (ESG risk management policy and specific risk management rules) and submits it to the validation scheme provided for within the Risk Division. It supports the implementation of this framework and reports on it in the form of regular reporting to the relevant internal and external bodies. It coordinates and harmonises work on the environmental, social and governance risk management system with the subsidiaries and within the Group. Lastly, it works to disseminate the risk culture among all Group employees.

The ESG Risk Department (under the Group Risk Department) works jointly with the Sustainability Department, which sets La Banque Postale's ESG commitments. Together, they ensure that they define, measure and manage key and emerging risks (in particular with regard to climate, biodiversity and human rights) to remain a leading player in sustainable finance.

#### 3.2 Special commitments

Special commitments feed into La Banque Postale's approach both with regard to its own operations and its financing and investment activities.

- Biodiversity commitment
  - In September 2021, La Banque Postale signed the 'Finance for Biodiversity Pledge', a global initiative that aims to restore and preserve biodiversity in investment and financing activities.
- Climate commitment
  - La Banque Postale has committed to achieving a target of net-zero emissions by 2040 for its banking activities<sup>3</sup>. To this effect, it is part of two initiatives: the 'Science Based Targets initiative' and the 'Net Zero Banking Alliance'.
- Human rights commitment
  - La Banque Postale is committed to respecting human rights both in its operational scope and in its financing and investments.

#### 3.3 Intervention principles

In addition to special policies, La Banque Postale has developed and continues to develop risk management policies and intervention principles for sectors and activities identified as high-risk in terms of exposure to ESG issues. These policies and principles define the requirements imposed on companies and projects as conditions for financing or investment decisions.

To date, the following are in place:

- Intervention principles in the aeronautics sector to support and encourage decarbonisation of this sector. The commitments relate to the financing of assets (conditions on the age of aircraft and engine technologies),

<sup>3</sup> Provided that governments and companies take the necessary related measures.

counterparties (existence of a 1.5°C alignment strategy from 2025) and infrastructure (financing only those explicitly provided for in the French Climate and Resilience Law, and projects related to the environmental transition);

- A risk management policy for the coal sector, which provides for a total exit from the sector by 2030 and sets the exclusions and conditions for financing and investment for the sector's players until then;
- A risk management policy for the oil and gas sectors, which provides for a total exit from the sector by 2030, with the exception of players in these sectors that have a scientific and credible transition plan providing for an exit from the sectors by 2040, and with the exception of activities relating to the financing of renewable energy and sustainable alternative fuels;
- Intervention principles in sectors at risk of deforestation and conversion of ecosystems, which commit operators and traders identified as being at risk to making the transition to zero deforestation and conversion of ecosystems, and alignment with the European regulation;
- Intervention principles in the defence sector, which exclude certain categories of arms and equipment as well as certain counterparties and transactions.

## 4 Charter commitments

### 4.1 Managing ESG controversies

As a subsidiary of La Poste Groupe and a signatory to the UN Global Compact since 2006, La Banque Postale upholds the principles set forth by the Global Compact on human rights, labour standards, respect for the environment and the fight against corruption.

It undertakes to comply with both the legal texts governing its activities, and the international agreements signed by France. In this context, it considers the “United Nations Guiding Principles on Business and Human Rights”, the International Labour Organization (ILO) conventions on fundamental rights at work and the “Guiding Principles of the Organisation for Economic Co-operation and Development (OECD) for Multinational Enterprises” as a benchmark.

La Banque Postale undertakes to verify, before investing or financing a company, that the company is not involved in an ESG controversy, based on an exclusion list validated by the Controversy and Exclusion Committee.

As part of the monitoring of financing and investments, the Bank undertakes to regularly verify the existence of controversies. In the event of a serious controversy and/or repeated controversies, the company concerned may be subject to exclusion in terms of future financing and investment (flows) and investment carried out (stock). With regard to financing activities related to existing customers, La Banque Postale may decide not to carry out new transactions with the customer concerned and will put its commercial relations with them under surveillance.

The following cases are considered serious controversies:

- Serious and repeated cases of corruption, tax evasion, unfair competition or money laundering, especially as evidenced by court convictions, without the company concerned implementing enhanced policies and procedures to prevent further violations;
- Environmental or social controversies, highlighted by convictions or clusters of evidence of serious and repeated infringements and controversial practices (own activities or value chain), without the company concerned implementing a remediation process, accompanied by a strengthening of policies and procedures to prevent new controversies:
  - Violation of international conventions concerning the environment and corporate practices and actions that harm nature and natural habitats on land and in water;

- Violation of human rights and fundamental rights relating to work, particularly the UN Guiding Principles, the International Labour Organization Conventions on fundamental principles and rights at work and the OECD Guidelines for Multinational Enterprises, serve as guiding frameworks.

## 4.2 Exclusion of sectors/activities and sovereigns

As part of its special and sectoral policies and regulatory requirements, La Banque Postale has identified activities that are incompatible with the targets of sustainable development, health and well-being for all. In addition, it does not wish to contribute capital to countries where fundamental rights and international standards are not respected. The Bank also prohibits any financing or investment in activities deemed illegal under French law.

The following activities are excluded:

### 4.2.1. Regulatory exclusions

- Prostitution;
- Illicit activities involving human organs and tissues and genetic engineering activities prohibited by the applicable regulations;
- Wholesale and retail trade, production, breeding or keeping of animals and plants on the CITES list<sup>4</sup>;
- Production, use or wholesale and retail trade of any product when prohibited by the regulations of the country of destination or international regulations;
- Cross-border trade in waste, except those that comply with the Basel Convention on the Control of Transboundary Movements of Hazardous Waste;
- Illicit trade or activities likely to facilitate the illicit traffic of cultural property;
- Weapons: companies manufacturing or distributing weapons prohibited under international conventions signed and ratified by France (cluster bombs, anti-personnel mines<sup>5</sup>, chemical and biological weapons, blinding laser weapons)<sup>6</sup>.

### 4.2.2. Voluntary exclusions

- Gambling: casino and gaming clubs, companies designing and operating gambling and betting activities;
- Pornography: companies and establishments producing or marketing pornographic products;
- Nightclubs (e.g. discotheques);
- Tobacco: companies producing tobacco and manufacturing tobacco-based or tobacco-related products;
- Pesticides: companies where more than 20% of revenue comes from the manufacture or sale of pesticides (herbicides, fungicides and insecticides for use in agriculture);
- Purely speculative transactions on agricultural commodities and real estate (for example, cut-to-size sales);
- Fur: companies where more than 5% of revenue comes from the manufacture or sale of animal fur and specialised leather;
- Animal testing: companies manufacturing cosmetic or non-cosmetic products tested on animals and pharmaceutical companies performing animal experiments for medical purposes without reduction, refinement and replacement policies (3Rs: Reduce, Refine and Replace);
- Non-domestic animal shows: travelling establishments offering shows with non-domestic animals; establishments offering shows with aquatic mammals.

<sup>4</sup> Convention on International Trade in Endangered Species of Wild Fauna and Flora.

<sup>5</sup> Governed by the Oslo and Ottawa conventions ratified by France.

<sup>6</sup> See intervention principles for the defence sector.

The following countries are excluded:

- Countries considered as tax havens and countries with an insufficient score in indices related to fundamental rights (in particular political rights and civil liberties, workers' rights and freedom of the press) and corruption<sup>7</sup>.

## 5 **Implementing the management of controversies and exclusions**

The implementation of this charter is subject to a dedicated internal procedure, set out in documentation specifying the roles and responsibilities of each party as well as the various stages of the procedure.

The Sustainability Department shall ensure that this charter is disseminated to all employees affected by its application, and that it is properly understood.

Information relating to the exclusion criteria and cases of controversy described above is obtained from public information sources, data suppliers and counterparties. This data is assessed internally, and exclusion lists are established.

---

<sup>7</sup> Freedom House Freedom in the World scores, International Trade Union Confederation Global Rights Index, World Press Freedom Index, Transparency International Corruption Perceptions Index.