



LA BANQUE POSTALE

GREEN, SOCIAL & SUSTAINABILITY BOND FRAMEWORK

- APRIL 2019 -

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1. Introduction

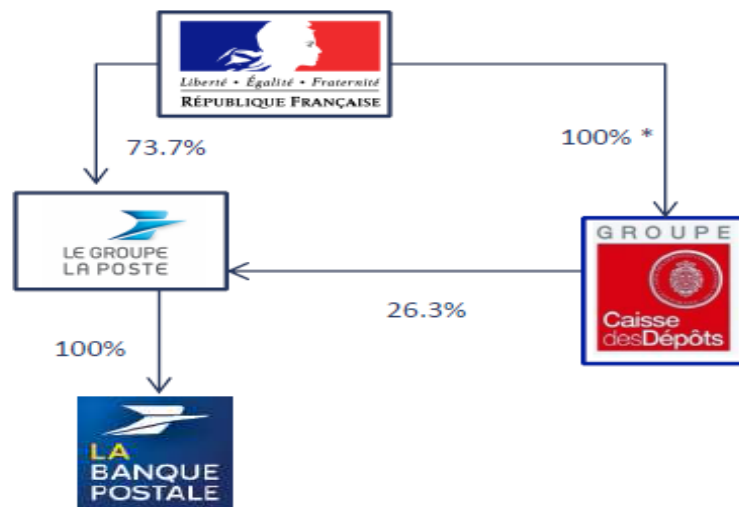
1.1 La Banque Postale overview: a French bank committed to serving each and all

A core subsidiary of Le Groupe La Poste

La Banque Postale, created in 2006, is a subsidiary of Le Groupe La Poste, a public group responsible for the Postal Service. La Banque Postale is considered as a core strategic subsidiary of La Poste:

- La Poste is legally bound to keep a majority stake in La Banque Postale (law of regulation of postal activities, 2005);
- La Banque Postale is an essential contributor to La Poste's income;
- La Banque Postale is, by law, enable to use La Poste's staff for its activities.

Le Groupe La Poste is controlled by the French State, 73.68% directly and 26.32% through the Caisse Des Dépôts.



A responsible bank committed to serving each and all

As a bank that works in the best interest of the community, La Banque Postale shares La Poste's values of trust, accessibility and local presence, endowing it from the start with an original and unique positioning on the French market. Its approach is driven by an offer based on low service rates, access for all customers and a simple product range that focuses on customer needs. Pursuant to the Article 16 of law N° 2005-516 of 20 May 2005, La Poste transferred all the assets, rights and obligations relating to its financial Services to La Banque Postale, with effect from 31 December 2005. Thus, La Banque Postale is the only French bank legally vested with the capacity to provide banking access as a public service.

A diversified banking group

La Banque Postale Group's business is organized around three business units:

- **Retail banking** (including private and corporate banking, consumer finance, public sector lending, and local authorities). La Banque Postale's core business is mainly focused on individual customers. Since its creation, and in line with its certification, La Banque Postale has turned into a fully-fledged bank, extending its product range from home loans with no prior savings requirement (in 2006), to :
 - o consumer loans (in 2007);
 - o corporate loans (in 2011);
 - o public sector lending activities (in 2012);
 - o Corporate and Investment Banking (CIB).

This change is part of the bank's diversification strategy and its intent to complete its offering to legal entities and its high-net-worth customers while continuing its cautious risk management in line with its civic values.

- **Insurance**: undertaken by a JV¹ created with different partners, and majority owned by LBP, as:
 - o life insurance (with CNP Assurances);
 - o P&C insurance, (with Groupama);
 - o Health insurance (with Mutuelle Générale).
- **Asset management**: undertaken by the asset management subsidiaries².

1.2 Corporate Social Responsibility at the core of La Banque Postale strategy and values

Since its creation, La Banque Postale, a public service bank serving the real economy, has chosen a unique, solid, responsible and sustainable business model.

This business model illustrates how La Banque Postale plays an important role in contributing the United-Nations Sustainable Development Goals (SDGs). Especially, with regards to SDG n°10, 8 and 13, as explained in the paragraphs below:

- SDG n°10 « Reduced inequalities », in particular with regards to its public service mission to ensure banking accessibility to all and to the particular care it show towards fragile customers. Through its products and services, La Banque Postale contributes to the social inclusion of the less fortunate and facilitates their empowerment;

¹ La Banque Postale Prévoyance (LBPP), La Banque Postale Conseil en Assurances (LBPCA), La Banque Postale Assurances IARD (LBP IARD), La Banque Postale Assurances Santé (LBPAS) and SOPASSURE.

² La Banque Postale Asset Management (LBPAM), and Tocqueville Finance SA.

- SDG n°8 « Decent work and economic growth »: La Banque Postale supports the growth of small and medium sized businesses as well as large companies via a dedicated offering (micro loans, crowdfunding, corporate loans, etc.). Thusly it contributes to the local economic development and growth of the French territories;
- SDG n°13 “Climate Action”: La Banque Postale aims to be a major actor in the fight against climate change. It is one of the first banks to achieve carbon neutrality for its entire operational scope. In terms of products and services, it has launched a specific product range to support retail customers in their efforts towards energy transition (e.g. green home loans and mobility loans, environmental SRI funds, etc.). La Banque Postale CIB team also thrives to solely support climate friendly energy projects in its financing operations.

The other SDG’s are also covered to a various extent. See La Banque Postale’s website for more detail.

La Banque Postale’s CSR policy is centered on four commitments directed towards its main stakeholders: its clients, its employees, society and territories and the planet. This policy consists of 13 missions and around 30 priority objectives, each one supported by follow-up indicators and qualitative and quantitative targets.

Commitment towards its clients

La Banque Postale is the only bank having been **given the mission to ensure accessibility to banking** through the Economy Modernisation’s Act of 2008. Under the law of 9 February 2010, La Banque Postale must also endeavor to prevent over-indebtedness and promote microcredit.

The bank for banking accessibility

La Banque Postale also promotes access to credit for customers on a modest budget, while remaining extremely vigilant regarding the solvency of its borrowers.

Home loans

La Banque Postale enables young people under the age of 36 to obtain a home loan without having to make a down payment. Although it is extremely demanding with regard to the solvency of loan applicants, it has also broadened access to credit via an offering of loans providing access to social home ownership (“*prêts d’accession sociale à la propriété*”). With this offer, introduced at the end of 2012 in response to the needs of its customers, La Banque Postale has helped more than 117,000 customers obtain access to home ownership.

Consumer loans

La Banque Postale Financement also offers some of the lowest interest consumer loans on the market with accessible durations and financing amounts: personal loans (car loans, loans for construction and renovation, projects) loan refinancing, loans for young people, and temporary workers.

Microcredit

In August 2013, La Banque Postale has received the authorization of the “Fonds de Cohésion Sociale” (social cohesion fund) to finance, via personal micro-loans, the “précarité énergétique” (fuel poverty) projects.

In March 2017, La Banque Postale signed a sponsorship agreement with microfinance institution Créa-Sol, providing this actor of the social and solidarity economy with the means to replicate the Bank’s personal microcredit distribution model by adding new technological means, thus guaranteeing response times that better meet the urgent expectations of the beneficiaries.

Offers promoting the energy transition

- **Green range products for the retail clientele:** In 2015, during COP 21 La Banque Postale launched its “Green range”, an offer of loans tailored to accompany individuals in their commitment to the energy transition. In 2018, a digital self-diagnosis platform was launched to further facilitate the clients understanding of the potential savings home energy works could generate.
- **Clean transportation and renewable energy solutions for businesses:** the Bank offers a range of financing solutions, including clean vehicle fleet leasing.

La Banque Postale’s CIB, when funding energy projects, solely focuses on companies belonging to the Renewable Energy sector (no fossil energy projects are financed). The creation in 2017 of a team dedicated to the financing of renewable energies within the financing and investment business enabled the Bank to structure its efforts in this respect. In three years, more than 1.5 billion euros was disbursed to finance projects favoring the energy transition.

Responsible asset management

La Banque Postale Asset Management (LBPAM), , has made SRI one of its growth engines for satisfying its individual and institutional customers. In 2018, LBPAM has taken the bold commitment to become a full SRI assets manager by 2020 thus paving the way in its sector. Therefore, all assets under management will eventually be subject to LBPAM’s new SRI methodology, coined GREaT, which is structured around 4 pillars:

- Responsible corporate Governance
- Sustainable Resource management
- Ecological and economic transition
- and Territories development

As of end of 2018, €115 billion of AUM (+5% vs 2017) are managed according the GREaT methodology, including €10.6 billion (+150% vs 2017) managed with the highest SRI standards.

Finally, LBPAM has been supporting the development of the Green Bond market since 2013. The total assets invested in responsible bonds by LBPAM amounted to €2.6 billion at end-2018, i.e. a 118% increase over the year.

Commitment towards its employees

Employee engagement is at the heart of La Banque Postale's human resources strategy. Indeed, the commitment of all teams is decisive in fostering the development of the Bank and meeting tomorrow's challenges. It represents a strong lever for adapting to new customer practices and better satisfying them via the creation of new businesses.

Since it was set up in July 2015, the "École de la Banque et du Réseau" has supported the career development of the employees of La Banque Postale, La Poste Financial Services and Network, by training them on the new skills and business lines of the Le Groupe La Poste.

Among the courses offered, the « École de la Banque et du Réseau »:

- launched a course for account managers in post offices to develop their skills in the areas of banking, digital and customer relations;
- has continued the courses for account managers for the expansion of the home loan business.

Commitment towards society and the territories

La Banque Postale's goal is to be an engine for social and economic progress by placing itself at the inflection point between individual and collective interests. Thus, it works in the best interest of the community at large by supporting its customers and stakeholder's projects and participating in regional development.

The benchmark bank in the public sector

La Banque Postale continues to develop a long-term relationship with local public sector based on confidence, transparency, and responsibility.

The No. 1 lender to local municipalities

La Banque Postale continues to anchor in tangible reality the values it demonstrates via the financing of large local municipalities, as well as those with less than 5,000 inhabitants: Half of loans are granted to small municipalities. Moreover, to better meet their needs, La Banque Postale lowered its minimum loan amount to €40,000.

Committed to public health

La Banque Postale puts its know-how at the service of regional health players and develops, throughout France, financing for the healthcare sector. It is also particularly committed to meeting the growing need for lodging and services of the medico-social sector by financing the construction, acquisition or fitting of homes for the elderly or disabled, or the acquisition of medical equipment for healthcare facilities.

Supporting social housing landlords

As the historical partner of two out of three social housing landlords, in 2018, La Banque Postale became the No. 1 bank for social housing landlords. Moreover, along with the teams developing the solutions for “individual” customers, the Bank makes their life easier via simple and secure rent payment solutions. It also strongly encourages social home ownership by granting loans to those wishing to acquire their home.

The Bank attentive to its suppliers

La Banque Postale’s responsible purchasing policy, implemented since the end of 2009 is based on four pillars:

- **Signing of a Responsible Purchasing Charter:** required for each new contract with a supplier or at the steering committee meeting for ongoing contracts when the charter has not been already signed.
- **Turning to the disabled and protected sector:** the Purchasing Department, with the support of consultants, is always identifying new services in connection with the disabled and protected employment sector for tenders.
- **Integrating extra-financial criteria -into the selection and monitoring of suppliers:** every buyer at La Banque Postale ensures that ESG criteria in line with the purchased service are integrated into the supplier specifications and during the supplier selection process.

- **Making La Banque Postale’s invitations to tender accessible to small and medium-sized enterprises:**

La Banque Postale pays close attention to:

- o reducing the risk of financial dependency via dependency rate measurement
- o allotting invitations for tenders so that micro and small and medium-sized businesses in very specialised sectors can tender directly and not as co-contractors or subcontractors.

Commitment towards the planet

As part of the Energy Transition priority programme in its new strategic plan for the period 2015-2020, La Poste Group has set itself new environmental objectives, particularly **to lower its greenhouse gas (GHG) emissions by 20% compared with its 2013 level to fight climate change.**

La Banque Postale, by adopting the same target, intends to fully contribute to achieving these ambitious goals by reducing both its direct and indirect GHG emissions.

Control of direct GHG emissions

La Banque Postale is attentive to its direct GHG emissions originating from its buildings, IT systems, employee travels (business trips and commuting) and its paper consumption.

The control of the main emitting lines is supported by an innovative mechanism, **the Carbon Fund**, which strengthens the management of its direct footprint.

By internalizing the cost of CO₂ emissions (using a factor of 10€ per ton of CO₂ emitted), La Banque Postale generates a budget that is used to finance internal CO₂ reduction programmes, as well as major national environmental projects on the French territory. As of 2018, the Carbon Fund also finances **the Banks’ carbon**

neutrality by financing two CO₂ offsetting projects in Peru and India. La Banque Postale is one of the only banks in the world to achieve carbon neutrality over such an extended operational scope, including its 16 subsidiaries and its employees commuting emissions.

La Banque Postale has set its real estate reduction targets as follows:

- 5% reduction in 2017;
- 10 % reduction in 2018;
- 15 % reduction in 2020
- 20% reduction in 2022.

In order to achieve these objectives, La Banque Postale and its main landlord, Poste Immo, are already committed to various structuring actions and real estate projects which concretely reflect the energy performance policy's main axes:

- **Energy efficiency:** heat insulation works as well as roof repairs, heat regulation, replacement of obsolete air-conditioning, boilers or fitting of movement detection LED lighting in communal areas are regularly performed. Moreover, La Banque Postale has identified emission-reducing actions that will feed into its 2016-2022 energy performance policy thanks to 11 energy audits (2015 Daddue Act) over more than 70% of the direct energy bill of La Banque Postale SA.
- **Energy management:** La Banque Postale has purchased 100% renewable electricity since 1 October 2015 to supply all its major sites (power above 36kVA). In addition, La Banque Postale works on a daily basis with its landlord Poste Immo to implement the Green Lease approach to its buildings.

Management of indirect GHG emissions linked to La Banque Postale's products

La Banque Postale remains mindful of the impact of certain indirect emissions connected to its products. In order to define an optimized indirect emissions reduction objective, La Banque Postale has joined the Science-Based Target initiative that aims at aligning such target with the Paris Agreement. Our goal is to control the aforementioned indirect emissions through the monitoring our portfolios' carbon intensity.

2. Rationale of La Banque Postale Green, Social and Sustainability Bond Framework

As part of its strategic plan for 2015-2020, La Banque Postale is setting up this Green, Social and Sustainability Framework with the goal of reinforcing the bank's capabilities in financing green and social projects.

La Banque Postale's Green, Social and Sustainability Framework is designed as an umbrella Framework that will allow **La Banque Postale SA** and **La Banque Postale Home Loan SFH** to issue 3 types on Bonds:

- Green Bonds to finance and/or refinance Eligible Green Loans (as defined in the 3.1 Use of Proceeds section);

- Social Bonds to finance and/or refinance Eligible Social Loans (as defined in the 3.1 Use of Proceeds section);
- Sustainability Bonds to finance and/or refinance a mix of Eligible Green Loans and Eligible Social Loans (as defined in the 3.1 Use of Proceeds section).

3. Green, Social and Sustainability Bond Framework

La Banque Postale’s Green, Social and Sustainability Bond Framework is in line with the 2018 edition of the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG).

The Framework is presented through their following four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

3.1 Use of Proceeds

An amount equivalent to the net proceeds of the Green (respectively Social or Sustainability) Bonds issuances (“the net proceeds”) will be exclusively used to finance and/or refinance, in whole or in part La Banque Postale’s Eligible Loan Portfolio:







Eligible Loan Portfolio (the “Eligible Loans”) means: Eligible Green (respectively Social) Loans granted by La Banque Postale, in France and Europe, up to 36 months prior to the Green (respectively Social or Sustainability) Bonds issue date. The selected portfolio will be regularly fed with new loans’ production, in order to maintain a sufficient amount in front of the outstanding bonds and offer opportunities for new issuance.








Eligible Green (respectively Social) Loans means: loans dedicated to the financing of Eligible Green (respectively Social) Projects with positive environmental (respectively social) impact, falling under the following categories:

Eligible Green Loan categories	Eligible Social Loan categories
<ul style="list-style-type: none"> - Renewable Energy - Low carbon buildings - Energy transition - Sustainable Mobility 	<ul style="list-style-type: none"> - Affordable housing - Access to essential services - Sustainable and inclusive finance

Eligible Green (respectively Social) Projects are defined in the table below:

Eligible Green Projects

Loan Categories	Definition	Eligibility Criteria	Objectives	Environmental Benefits	SDG's contribution
Renewable Energy	Loans aiming at financing the equipment, development, manufacturing, construction, operation, distribution and maintenance and decommissioning of local renewable energy	<p>Wind projects Onshore and offshore wind energy projects</p> <p>Solar projects Self-generated photovoltaic energy projects</p>	Support energy transition to a low-carbon economy	<p>Climate change mitigation</p> <p>Greenhouse Gas (GHG) emissions reduction</p> <p>Pollution reduction</p>	<p>N°7 Clean and affordable Energy</p>  <p>N°13 Climate Action</p> 
Low Carbon Buildings	Loans aiming at reducing the energy consumption of buildings	<p>Green Buildings in residential sector</p> <ul style="list-style-type: none"> - New dwellings - Constructed from 01/01/2017 <p>Green Buildings in the commercial sector</p> <p>New constructions that comply with the following criteria:</p> <ul style="list-style-type: none"> - Labeled buildings with at least one of the following labels: <ul style="list-style-type: none"> o BBC Effinergie+ o HQE Excellent or above o BREEAM Excellent or above o LEED Gold or above 	Support energy transition to a low-carbon economy	<p>Climate change mitigation</p> <p>Energy savings</p> <p>Greenhouse Gas (GHG) emissions reduction</p>	<p>N° 7 Clean and affordable Energy</p>  <p>N° 9 Industry, innovation and infrastructure</p>  <p>N°11 Sustainable cities and communities</p>  <p>N° 13 Climate Action</p> 

<p>Energy transition loans</p>	<p>Loans aiming at promoting La Banque Postale retail activity in the energy transition sector</p>	<p>La Banque Postale’s “Gamme verte” Residential energy efficiency improvement works including:</p> <ul style="list-style-type: none"> - new heat pumps - solar panels - isolation works - windows replacement etc. <p>Acquisition of electric vehicles such as:</p> <ul style="list-style-type: none"> - electric or hybrid cars - electric or hybrid two wheel-vehicles <p>Interest-free eco-loans (Eco PTZ) for energy retrofitting projects aligned with the eligibility criteria established in the French 2009 Finance Law³ including the following:</p> <ul style="list-style-type: none"> - thermal insulation - heating system renovations - heating equipment and or hot water production operating on renewable energy - non-collective sewage works 	<p>Support energy transition to a low-carbon economy</p>	<p>Climate change mitigation</p> <p>Energy savings</p> <p>Greenhouse Gas (GHG) emissions reduction</p>	<p>N° 7 Clean and affordable Energy</p>  <p>N° 9 Industry, innovation and infrastructure</p>  <p>N°11 Sustainable cities and communities</p>  <p>N° 13 Climate Action</p> 
<p>Sustainable mobility</p>	<p>Loans aiming at developing electric and hybrid low-carbon transport</p>	<p>Low-carbon transport vehicles and infrastructure</p> <p>Including:</p> <ul style="list-style-type: none"> - public transport financing (trains, metro lines, tramway, biking path), - related infrastructures (charging stations for electric vehicles, bicycle parking stations etc.) 	<p>Support energy transition to a low-carbon economy</p>	<p>Climate change mitigation</p> <p>Greenhouse Gas (GHG) emissions reduction</p> <p>Pollution reduction</p>	<p>N°3 Good health and well-being</p>  <p>N° 11 Sustainable cities and communities</p>  <p>N°13 Climate Action</p> 

³ <https://www.economie.gouv.fr/cedef/eco-pre-a-taux-zero>

Eligible Social Projects

Loan Categories	Definition	Eligibility Criteria	Objectives	Social Benefits	SDG's contribution
Affordable housing	Loans aiming at financing social home ownership	<p>Prêt à l'Accession sociale (PAS) or social home ownership loan Acquisition or construction of primary residence respecting the eligibility criteria established in the French 2003 Finance Law including income ceilings⁴</p> <p>Loans to social housing landlords New constructions and/or renovation of existing social housing</p> <p>Target Population: Low income population⁵</p>	Support access to housing supply	Increase home ownership for low income population	<p>N°1 No poverty</p>  <p>N°10 Reduce inequalities</p> 
Access to essential services	Loans aiming at financing access to healthcare	<p>Loans to healthcare public providers and facilities:</p> <ul style="list-style-type: none"> - Public hospitals - Elderly care facilities - Cancer research centers <p>Target population: French population including the most vulnerable</p>	Support access to healthcare	Reduce health inequalities	<p>N°3 Good health and well-being</p>  <p>N°10 Reduce inequalities</p> 
Sustainable and inclusive finance	Loans aiming at fostering inclusive finance	<p>Inclusive finance Financing banking accessibility for vulnerable groups through initiatives such as:</p> <ul style="list-style-type: none"> - Interest free loans (PTZ) - Micro-credit loans (Créa-Sol, micro-crédit habitat) <p>Target Population: Low income population⁶</p>	Support financial integration of vulnerable population	Reduce banking exclusion and inequalities	<p>N°1 No poverty</p>  <p>N°8 Decent work and economic growth</p>  <p>N°10 Reduce inequalities</p> 

⁴ <https://www.service-public.fr/particuliers/vosdroits/F22158>

⁵ As per income criteria defined in the July 29th 1987 Decree relating to the ceiling of resources of low-income housing beneficiaries
<https://www.service-public.fr/particuliers/vosdroits/F869>

⁶ As per income criteria defined by the State

3.2 Process for Project Evaluation and Selection

a. Alignment with La Banque Postale’s Risk Management Policy and extra financial risk management

La Banque Postale’s Risk Appetite Statement and its Risk Management Policy all acknowledge the fact that La Banque Postale is a responsible banking operator and as such, it should take into account extra-financial criteria in its investment decision making.

Especially, being aware of the important toll it excerpts on the environment, these documents state that La Banque Postale must refrain from investing in or financing the Coal sector and any non-conventional fossil energy. As a matter of fact, the only Energy projects La Banque Postale finances through its project finance division are renewable energy projects.

Operational risks management also integrates extra-financial risks. In accordance with the Group Risk Control Mechanism for Operational Risks, the business lines are responsible for identifying and processing operational risks including extra-financial risks. The operational risks mapping is regularly assessed in order to ensure that those risks that carry extra-financial compounds are managed accordingly.

This principle is reinforced by La Banque Postale’s governance model applied to new products and services. An analysis of extra-financial risks is always included in the risk assessments carried out when proposals are submitted to the Product Review committee, via an ESG Checklist. The ESG Checklist is an integral part of the risk assessment process and is a document that must be presented to the Product Review committee. La Banque Postale’s CSR Division mines the results of the ESG Checklist to analyse the ESG issues highlighted and to begin awareness-raising actions where necessary.

Process or Project Evaluation and Selection will follow the internal processes and risk management procedures as described in the Chapter 3 and 4 of the Registration Document of La Banque Postale (available on our institutional website).

Taking extra-financial criteria into account in investment and financing activities:

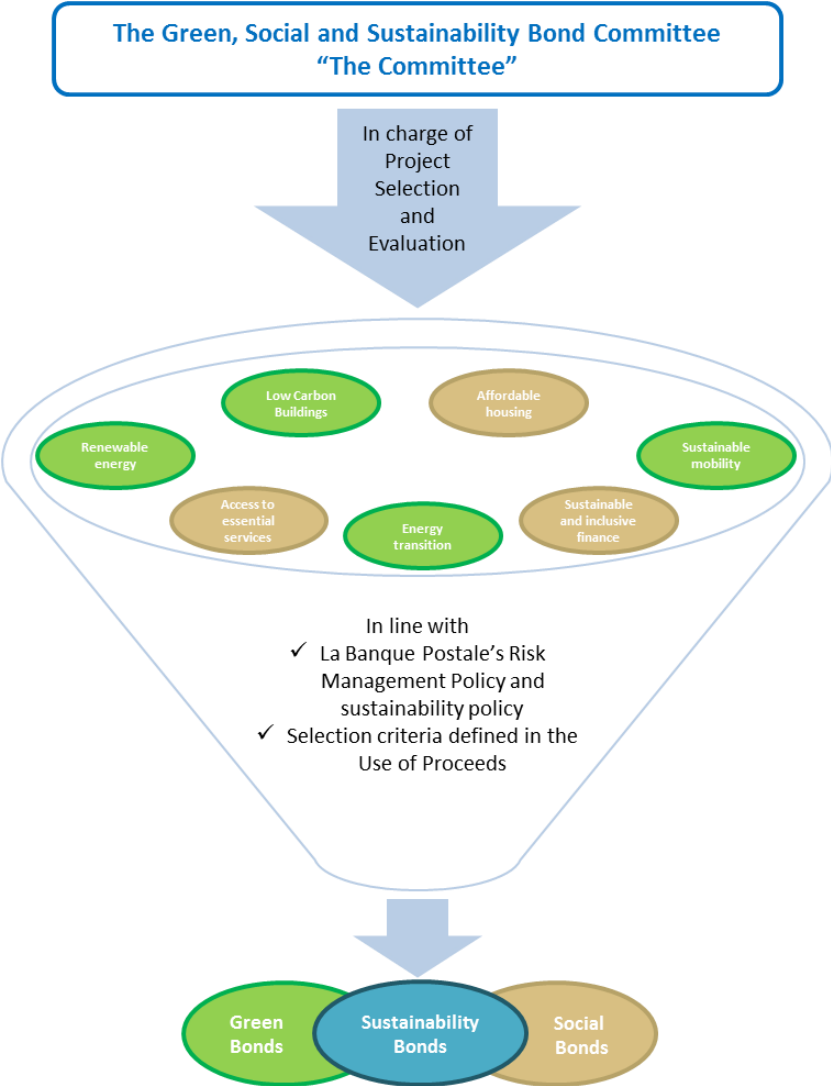
As stipulated in the “Defense sector policy”, La Banque Postale makes sure that none of the portfolios managed by asset and wealth management actors include companies involved in controversial weapons (antipersonnel mines or cluster bombs) or non-conventional weapons (biological, chemical, nuclear, depleted uranium, blinding laser and incendiary weapons), irrespective of the type of financial instruments issued (shares, bonds, or money-market instruments). To this end, since 2012, La Banque Postale subscribed to a database kept by an independent third-party expert to reinforce its methods and to share an exclusion list used by all members of the Asset and Wealth Management Divisions in the Responsible Asset Management Committee (CGAR). This

list is then shared with the Risks Department so that it can also be applied to the Financial Transactions department for proprietary transactions and the Corporate Department for loan transactions. At 31 December 2018, 39 companies were on this list.

La Banque Postale also refrains from engaging commercially with high extra-financial risk sectors (such as tobacco, Coal or non-conventional fossil fuels, night clubs, adult entertainment, gambling) or with economic actors which regularly and repeatedly breach international conventions on Labor Rights, Human Rights or on the Environment.

b. Green, Social and Sustainability Bond Committee

A Green, Social and Sustainability Bond Committee (“The Committee”) will be established with the goal of monitoring the Process for Project Evaluation and Selection.



The Committee is responsible for:

1. **Selecting the Eligible Loans to be included in the Green, Social and Sustainability Bonds Portfolio “the Portfolio”:** a pre-selection of potential Eligible Loans is made with the relevant business units in accordance with the selection criteria established in this Framework.
2. **Monitoring the Eligible Loans over the lifetime of the bond:** to ensure that the proceeds are used solely for the financing and refinancing of the Eligible Loans as defined in the Use of Proceeds section, the Committee is in charge of replacing any Eligible Loan by a new Eligible Loan in case an Eligible Loan has matured or in case of projects’ postponement, cancelation, divestment or ineligibility.
3. **Updating the Green, Social and Sustainability Bond Framework:** in order to always align with best market practices, the Committee monitors the Green, Social and Sustainability Bond market and reviews this Framework accordingly.
4. **Validating the published Allocation Report and Impact Report.**
5. **Deciding for new issuance under the framework, in relation with the prevailing funding programme.**

In case of controversy concerning an eligible project, the committee will deliberate on the course of action (status quo, monitoring or exclusion), based on the input provided by an internal exclusion committee which relies on both external quantitative sources and internal qualitative analysis.

The Committee is composed of representatives of:

- Head of Corporate and Investment Bank (chairman)
- Head of Group Financial Communication (secretary)
- Head of CSR Department
- Head of Dealing Room
- Head of Long Term Funding
- Head of relevant business units contributing to the Eligible Loan Portfolio.

The Committee composition may evolve to include in particular other entities from La Banque Postale Group contributing to Eligible Loans in accordance with this framework. This Committee will also be responsible for managing any future update to the Framework, including expansions to the list of Eligible Categories, and oversees its implementation. The Committee will meet at least once a year and in case of controversy.⁷

⁷ See Appendix 3

3.3 Management of Proceeds

La Banque Postale intends to maintain an Eligible Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green, Social and Sustainability Bonds, until the maturity of such bonds. Eligible Loans may be added to or removed from La Banque Postale's Eligible Loan Portfolio to the extent required.

In the case of Green (respectively Social or Sustainability) Covered Bond issuance, the net proceeds will be used to finance and/or refinance Eligible loans held on the cover pool of La Banque Postale Home Loan SFH. In case of refinancing, a look-back period of maximum 36 months prior to the issue date of the bonds will be considered.

An internal tracking process will be established within La Banque Postale to track the Eligible Loan Portfolio.

It is therefore La Banque Postale's intent that any Green, Social or Sustainability Bond is allocated, at issuance, to the existing Eligible Loan Portfolio. However, in the case where the Eligible Loan Portfolio would be smaller than the Green, Social and Sustainability Bonds outstanding (after a new issuance for instance), La Banque Postale will strive to fill the gap and load the Eligible Loan Portfolio with new loan production or existing unallocated loans. Meanwhile, the difference would be held within La Banque Postale's treasury in accordance with its usual treasury investment strategy.

3.4 Reporting

La Banque Postale commits to provide investors with information on the allocation of the Green, Social and Sustainability Bonds issued and on the positive environmental and/or social impact of the Eligible Loans financed through its Green, Social or Sustainability Bonds. The reporting will be publicly available on a yearly basis on La Banque Postale's website (in the Investor Relations' section): <https://www.labanquepostale.com/en/investors.html>. All reportings will be made until the maturity of the bonds and later in case of material change.

a. Allocation Report

Each year, La Banque Postale will publish a report on the Green, Social or Sustainability Bonds issued. This report will provide the following information:

- The total amount of the Green, Social and Sustainability Bonds issued
- The total amount of selected loans, for each category
- The amount of available unallocated loans.

b. Impact Report

Each year, La Banque Postale will publish a report on the environmental and/or social impact of the Eligible Loans by category, subject to data availability.

Where feasible, this report will provide both output and impact indicators as presented below.

The methodologies as well the assumptions and baselines used to determine the aforementioned indicators will be provided.

Eligible Green Projects

Categories	Output indicators	Impact indicators
Renewable Energy	<ul style="list-style-type: none"> - Renewable energy capacity installed in GW or MW - annual renewable energy generated or expected in MWh 	<ul style="list-style-type: none"> - Estimated annual GHG emissions avoided (in tCO2e) - Energy savings (KWh saved/reduced)
Low Carbon Buildings	<ul style="list-style-type: none"> - Number of green buildings financed by construction date - Number of Green building certification obtained by label and level - Total gross floor area (GFA) of buildings concerned - % of the buildings financed by loans by the Issuer which are Low Carbon Buildings (Green Building in residential sector) 	
Energy transition loans	<ul style="list-style-type: none"> - Number of loans granted by type of financing - Total amount of loans granted by type of financing 	
Sustainable Mobility	<ul style="list-style-type: none"> - Number of loans granted by type of financing - Total amount of loans granted by type of financing 	

Eligible Social Projects

Categories	Reporting indicators
Affordable housing	<ul style="list-style-type: none"> - Number of « Prêt à l'Accession sociale (PAS) » granted - Amount of loans granted by social-professional categories - Number of new dwellings by social housing landlords - Amount of loans granted to social housing landlords
Access to essential services	<ul style="list-style-type: none"> - Number of loans granted to healthcare providers and facilities - Number of beneficiaries
Sustainable and inclusive finance	<ul style="list-style-type: none"> - Number of Interest free loans (PTZ) granted - Number of Micro-credit loans (Créa-Sol, micro-crédit habitat)

4. External Review

4.1 Second Party Opinion

La Banque Postale will provide a Second-Party Opinion on its Green, Social and Sustainability Bond Framework.

Vigeo-Eiris is mandated to deliver the Second-Party Opinion and confirm that this Framework is well aligned with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

This Second-Party Opinion document will be made publicly available on both Vigeo-Eiris and La Banque Postale website.

4.2 External verification

La Banque Postale will request, on an annual basis, a limited assurance report of the Eligible Loan Portfolio's outstanding amount. This assurance will be provided by La Banque Postale's auditors and will be included in La Banque Postale's annual registration document.

5. Appendices

Appendix 1: Prêts d'accession sociale à la propriété (PAS) "Social home ownership loans »

The PAS is a regulated loan benefiting from the French State guarantee. It finances the acquisition of main residence for households whose revenues do not exceed established ceilings.

The PAS are granted by financial institutions that adhere to Fonds de Garantie de l'Accession Sociale (FGAS), "*Social home ownership guarantee fund*", created under the French Finance Law for 1993 N° 92-1376 of 30 december 1992 (Article L312-1 of the French Construction and Housing Code, CCH).

The Fund is endowed both by the State and the financial institutions and managed by Société de Gestion des Financements et de la Garantie de l'Accession Sociale à la propriété (SFGAS), a dedicated management company.

Appendix 2: Prêt ECO-PTZ "0% ECO Loan"

The 0% ECO Loan was established by the French Finance Law for 2009 with the goal of supporting landlords in the realisation of energy-saving works in properties built before 1990 in France.

The 0% Eco Loan is granted to landlords (both occupiers or rented), regardless of income for a maximum amount of € 30,000 with a 10-year repayment period (up to 15 years for some works).

The eligible works must be carried out by RGE ("Reconnu Garant de l'Environnement") labeled contractors and includes:

- Insulation works (outdoor walls and doors, roofs)
- Heating or hot water equipment
- Renewable energy-based heating or hot water equipment.

The loan is granted by financial institutions which have specific agreement with the State as detailed in Article 244 quarter U of French Tax Code.

Additional information on both the PAS and 0% ECO Loan can be found on SFGAS's website: <https://www2.sfgas.fr/web/site-public-anglais>.

Appendix 3: Definition of controversy (internal for La Banque Postale)

Economic actors which regularly and repeatedly breach international Human and Labour Rights convention or Environment agreements and are therefore subject to significantly negative media coverage.