

1.6 Calendar

May 6, 2020	After market close – Publication of first-quarter 2020 results
May 29, 2020	BPCE Annual General Shareholders' Meeting
August 3, 2020	After market close – Publication of second-quarter and first-half 2020 results
November 5, 2020	After market close – Publication of third-quarter 2020 results

Calendar subject to change

1.7 Contacts

<https://groupebpce.com/>

"Investor Relations" section

Roland Charbonnel,

Head of Group Funding and Investor Relations

NON-FINANCIAL PERFORMANCE REPORT

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Introduction

The way in which Groupe BPCE does business is as important as its primary activity of providing banking and insurance products and services. Our long-term vision guides our actions on a daily basis by taking into account the social, environmental and economic impact of our activities. Groupe BPCE is a banking and insurance group, but we are also a responsible group and a cooperative group.

Drawing on its values, in recent years the Group has been stepping up its contribution to the Sustainable Development Goals (SDGs). It firmly believes that the shared language that defines these 17 global goals, broken down into 169 targets, will play a useful role in building a sustainable future by 2030. It intends to take part in this movement and report on its progress through this non-financial performance report.

Groupe BPCE's sustainable development policy primarily focuses on the following Sustainable Development Goals:

- transparency and the cooperative business model (SDG 16);
- banking inclusion (SDGs 1 and 10);
- financing the energy, ecological and social transition (SDGs 7, 8 and 12);
- a strong local presence (SDG 11);
- objectives for gender equality in the workplace and the inclusion of persons with disabilities (SDGs 5 and 10);
- boosting its employees' employability (SDG 4).














This year, Groupe BPCE wanted to strengthen and afford more credibility to its action in favor of the SDGs by identifying strategic targets and performance indicators to measure its effective contribution. To do this, all the initiatives described in the non-financial performance report and all the risks identified by the Group have been analyzed with regard to the SDGs.

This analysis identified two types of strategic goals for the Group:









- the SDGs for which BPCE makes a positive contribution, *i.e.* action taken by the Group to facilitate the achievement of the goals by 2030;
- the SDGs for which BPCE has taken action to minimize its identified risks;
- the analysis, represented in the following diagram is organized into the three types of actions that embody the Group:
 - a Banking group (through its banking and insurance businesses),
 - a Responsible group (through its internal operations),
 - a Cooperative group (through its strong local presence and its cooperative values).

The diagram shows the SDGs and the Group's strategic targets, as well as the action taken, providing a clear overall transparent view of Groupe BPCE's contribution to the Sustainable Development Goals.





A BANKING GROUP

POSITIVE CONTRIBUTION TO THE SDGS		RISK MITIGATION	
	1.4 Banking services for vulnerable customers		3.5 Exclusion policy for tobacco financing and investments (Natixis)
	6.6 New credit line: Eau & Assainissement III (Water & Sanitation III) – €150 million to fund local authorities		8.4 Incorporation of criteria to ensure new investments do not harm the environment
	7.2 Renewable energy financing	8.7.8 Recognition of ESG criteria to incorporate human rights and labor law in financial decisions	
	7.3 Special solutions to fund thermal renovations		
	8.10 Specific products ensuring access to banking services for all		10.2 Specific solutions for persons under legal guardianship and initiatives to facilitate access to banking services for persons with disabilities
	9.3 Specific financing solutions and professional microloans for small industrial companies		
	12.6 Questionnaire to assess the appropriation of ESG criteria by business customers and customers in the social and solidarity-based economy		12.c Exclusion policy for investments in oil and gas sectors (Natixis)
	13.2, 13.3 Incorporation of GHG emissions in investments, in particular by aligning Natixis' investment policy with the 2°C scenario		12.6 Exclusion policies and incorporation of ESG criteria in financing and investments
	15.a Mirova funds range specialized in preserving biodiversity		

A RESPONSIBLE GROUP

POSITIVE CONTRIBUTION TO THE SDGS		RISK MITIGATION	
	3.4 Charters and policies to improve well-being in the workplace		3.4 Systems to limit psychosocial risks
	4.3, 4.4 Commitments to develop employee value and professional training		5.1 Raising awareness of gender equality
	5.5 Initiatives to raise the percentage of female executives		8.4 Action to limit the environmental impact of the activity
	8.6 Support for young people in the job seeking process	8.5 Commitment to employment and anti-discrimination recruitment policies	
	8.7, 8.8 Signatory of B4IG in 2019: undertaking to step up efforts to improve human rights across the value chain		
	16.6 Dialog with stakeholders, and collaborative working and decision-making methods		

A COOPERATIVE GROUP

POSITIVE CONTRIBUTION TO THE SDGS		RISK MITIGATION	
	4.4 Educational patronage		16.4 Systems to combat fraud and crime
	8.3, 8.5 Survey of the socio-economic footprint of BP and CE: €1.6 million jobs supported	16.5 Prevention of corruption	
	11.4 Patronage of cultural heritage and culture	16.6 Initiatives for transparency and responsibility in marketing and relations with suppliers	

2.1 Putting our cooperative identity to work for regional development

2.1.1 Drawing on our business model to create sustainable, robust value

OUR MAIN ACTIVITIES

Groupe BPCE conducts all banking and insurance businesses through its two main cooperative networks – Banque Populaire and Caisse d'Epargne – and their subsidiaries.

It is the second largest banking group in France and has a strong local presence. Its 105,000 employees serve 36 million customers, including 9 million cooperative shareholders, performing their duties with a constant eye on the needs of individuals and local areas.

With 14 Banques Populaires, 15 Caisses d'Epargne, Natixis and Banque Palatine, Groupe BPCE offers its customers a full range of products and services, including deposits and savings, investments, cash management, payment instruments, and financing and insurance solutions. In keeping with its cooperative structure, the Group builds lasting relationships with its customers and helps them achieve their goals. It contributes to financing more than 20% of the French economy.

For more information, please see Chapter 1 of this document.

THE MAJOR CHALLENGES ARISING FROM THE ENVIRONMENT AND CLIMATE CHANGE

Since 2009, international climate change negotiations and European and French policies on energy transition have relied heavily on the role played by banks and investors to channel financing into initiatives to preserve the climate. New international standards are being prepared to structure and

harmonize financing for green growth, manage the financial risk inherent in climate change and provide a transparent framework for communication.

At the COP 21 Climate Summit in 2015, Paris was the first financial center to announce its support for the scientific consensus on the impact of greenhouse gas emissions and to take steps to ensure the financial sector contributes to speeding up the transition to a low carbon economy.

The European Commission's Action Plan on Sustainable Finance revealed in 2018 set three priorities – information and transparency, risk management and long-term governance – which are included in the work of the three European supervisory authorities (ESAs).

Our stakeholders – the European Commission, rating agencies, the regulatory authorities, NGOs, our investors, our customers and our cooperative shareholders – regularly ask what we are doing to tackle climate change and protect biodiversity. It is now clear that climate change and the loss of biodiversity will impact entire sectors of the economy.

As a banker and insurer, Groupe BPCE is ready to meet these challenges and help its customers in the transition towards a more sustainable economy.

Groupe BPCE's capacity to meet its customers' needs and create value is intrinsically linked to changes in its ecosystem, for example new regulations, environmental issues, societal and social changes, or the consequences of globalization.



INTERNATIONAL ENVIRONMENT, GEOPOLITICAL AND DEMOGRAPHIC RISKS

THE MAIN CHALLENGES

- More frequent health/pandemic risk disrupting the global economy
- Climate risk
- US protectionism, risk of currency war and decline in globalization (competition between China and United States, doubts about multilateralism and the structure of value chains)
- Risks to European Union stability: Brexit, Italian banking risk, derailment of public debt subsequent to fiscal measures associated with Covid-19, widening of sovereign spreads
- Long-term impacts of low interest rates: risk of growing imbalances already observable (public debt, reformation of asset price bubbles, etc.)
- Emergence of new financial markets or of financial and monetary assets competing against existing payment systems: cryptocurrencies, Libra, etc.

OUR STRENGTHS / OUR SOLUTIONS

- A decentralized and united cooperative group with strong brands operating directly in local regions
- A dynamic, diversified group that has shown it is capable of adapting and transforming
- Consistently robust financial strength, ensuring the Group's financial stability
- A conservative risk policy and a moderate risk profile



MACRO-ECONOMIC CONDITIONS

THE MAIN CHALLENGES

- Severe global recession triggered by Covid-19, followed by a vigorous spring-back, potentially sparking inflationary tensions (supply/demand imbalance)
- Steep artificial contraction (intensity associated with length of mandatory confinement period) in French growth, also followed by a vigorous spring-back
- Rushed monetary and fiscal initiatives aimed at mitigating the adverse economic and social consequences of mandatory confinement
- Persistently low interest rates: a risk for retail banking activities, especially in France

OUR STRENGTHS / OUR SOLUTIONS

- Diversifying Group revenues and developing growth drivers: expanding the bancassurance model, becoming a pure player in payments
- Developing the business lines that are the least dependent on interest rates and fees
- Building revenue synergies between business lines and exploring new growth drivers



CHANGING REGULATORY ENVIRONMENT AND EVER TOUGHER REQUIREMENTS

THE MAIN CHALLENGES

- Increase in regulations in all areas: banking, prudential, customer and investor protection, anti-money laundering and counter terrorist financing, anti-corruption
- Incorporation of ESG and climate risks
- Uncertainty about future developments
- Unfair competition: regional differences, unregulated players

OUR STRENGTHS / OUR SOLUTIONS

- Proactive measures allowing us to achieve regulatory solvency and liquidity targets ahead of schedule
- A policy of maintaining high capital adequacy recognized by the rating agencies, allowing us to develop our businesses on favorable terms while offering our stakeholders a high level of protection, as confirmed by ESG rating agencies
- A Code of Conduct and Ethics further strengthening the bonds of trust between Groupe BPCE and its customers



TECHNOLOGICAL INNOVATION, NEW ENTRANTS AND CYBERSECURITY

THE MAIN CHALLENGES

- Arrival of new players (fintechs, GAFA, neo-banks) and new technologies (blockchain, AI, chatbots, etc.)
- Increasing digitalization of the economy and changing customer practices and needs (real time, fast response, simplicity, transparency, etc.)
- Rapid pace of technological change creating big expectations in terms of cybersecurity and data protection
- New operating models (automation, digitalization)

OUR STRENGTHS / OUR SOLUTIONS

- Accelerating the digital transformation by creating leading digital services to enhance customer satisfaction (user friendliness, simplicity, personalization)
- Developing data centric companies to provide more personalized customer services
- Developing partnerships with fintechs
- Enhancing operational efficiency: customer self-service, process optimization and simplification through the use of integrated business platforms and pooled functions



CORPORATE SOCIAL RESPONSIBILITY

THE MAIN CHALLENGES

- Global commitment to combating climate change
- Declaration made by French banks to help develop a low-carbon, greener, and more inclusive economy
- Rising inequality, regional imbalances, increasing social unrest
- Inclusion of vulnerable persons amid rising poverty

OUR STRENGTHS / OUR SOLUTIONS

- Incorporating ESG criteria in financing, investments and sector policies
- Helping customers address climate risk and gear up for the energy transition
- Steering savings towards a more responsible economy
- Developing brokerage of green or social bonds
- Reducing the Group's carbon footprint
- Supporting vulnerable customers

OUR BUSINESS MODEL

The strength of our model derives from:

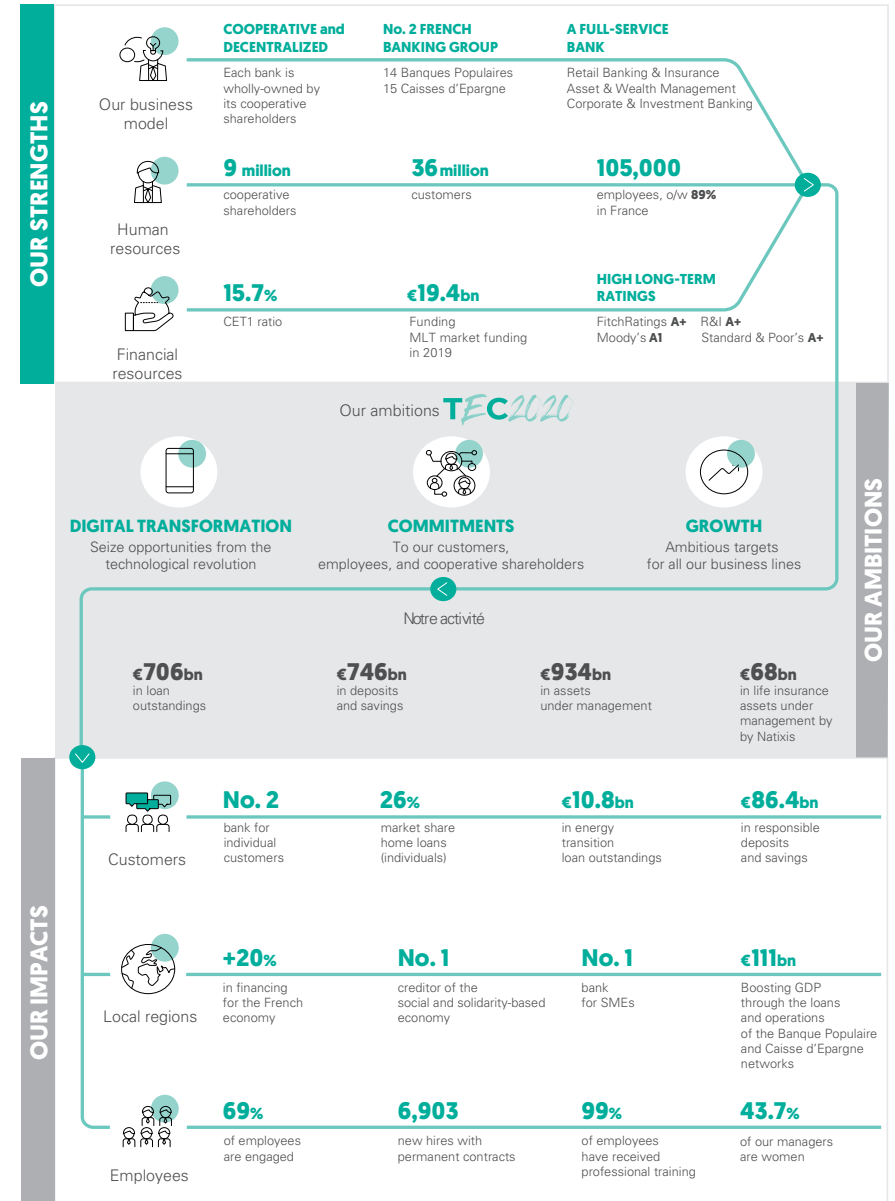
- our cooperative, decentralized structure, with 29 regional banks;
- known brands (Banque Populaire, Caisse d'Épargne, Crédit Coopératif, CASDEN, Banque Palatine, Natixis). Groupe BPCE is the second largest banking group in France, with leading positions on its main markets in France and international ambitions in certain Asset & Wealth Management and Corporate & Investment Banking activities;
- our structure as a full-service bank with a diversified business portfolio dominated by retail banking in France. Our business model has shown its resilience and its ability to gain market share while keeping risks under control.

Groupe BPCE draws on different resources to conduct its businesses:

- human resources, involving:
 - the recruitment and management of our teams and our capacity to attract, develop and retain talented individuals,
 - the relationships we maintain with our customers and our cooperative shareholders and more generally with all our stakeholders;
- financial resources, corresponding to:
 - the Group's own funds, consisting of retained earnings and inflows from the cooperative shares issued by the Banques Populaires and the Caisses d'Épargne,
 - deposits and savings inflows,
 - market funding,
 - for our subsidiary Natixis, own funds arising from the share capital provided by shareholders.

The quality of the its fundamentals (its solvency and management), as reflected in its the good financial ratings, allows Groupe BPCE to develop its business activities.

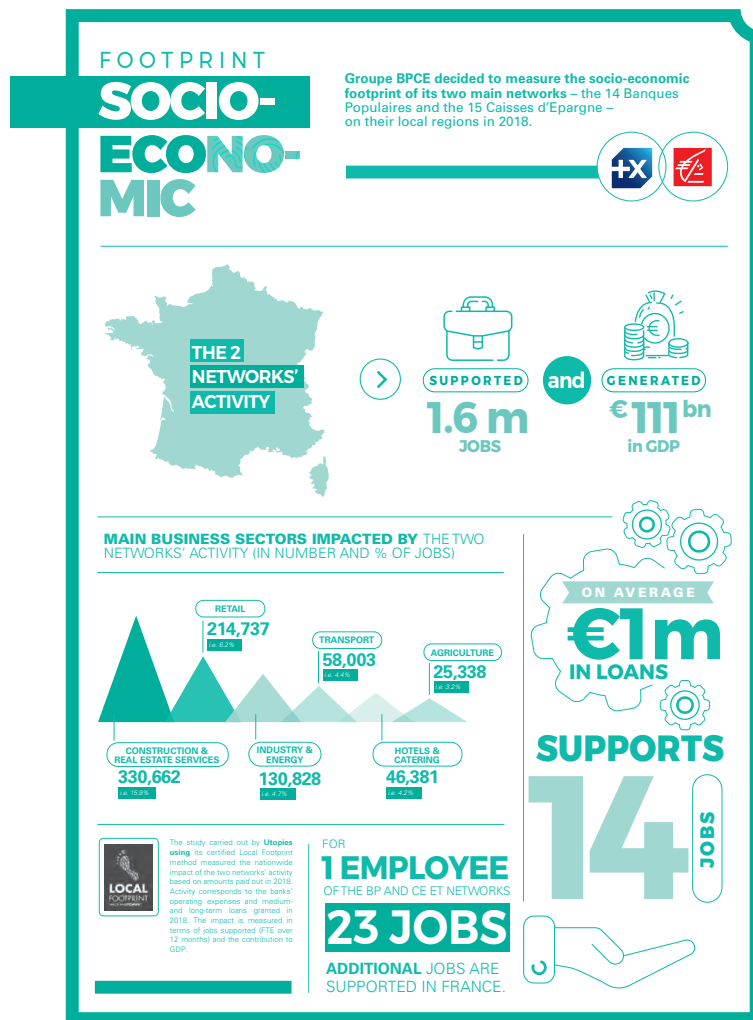
OUR STRENGTHS, OUR IMPACTS



2.1.2 Contributing to local development – Our regional footprint

In 2019, Groupe BPCE commissioned a review of the socio-economic footprint of its two retail networks, the Banques Populaires and the Caisse d'Épargne. The review was conducted using a LocalFootprint® certified method (see Chapter 2.5, Methodology) based on data for 2018. It calculated the impact of the two Banques Populaires and Caisse d'Épargne networks' activity (financing and operations) in terms of jobs supported and their contribution to GDP.

RESULTS OF THE REVIEW OF THE SOCIO-ECONOMIC FOOTPRINT



LOCAL PROCUREMENT

Groupe BPCE usespliers and gives priority to small, medium and intermediate sized companies in its local communities.

	12/31/2019	12/31/2018	Change 2018-2019
SMEs ⁽¹⁾ as a percentage of all suppliers	89 %	87 %	+2.3 %
ISEs ⁽²⁾ as a percentage of all suppliers	7 %	9 %	(22.2%)
Amount of purchases made from SMEs	40 %	39 %	2.6 %
Amount of purchases made from ISEs	28 %	29 %	(3.5 %)
Percentage of local suppliers	73 %	69 %	6 %

(1) Definition of SMEs (small and medium sized enterprises): companies with fewer than 250 employees and revenues below €50 million.

(2) Definition of ISEs (intermediate sized enterprises): companies with 250 to 5,000 employees and revenues greater than or equal to €50 million and less than €1.5 billion.

OUR COOPERATIVE STRUCTURE

We are committed to contributing to the development of the regions in which we have a longstanding presence. Our cooperative structure shapes our approach to our businesses. We want to continue to build an environment that fosters growth for our cooperative shareholders and our customers both now and in the future.

We serve all types of customers and are deeply committed to the communities in which we have extensive roots. We work with local stakeholders to strengthen ecosystems and improve quality of life in local regions. We strive to increase the positive impact of our activities on our regions' economic and human development.

This is the foundation of the Groupe BPCE 2018-2020 CSR strategy presented in Chapter 2.2.

Both the Banque Populaire and Caisse d'Épargne networks have a federation that protects their identity, their values and their interests.

The federations organize discussions, hear ideas and provide representation, producing positions shared by all network entities. They support the network's CSR strategy, facilitate cooperative shareholder relations, provide training for directors and assist with governance. They also promote initiatives in local communities.

BANQUES POPULAIRES

The 4.58 million cooperative shareholders are the foundation of the cooperative structure of Banques Populaires. They own the share capital, vote at Annual General Shareholders' Meetings and directly elect the directors who will represent them at Board of Directors' Meetings. In 2019, over 561,000 cooperative shareholders voted, i.e. an average turnout rate of 15% for the network.

The cooperative shareholders are regularly invited to meetings where they can talk with company managers and directors about the latest news affecting their bank. At some banks, they issue awards to local solidarity-based projects they wish to see supported. Cooperative shareholders have the opportunity to join shareholder clubs and help support recipients of microloans through organizations such as "Grand Ouest Coopération". They enjoy access to special information channels to keep up to date with news about their banks, including newsletters, magazines, and websites.

In 2019, the Banque Populaire network had 225 directors (and 16 non-voting directors) who enrich discussions at Board of Directors' Meetings in the interests of all customers and cooperative shareholders. They include business leaders,

researchers and teachers, all of whom are committed to the development of their local regions.

The Fédération Nationale des Banques Populaires is responsible for ensuring that the members of the Boards of Directors have appropriate skills, and in 2019 it organized training sessions on topics such as:

- the role of directors, including personal development,
- risk management and risk appetite,
- the opportunities provided by CSR and how to incorporate it into corporate strategy.

To meet regulatory requirements calling for an assessment of the performance of the Board of Directors, the Federation has set up an online self-assessment solution available to all institutions in the Banque Populaire network.

It uses an online tool to manage the online training program: the *Académie des Administrateurs*, or Directors' Academy. This solution meets several goals:

- offering a view of the entire training catalog provided by the Federation;
- allowing directors to sign up for training modules online and to access their transcripts;
- facilitating access to training through e-learning modules and videos.

In 2019, it was rounded out by an application providing a single point of entry to the information and tools available from the Federation, including a bi-monthly press review.

For the past three years, the Banques Populaires have organized the "*Faites de la Coopération*" event – a week-long initiative to raise awareness and allow discussion about the cooperative banking model. This event is part of Social and Solidarity-Based Economy month, which is held in November. This year's event included employee training (with the launch of three modules on the B'digit application), a conference on the cooperative model in TED Talks format, creativity workshops hosted by Banque Populaire Corporate Foundation prizewinners, the announcement of the results of the DIFCOOP survey conducted in conjunction with Lyon 3 University and ways to put right 10 misconceptions about the cooperative banking model.

Since 2011, the Banques Populaires have used a specialized tool to keep their cooperative shareholders abreast of their initiatives in the areas of societal and cooperative responsibility. The Banques Populaires' Cooperative and Societal Footprint, which is inspired by the ISO 26000 CSR standard, identifies and measures the value in euros of the initiatives taken by each bank for its main stakeholders. The aim is to measure the "cooperative edge" offered by the Banques Populaires. These data are included in Groupe BPCE's open data system.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE

Banques Populaires	At 12/31/2019 ⁽¹⁾	At 12/31/2018	At 12/31/2017	Change 2018-2019
Number of cooperative shareholders (in millions)	4.58	4.44	4.30	3%
Percentage of cooperative shareholder customers (as a %)	33% ⁽²⁾	33% ⁽¹⁾	33%	-
Average value of shares held per cooperative shareholder (in euros)	3,269 ⁽²⁾	2,235	2,167	46.3%
Customer satisfaction rate (difference between percentage of very satisfied customers and percentage of dissatisfied customers) ⁽³⁾	22	18	14	+4 points

(1) Excluding BRED, CASDEN and Crédit Coopératif.

(2) Data at end-September 2019.

(3) Data from the BP and CE individual customer satisfaction survey. (Internal source: Group (excluding Crédit Coopératif and CASDEN) Customer Research division).

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Banques Populaires	2019	2018	2017	Change 2018-2019
Governance bodies				
Number of members of Boards of Directors	225	225	242	0%
Director attendance rate at Board of Directors Meetings (as a %)	85%	83%	83%	2.4%
Percentage of Board Members who are women (as a %)	45.5%	44%	42%	3.4%
Percentage of Board Chairmen and Vice-Chairmen who are women (as a %)	24%	19%	15.5%	26.3%
Director training				
Boards of Directors: percentage of members who took at least one training course over the year (as a %)	77%	83%	58%	(7.2%)
Boards of Directors: average number of training hours per person ⁽¹⁾	9.3	11.6	5.6	(19.8%)

(1) 2018 data including Audit Committee training courses.

CAISSES D'EPARGNE

At the end of 2019, the Caisses d'Epargne had 4.54 million cooperative shareholders, the majority of whom are individual customers. Cooperative shareholders are represented by 208 local savings companies (LSCs), which form an intermediate layer that helps strengthen each bank's local roots and relationships, and provide the shareholders with a forum for expression.

In 2019, the Caisses d'Epargne continued their efforts to get their cooperative shareholders more involved in the life of their bank as key stakeholders. They provide them with dedicated information and communication channels including in-branch information points, a website (www.societaires.caisse-epargne.fr), newsletters and conferences hosted by Caisse d'Epargne experts.

These channels provide cooperative shareholders with regular updates on what is happening at their Caisse d'Epargne, as well as regional and national news in general. Some Caisses d'Epargne consult their cooperative shareholders and organize shareholder events such as exclusive meetings. All the Caisses d'Epargne have a Cooperative Shareholders Club offering membership perks.

The Caisses d'Epargne also provide support to the cooperative shareholder representatives, LSC directors and Steering and Supervisory Board Members. Introductory and ongoing training is a top priority to ensure that they fulfill the duties of their office and contribute actively to the governance of the Caisses d'Epargne. The training catalog covers a wide range of subjects, for example:

- for directors, an induction program focusing on learning about the identity and history of the Caisses d'Epargne, CSR, the Group's business lines, digital solutions and acquiring a strong foundation of general banking culture;
- for members of Boards of Directors and Supervisory Boards, initial regulatory training tackles the six areas established by decree: governance, accounting and financial information, banking and the financial markets, legal and regulatory requirements, risk management and internal control, and strategic planning;
- for the specialized committees, nationwide training courses are offered to members of the Risk, Audit, Appointments, and Remuneration Committees.

New topics were placed in the spotlight in 2019, including banking and the regulatory environment, payment services and the digital transformation.

COOPERATIVE INDICATORS: COOPERATIVE SHAREHOLDER BASE

Caisses d'Epargne	At 12/31/2019	At 12/31/2018	At 12/31/2017	Change 2018-2019
Number of individual cooperative shareholders (in millions)	4.54	4.63	4.76	(1.9%)
Percentage of cooperative shareholder customers (as a %) ⁽¹⁾	25%	25%	24%	0%
Average value of shares held per cooperative shareholder (in euros) ⁽²⁾	3,255	3,050	2,873	6.7%
Customer satisfaction rate (difference between percentage of very satisfied customers and percentage of dissatisfied customers) ⁽³⁾	15	10	2.8	50%

(1) Natural persons only (customers and cooperative shareholders). Figure calculated as the "total number of cooperative shareholders" divided by "total number of customers".

Source: cooperative shareholder base dashboard, 2019.

(2) Figures calculated based on the "total number of customers" and "outstanding cooperative shares"; natural persons only. (Internal source: cooperative shareholder base dashboard, 2019).

(3) Data from the BP & CE individual customer satisfaction survey. (Internal source: Group Customer Research division).

COOPERATIVE INDICATORS: GOVERNANCE AND DIRECTOR TRAINING

Caisses d'Epargne	2019	2018	2017	Change 2018-2019
Governance bodies				
Number of members of Steering and Supervisory Boards	298	303	303	(1.7%)
Director attendance rate at Steering and Supervisory Board Meetings (as a %)	94%	93%	93%	0%
Percentage of Steering and Supervisory Board Members who are women (as a %)	46%	45%	39%	2.2%
Percentage of Steering and Supervisory Board Chairmen or Vice-Chairmen who are women (as a %)	30%	29%	20%	3.5%
Director training				
Steering and Supervisory Boards: percentage of members who took at least one training course over the year (as a %)	90%	87%	96%	3.5%
Steering and Supervisory Boards: average number of training hours per person (basis = 100)	11.05	9.2	8	13.2%

CSR GUIDELINES

The Fédération Nationale des Caisses d'Epargne, the Caisses d'Epargne and external stakeholders have co-constructed four joint ambitions:

- local footprint: being a key contributor to the transformation of the regions and the local economy;
- active cooperation: encouraging employees and cooperative shareholders to become "cooperative players";
- societal innovation: anticipating the needs of society in order to build progressive solutions;
- global performance: furthering the continuous improvement of CSR policies and their incorporation in all business lines.

These CSR Guidelines, broken down into eleven objectives, provide a common framework in which each Caisse d'Epargne, operating as a fully-fledged cooperative bank, defines its own CSR strategy. This shared framework facilitates the exchange of best practices and achievement of common goals, while respecting the cooperative structure of the Caisses d'Epargne.

COOPERATIVE REVIEW

The French act of September 10, 1947 on the status of cooperatives establishes the principle of a cooperative review every five years. The review is performed by an independent

auditor responsible for verifying that the structure and operation of cooperative entities observe cooperative principles and rules. In the last two years, all the Banques Populaires and the Caisses d'Epargne have appointed a cooperative auditor and completed a cooperative review, which was submitted to the 2019 Annual General Shareholders' Meetings. None of the Banques Populaires or the Caisses d'Epargne was identified as possibly being 'non-compliant' with the cooperative banking model and the auditors voiced no reservations in the course of their audit.

PATRONAGE

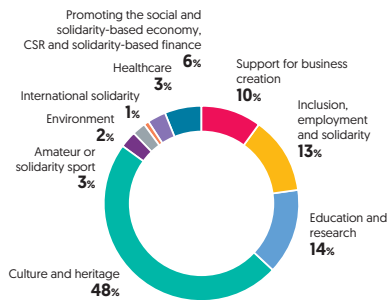
Local patronage and partnerships

The Banques Populaires are involved in initiatives in support of civil society in various areas. They are highly involved in supporting business creation (through microloans in particular), integration and solidarity, and actively support education and research. In order to take effective action in the local public interest and to structure their patronage, nine Banques Populaires have their own foundation and/or endowment fund.

Action taken by Crédit Coopératif and its foundation is mainly focused on supporting and promoting the social and solidarity-based economy, while the CASDEN Banques Populaires naturally focus on education and research.

In 2019, patronage activities by the Banque Populaire network represented nearly €14.7 million.

DONATION AMOUNTS BY CATEGORY



National partnerships

In line with the Banque Populaire network's local initiatives, the FNBP maintains a patronage and partnership policy to increase the Banques Populaires' impact on society by promoting the cooperative model, education, entrepreneurship and professional inclusion.

In 2012, the FNBP created an endowment fund to finance projects eligible for patronage.

Adie and *Entreprendre pour Apprendre* are two longstanding partners.

Since 2017, the foundation has financed research projects on the cooperative banking model in partnership with the Burgundy School of Business (addressing the challenges of providing local services in the future). In 2019, it stepped up its support for research by signing a three-year partnership with the Lyon 3 University Cooperation Academic Chair (survey of what makes cooperatives different) and the Paris Sud/Saclay University Chair on Intangibles (to produce a regional innovation index). It is also a partner of the annual thesis contest organized by Institut Universitaire Varenne (an association that promotes the sharing of knowledge) in the "Private law on economic activities and financial cooperatives" category. The FNBP federation is a member of Finances & Pédagogie.

Banque Populaire Corporate Foundation

The Banque Populaire Corporate Foundation has been the patronage vehicle of the 14 Banques Populaires since 1992. It supports talented individuals with a project in the following areas:

- classical music;
- disability;
- arts and crafts.

The Banque Populaire Corporate Foundation provides funding and support over the long term. The experts who form the jury, former prizewinners, and the Foundation team together form a valuable network for sharing experiences and offering advice.

The Corporate Foundation's prizewinners reflect the Banques Populaires' cooperative and societal engagement by embodying their values of solidarity, enterprise and innovation. The Corporate Foundation promotes the qualities of high standards, determination, and pushing oneself to the limits and shows that there are different types of success, which are available to all. In 2019, the Banque Populaire Corporate Foundation supported 33 winning candidates in music, 36 disabled prizewinners and 25 winners in the artists category.

Local patronage and partnerships at the Caisses d'Épargne

A commitment to philanthropic activity lies at the heart of the history, identity and values of the Caisses d'Épargne. The Caisses d'Épargne are among the leading patrons in France. In 2019, patronage activities totaled €31.6 million and 1,135 predominantly solidarity-based local projects were financed.

Each Caisse d'Épargne has its own philanthropic strategy based on local needs. To implement this strategy, the Caisses d'Épargne can either operate directly or via dedicated regional structures.

The Caisses d'Épargne share a commitment to following a structured and local approach, focusing on initiatives that have a significant social impact. A network of 15 philanthropy managers builds a common approach through the sharing of tools and best practices. The Caisses d'Épargne and their federation worked with Le Rameau (an advisory and research laboratory) to complete an in-depth analysis of alliances between companies and non-profits with the goal of developing innovative solutions to local requirements.

National foundations

In addition to initiatives decided upon regionally, the Caisses d'Épargne also support the Caisse d'Épargne network endowment fund and the Fondation Belem.

The Caisse d'Épargne network endowment fund promotes and supports public interest initiatives that aim to:

- eliminate exclusion and financial hardship, in particular banking and financial exclusion;
- support humanitarian programs;
- fund local solidarity projects, such as the Cap'Jeunes program organized by France Active, as a complement to the Caisses d'Épargne's initiatives. This project provides funding and support to help disadvantaged young people create a business. Since the launch of this partnership in 2016, nearly €278,500 have been awarded to the Cap'Jeunes program, benefiting 103 young entrepreneurs.

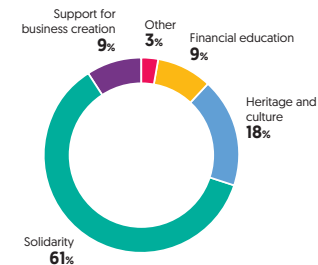
The Caisse d'Épargne network endowment fund also supports Finances & Pédagogie (www.finances-pedagogie.fr). It organizes educational programs on money matters across the country.

The goals of the Fondation Belem (www.fondationbelem.com), recognized as an institution operating in the public interest, are to:

- promote France's maritime history;
- keep the last-remaining major 19th-century sail ship, which has been listed as an historical monument since 1984, among the nation's cultural assets.

The Caisses d'Épargne also support athletics (basketball, handball and skiing: espritbasket.fr, espritball.fr and espritglisse.fr) through patronage and sponsorship activities.

DONATION AMOUNTS BY CATEGORY



Natixis' commitments to solidarity-related projects

Natixis is involved in a number of solidarity-related projects with a high level of engagement among its staff members.

Since 2013, Natixis has allowed its employees to take humanitarian leave (Congé Solidaire®) to support the non-profit

association Planète Urgence. Projects include protecting biodiversity, providing social and educational support for children, and adult skills training in various fields. It has funded 150 missions since the project's launch.

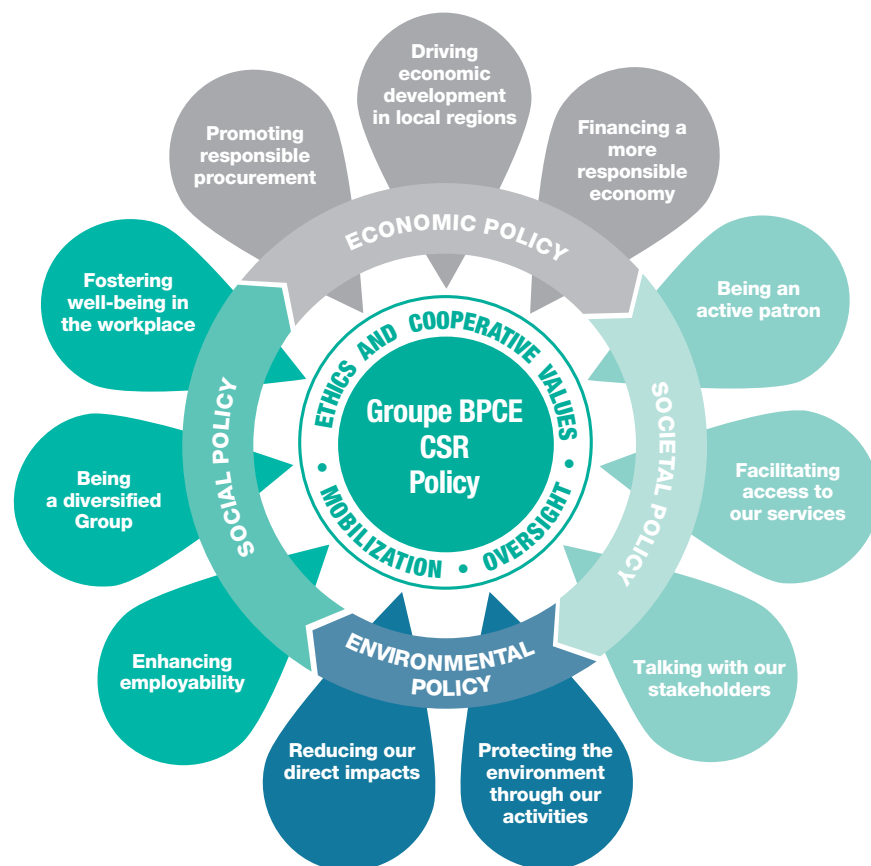
Natixis also encourages its employees to take part in charity races – for example in 2019, nearly 450 employees participated in the Odyssey race. Natixis fully matched employees' registration fees to fund cancer research by the Gustave Roussy cancer center. For the tenth year running, Natixis entered a team into the Course du Cœur charity road race to support the Transform association's campaign on organ donation.

In 2019, Natixis set up a payroll giving scheme under which employees can make a small monthly donation to a charity of their choice via the Microdon platform. Three charities were chosen in a vote by Natixis' employees: Action Contre la Faim, France Alzheimer, and Zéro Waste France. Two others were proposed by Natixis in line with its HR policies in favor of diversity and inclusion: UN Women and Sports dans la Ville. To encourage employees to give to these charities, Natixis matches all donations made. The scheme is available to 11,000 members of staff in France and should be rolled out around the world in 2020.

2.2 Applying CSR in our activities

Groupe BPCE's 2018-2020 CSR strategy was validated by the Management Board and presented to the Group Steering and Supervisory Board in 2018. It is organized into four commitments (economic, social, societal and environmental) and contributes to the Group's general strategy.





Over the past two years, the strategy has been distributed to all the Group's Business Lines and the four commitments have been integrated at the heart of our activities.



2.2.1 Engagement and dialog

Groupe BPCE has made national and international commitments that require it to meet the highest international standards.

INTERNATIONAL COMMITMENTS

Signing date	Commitment	Entities concerned	Pledges made
2003	Global Compact Advanced 	Groupe BPCE & Natixis	<ul style="list-style-type: none"> Respect human rights, international labor standards, environmental protection and the prevention of corruption
2010	Principles for Responsible Investment 	Natixis	<ul style="list-style-type: none"> Incorporate environmental, social and corporate governance (including anti-corruption) considerations in investment decisions
2010	Equator Principles Signatories: thirteen Natixis Investment Managers subsidiaries which together hold 72% of all the assets under management by Natixis Investment Managers subsidiaries: AEW, Alliance ENTREPRENDRE, DNCA, Flexstone Partners, Investors Limited mutual fund, Loomis Sayles, Mirova, MV Crédit, Naxicap Partners, Ossiam, Ostrum AM, Seeyond, and Seventure Partners 	Natixis	<ul style="list-style-type: none"> Evaluate the environmental and social (E&S) risks and impacts of the projects it finances using a methodology accepted by many financial institutions to encourage its customers to manage, minimize, and remedy the impacts they cause
New	2019 UNEP FI: 	Groupe BPCE & Natixis	<ul style="list-style-type: none"> Align the business strategy with the United Nations Sustainable Development Goals (SDG) and the Paris Agreement on climate change Organize activities to foster more inclusive finance and a sustainable economy Be transparent on their positive and negative impacts in terms of local communities and the planet <p>https://newsroom-en.groupebpce.fr/news/groupe-bpce-et-natixis-make-climate-action-and-sustainability-central-to-its-business-through-principles-for-responsible-banking-c1a3-53927.html</p>
	2019 Business for Inclusive Growth (B4IG)	Groupe BPCE	<ul style="list-style-type: none"> Intensify steps to improve human rights across the value chain, to establish inclusive working environments and to foster inclusion in internal and external ecosystems <p>https://newsroom-en.groupebpce.fr/news/groupe-bpce-commits-to-tackling-inequality-by-joining-g7-business-for-inclusive-growth-b4ig-coalition-powered-by-the-oced-4d73-53927.html</p>

FINANCIAL SECTOR INITIATIVES

BPCE is actively involved in financial sector initiatives in France, Europe and internationally.

INTERNATIONALLY: INTERNATIONAL STANDARDS

BPCE is involved in international standards (ISO) work on environmental finance. Its goal is to ensure that financial standards models are compatible with those specific to the

Banques Populaires and Caisses d'Epargne, in particular as cooperative banks.

At the end of 2018, BPCE was asked to chair the AFNOR group of finance, environment, climate and economy experts and to coordinate the future ISO 14100 environmental finance standard with China. This initiative is part of the bilateral agreements signed between France and China at the fifth High Level Economic and Financial Dialog (HED) at the end of 2017.

IN EUROPE: SUSTAINABLE FINANCE

Natixis is part of the Technical Expert Group (TEG) on Sustainable Finance set up by the European Commission. The TEG is responsible for building a European action plan on financing sustainable growth and proposing a taxonomy of sustainable economic activities. BPCE also takes part in specific working groups set up by European banking organizations to contribute to the TEG's work. These include the European Savings and Retail Banking Group (ESBG), the European Association of Co-operative Banks (EACB), and the European Banking Federation (EBF).

IN FRANCE: ADDRESSING CLIMATE CHANGE

On July 2, 2019, at an industry-wide meeting with the Minister of the Economy and Finance, Bruno Le Maire, the main organizations and federations representing the Paris financial center published a shared declaration setting out new commitments to mitigate climate change and help reach the goal of zero net carbon emissions by 2050, by:

- encouraging members to adopt a coal divestment strategy, with a defined divestment timetable, and to include this in their ESG reporting from 2020;
- conducting methodological research in collaboration with supervisory authorities on how to evaluate portfolio exposure

Other national commitments

Signing date	Commitment	Entities concerned
2010	Corporate Diversity Charter	Groupe BPCE
	Cancer@Work	14 Groupe BPCE entities
2017	Work-Life Balance Charter	14 Banques Populaires, 15 Caisses d'Epargne and Natixis
Starting in 2015	Supplier Relations and Responsible Procurement label backed by the ISO 20400 Responsible Procurement standard	11 Group entities

to climate risk and assessing the alignment of investment portfolios with a 2°C scenario. The Paris financial center will also contribute to the diffusion and open source standardization of these methodologies;

- monitoring commitments with the creation of an observatory to track the actions and achievements of Paris financial center members in the realm of green and sustainable finance. The observatory, which will include a scientific committee, will be jointly governed by the main professional bodies (AFG, FBF, FFA, France Invest) and by Finance for Tomorrow.

To this end, the ACPR and the AMF have each set up a Climate and Sustainable Finance Committee, of which Groupe BPCE is a member. The FBF has set up a Climate Committee chaired by Laurent Mignon which brings together representatives from the Risk and CSR departments of all French banking groups.

Concerning the preparation of climate stress tests:

Groupe BPCE is part of the ACPR's working group to draw up stress test scenarios pursuant to Article 173-V of the French act of August 17, 2015 on the energy transition for green growth. In 2019, the working group began to review the sectors most exposed to physical and transition risks and to examine existing methodologies in order to propose an approach that can be used for climate stress tests.

TALKING WITH OUR STAKEHOLDERS

Groupe BPCE interacts with its stakeholders in the course of its business. The following diagram shows some of its stakeholders and the ways in which it interacts with them.



2.2.2 Measuring our performance

QUANTITATIVE OVERSIGHT

Project	Monitoring indicator	2017	2018	2019	2020 targets
Economic engagement					
Funding a more responsible economy	Responsible savings, including SRI ⁽¹⁾ (in billions of euros)	27	72.5	86.4	35
Developing responsible procurement	Group institutions with Responsible Supplier Relations and Procurement certification (number)	7	9	11	14
	Procurement RFPs incorporating a CSR component ⁽²⁾ (as a %)	NS	34%	36%	80%
	Supplier payment deadlines (in days)	30	31	32	28
Societal engagement					
Promoting access to Groupe BPCE services	Consolidating Groupe BPCE's market leadership				
	Origination of microloans with support for individual customers (in millions of euros)	19	20	20	
	Consolidating Groupe BPCE's market leadership				
Reducing our direct environmental impacts	Origination of microloans and other solidarity-based loans for entrepreneurs (in millions of euros)	484.3	515.7	536.2	
	Carbon emissions (in metric tons of CO ₂ equivalent) – Scope 1, 2 and 3 emissions – excl. data centers	602,629	601,587	587,999	(10%)
Promoting the environment in our business lines	Financing for the energy transition ⁽³⁾ (in billions of euros)	8.2	8.7	10.8	10
Attracting and retaining top talent	Employees recommending the Group as an employer (as a %)	65%	NC ⁽⁴⁾	56%	70%
Changes in Groupe BPCE's reputation	Featuring among the Top 20 in the Potential Park "Top Employers" ranking	36th	14th	17th	Top 20
Promoting gender equality	Women in management roles (as a %)	42.3%	42.9%	43.7%	45%
	Female company directors (as a %)	20.4%	26.1%	26.4%	30%
Developing employability	Total number of training hours over 3 years (in millions of hours)	8	2.3	5.5	10
Promoting mobility	Launch of Mobilway website	16%	39%	61%	100%
Empowering employees to drive change	Percentage of employees who feel they can drive change	40%	NC ⁽⁵⁾	39%	50%
Digitized HR services	Use of electronic signatures in employment contracts (as a %)	42%	81%	92%	80%
Oversight	Number of Group entities audited by an external auditor based on ISO 26000	7	7	8	12
	MSCI	AA (2016)	AA	A	Maintain
ESG rating	C/Prime (2016)		C/Prime	C/Prime	Maintain
	OEKOM (Germany)	61/100	65/100	65/100	Maintain
	Sustainalytics	55/100	57/100	57/100	Maintain

(1) €82.4 billion in SRI and €4 billion in responsible deposits and savings (CODEVair, regional passbook savings accounts, "Épargne engagée" range at Crédit Coopératif).

(2) RFPs, use of companies working with people with disabilities, total cost of ownership approach, use of SMEs/VSEs or start-ups, integration of a CSR rating in the overall rating.

(3) Renewable energy loan outstandings + building energy renovation loans and environmentally friendly equipment loans for professional customers and SMEs + green car loans.

(4) Measured in alternate years.

(5) Data available alternate years.

In addition to tracking several existing projects from a quantitative standpoint, the Group has undertaken to complete the following projects by 2020 under the TEC 2020 strategic plan, in conjunction with the federations:

- measuring the impact of Groupe BPCE institutions on the economic landscape of their regions, while developing accurate teaching tools and programs;
- incorporating ESG criteria into risk policies and publishing sector policies on Group activities;
- structuring mechanisms dedicated to:

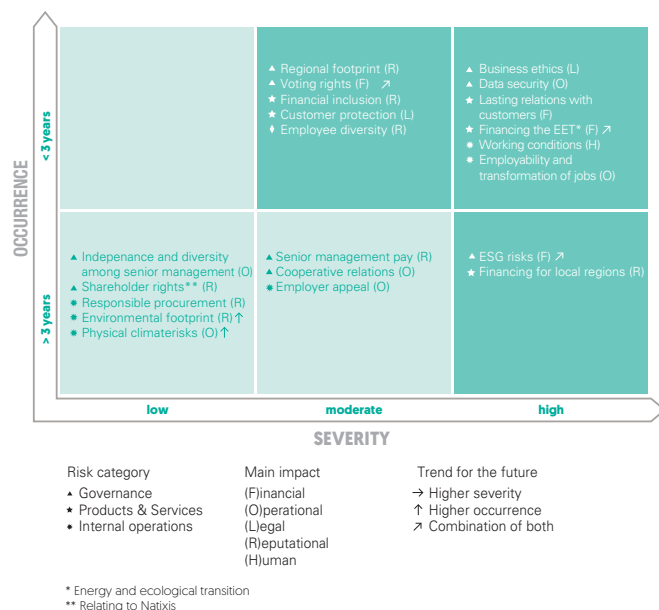
- skills sponsorship,
- action plans targeting vulnerable customers,
- dialog with stakeholders,
- ethics, principally by defining behavioral values and standards and publishing a code of conduct;
- the involvement of company directors and employees: ongoing training on CSR and the cooperative structure;
- group communication and visibility on CSR: establishing an internal and external communication plan focused on CSR, and incorporating CSR in financial communications. CSR data will also continue to be included in the Group's open data system (<https://bpce.opendatasoft.com/pages/home/>).

OUR ACHIEVEMENTS IN 2019

Strategic projects	2019 achievements
1. Measuring and promoting the local socio-economic footprint	Harmonization of processes across the two networks: money flows (savings/loans), distribution of value (regional approach), publication in the non-financial performance report. Seven studies of the socio-economic footprint to calculate direct and indirect impacts and those generated by the business activity. A study of the cumulative impact of the two networks, for the Caisse d'Épargne network, for the Banque Populaire network, and for Caisse d'Épargne Aquitaine Poitou-Charentes, Caisse d'Épargne Grand Est Europe, Banque Populaire Aquitaine Centre Atlantique, and Banque Populaire Val de France. Creation of a database as of December 31, 2018 to measure the socio-economic footprint of all the Banques Populaires and the Caisses d'Épargne.
2. Responsible savings	Training and awareness courses on the distribution of SRI funds organized by Mirova for the Banque Populaire and Caisse d'Épargne networks. Work under way to improve transparency and measure the impact of passbook savings accounts.
3. Developing responsible procurement	Collection of information from suppliers with a view to reducing the carbon footprint of procurement activities. Platform for promoting services outsourced to companies working with persons with disabilities by Group entities and services and suppliers that meet CSR criteria. Communication on the impact of regulatory developments for purchases from companies working with persons with disabilities. "Responsible Supplier Relations and Procurement" certification for 11 banks: BPCE SA, Banque Populaire Sud, Caisse d'Épargne Hauts de France, Banque Populaire Grand Ouest, Banque Populaire Rives de Paris, Caisse d'Épargne Bretagne Pays de Loire, Caisse d'Épargne Grand Est Europe, Caisse d'Épargne Ile-de-France, Caisse d'Épargne Midi-Pyrénées, Caisse d'Épargne Aquitaine Poitou-Charentes, Caisse d'Épargne Rhône Alpes. Training on the corporate duty of due diligence for the procurement function and CSR departments. Training module on procurement ethics. Responsible procurement training for the procurement function and CSR departments. Communication on best practices for supplier payment deadlines. Hub for sharing best practice for supplier payment deadlines.
4. Inclusive finance	Implementation in the retail networks of the roadmap for vulnerable customers. Target met for increasing take-up of solutions for vulnerable customers (OCF "Offre clientèle fragile" range) by 30% between 2017 and 2019. Cap on fees for vulnerable customers and for customers benefiting from specific offers.
5. Reducing direct environmental impacts	Working groups to produce an action plan for reducing our emissions in procurement, transport and responsible digital practices. Contribution to Net Zero, an industry-wide carbon neutral initiative aimed at establishing a methodology for companies seeking to achieve a challenging, credible and harmonized net zero carbon footprint.
6. Drafting a green growth strategy	Updating of the incorporation of ESG criteria for 11 sector lending policies and 1 focus for retail banking. Dissemination of renewable energy project financing techniques to all Group entities. Guarantee obtained from the European Investment Fund (EIF) for projects relating to the ecological transition in the agricultural sector (INAF project). Publication by Natixis of a new policy stepping up its commitments in the coal sector. Application of the Green Weighting Factor, an internal capital allocation model that adapts the expected return on different financing solutions depending on their impact on the environment and climate change by using a favorable or adverse adjustment to weighted assets. https://groupebpce.com/en/all-the-latest-news/news/2019/green-weighting-factor-natixis-innovates-in-favor-of-the-climate Second public green bond issue (issue of €500 million in senior preferred securities over five years to refinance renewable energy assets) https://newsroom-en.groupebpce.fr/news/groupe-bpce-completes-its-second-ever-green-bond-issue-688f-53927.html
7. Sustainability reporting and ratings	Ongoing work to improve the accuracy of IT reporting packages. Optimization of carbon emission calculation indicators. Q&A book on key CSR topics.
8. Raising awareness on reporting and CSR	Implementation of the strategic plan with the Banque Populaire and Caisses d'Épargne federations (Faîtes de la Coopération event, training for directors, etc.). Support for the networks with training in CSR, carbon review and reporting. Annual Meetings for the CSR function and/or the Green growth function.
9. Communication and CSR	Communication to all members of staff on key dates, for example European Sustainable Development Week (raising awareness on the problem of plastic waste via the website, mailings and videos), European Mobility Week, and sharing best practice throughout the Group. Participation in work done by the ORSE (Corporate Social Responsibility Observatory) and the Global Compact. Signature of the PRB.
10. Implementation of an innovative policy to encourage well-being, health and exercise in the workplace and employee diversity and employability	20 Groupe BPCE companies have signed the Cancer@Work Charter. Guide to gender equality. BPCE sports activity review (Bilan APS, <i>Activité Pratique Sportive</i>) under the partnership with the Paris 2024 Olympic Games.
11. Ethics	Publication of the Groupe BPCE code of conduct and ethics and employee training via an e-learning course.
12. ISO 26000 certification	Five banks completed the process in 2019. The following banks are now ISO 26000 certified: Banque Populaire Alsace Lorraine Champagne, Banque Populaire Grand Ouest, Banque Populaire Rives de Paris, CASDEN and Crédit Coopératif, Caisse d'Épargne Rhône Alpes, Caisse d'Épargne Bretagne Pays de Loire, Caisse d'Épargne Aquitaine Poitou-Charentes, Caisse d'Épargne Midi-Pyrénées.

2.2.3 Identify and manage risks to boost growth

GROUPE BPCE RISK MATRIX



All the risks in the matrix were reviewed and various divisions at BPCE and the federations were interviewed. No changes were made further to the review.

2.2.4 Our key performance indicators:

The major CSR risks identified by the Group are covered by commitments, action plans and key performance indicators used to measure how well they are managed and to apply improvements if necessary.

Major risk	Definition of risk	Risk/exposure management system	2018 key performance indicators	2018 results	2019 key performance indicators	2019 results
Accessibility of products and services & inclusive finance	Ensuring that products and services are accessible to all in all regions and in technological terms	See Chapter 2.3.2, "Financing and facilitating the energy, ecological and social transition with Groupe BPCE's products and services" – "Supporting financially vulnerable customers"	Number of customers with products for vulnerable customers (number)	27,140	Number of customers with products for vulnerable customers (number and change vs. 2018)	36,805 +35%
Financing for local regions	Fulfilling our role in financing all types of customers (businesses, professionals, local authorities, individuals, members of the social and solidarity-based economy)	See Chapter 2.3, "Supporting the energy, ecological and social transition in local regions"	Amount in loan outstandings for the Banques Populaires and the Caisses d'Épargne	€444.6 billion	Amount and change in loan outstandings for the Banques Populaires and the Caisses d'Épargne	€475 billion 6.8%
Integration of ESG criteria in lending/investment decisions	Recognition of ESG criteria and transition and physical risks arising from climate change in sector policies and in financing and investment decisions	See Chapter 2.3.1, "Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy"	Percentage of sector lending policies including CSR criteria (as a %)	100%	Percentage of sector lending policies including CSR criteria (as a %)	100%
Data security and confidentiality	Protection against cyber-threats, safeguarding of clients' and employees' personal data and ensuring business continuity	See Chapter 2.4.1, "Business ethics: protection and cybersecurity"	General Data Protection Regulation (GDPR) systems	Qualitative data	Percentage of new community projects with ISS and Privacy support	87%
Lasting relations with customers	Delivering satisfactory customer service quality over the long term	See Chapter 2.4.1, "Respecting business ethics – Customer satisfaction and quality policy"	Annual customer NPS (Net Promoter Score) and change	BP (10) +9 CE (17) +8	Annual customer NPS (Net Promoter Score) and change	BP (4) +6 CE (10) +7
Customer protection and transparency of the range of products and services	Ensuring all customers understand our products and services. Providing clear information and selling products and services suited to each client's requirements	See Chapter 2.4.1, "Respecting business ethics – Customer protection"	Solutions applied in terms of customer protection and transparency of the range of products and services	Qualitative information	Solutions applied in terms of customer protection and transparency of the range of products and services	Qualitative information
Involvement in the governance of investment targets	Establishing and applying rules governing engagement, voting, support and participation in the Boards of companies in which the Group has an equity holding	See Chapter 2.3.1, "Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy"	Voting and engagement policy (scope: Mirova/Natixis and ECOFI (Crédit Coopératif))	Qualitative information	Voting and engagement policy (scope: Mirova/Natixis and ECOFI (Crédit Coopératif))	Qualitative information
Regional footprint	Acting as an employer and purchaser with an appropriate local presence	See Chapter 2.1.2, "Contributing to local development"	Percentage of local suppliers (as a %)	69%	Socio-economic footprint (calculated by Utopies)	1.6 million jobs supported and €111 billion contributed to GDP
Employability and transformation of jobs	Matching companies' requirements with employees' needs to address changing business requirements	See Chapter 2.4.3, "Quantitative human resources indicators for Groupe BPCE"	Number of hours of training per FTE (in hours per FTE)	32	Number of hours of training per FTE (in hours per FTE)	33

Major risk	Definition of risk	Risk/exposure management system	2018 key performance indicators	2018 results	2019 key performance indicators	2019 results
Diversity and equal treatment	Ensure equal treatment of applicants and employees within the company	See Chapter 2.4.3, "Promoting gender equality and diversity"	Percentage of women in management roles (as a %)	42.9%	Percentage of women in management roles (as a %)	43.7%
Employer appeal	Provide attractive working conditions, career development opportunities and give meaning to employees' duties	See Chapter 2.4.3, "Quantitative human resources indicators for Groupe BPCE"	Percentage of resignations	2.6%	Percentage of resignations	2.9%
Financing for the energy transition, green and blue growth and solidarity-based growth	Establish a strategy to help clients manage the environment and energy transition and apply it at all levels of the company	See Chapter 2.3.2, "Financing and facilitating the energy, ecological and social transition with Groupe BPCE's products and services" See Chapter 2.3.3, "Steering deposits and savings towards a more responsible economy"	Financing for the energy and ecological transition: production (in euros and change) ⁽¹⁾ Responsible deposits and savings (in euros) ⁽²⁾	€169 million (7.90%) €72.5 billion	Financing for the energy and ecological transition: production (in euros and change) ⁽¹⁾ Responsible deposits and savings (in euros and change) ⁽²⁾	€196 million 16% €86.43 billion 19%
Environmental footprint	Measure and reduce the environmental footprint	See Chapter 2.4.2, "Reducing our carbon footprint"	Annual CO ₂ emissions per FTE (tCO ₂ /eq FTE) and change	6.9 (1%)	Annual CO ₂ emissions per FTE (tCO ₂ /eq FTE) and change	6.8 (1%)
Business ethics, transparency and respect for law	Compliance with regulatory requirements, anti-corruption and anti-fraud policies, prevention of unethical behavior and access to information	See Chapter 2.4.1, "Respecting business ethics – the Group's Codes of Conduct"	Existence of a code of ethics distributed to employees, oversight and governance	Qualitative information	Share of employees having completed code of conduct training	84%

(1) Green building loans (Eco Ptz + PrevAir + Ecoreuil Cr dit DD + ProVair loans) + Green mobility loans (AutoVair + Ecoreuil auto DD loans).

(2) Assets under management SRI + CODEVair (Banques Populaires) + Compte sur Livret R gional (CSLR) passbook savings accounts (Caisses d' pargne) + sustainable range of products (Cr dit Coop ratif).

CSR GOVERNANCE

GROUP CSR GOVERNANCE

A separate BPCE function is responsible for overseeing the Group's CSR commitments, in conjunction with the F d ration Nationale des Banques Populaires and the F d ration Nationale des Caisses d' pargne, which coordinate CSR policy within their respective networks.

The Group's CSR & Sustainable Development division reports to the Corporate Secretary's Office of BPCE's Retail Banking and Insurance division. Its goals are to:

- drive and oversee the Group's CSR policy and support all institutions in implementing this policy;
- serve as a source of foresight, expertise, and innovation in order to establish Groupe BPCE on markets relating to green growth;
- coordinate the implementation of special regulations and propose adaptations in governance.

To this end, it is divided into four functions:

Green, responsible growth	Responsible business	Sustainable development watch, coordination and communication	Forward-looking CSR
Definition of the green growth strategy (processes, benchmark, action plan); Development of expertise to serve the networks; Development of savings and solidarity-based financing; Contribution to inclusive finance mechanisms.	Coordination of CSR reporting and the Group/institution carbon review; Oversight and monitoring of the Group CSR approach; Dialog with ESG rating agencies, investors and NGOs.	Organization and oversight of sustainable development and CSR aspects for management projects and in the strategic plan; Regulatory, economic and technical watch; Communication and organization of sustainable development function events.	Expansion of the forward-looking expertise and research approach to issues relating to the green economy and CSR, particularly in the economic and technological fields.

To take action, the CSR & Sustainable Development division relies on a CSR function whose responsibilities are divided between the Group's central institution, regional banks and subsidiaries, including Natixis. Each entity has an appointed CSR officer responsible for implementing the Group's commitments and adapting them to the specific features of the entity and its region if necessary.

The CSR function has the following structures:

- bodies that exchange information and coordinate and share skills:
 - a national meeting for all the Group's CSR officers. It addresses topics including improvements to reporting to

better measure performance, workshops for sharing CSR best practice, forward-looking discussions on forthcoming reporting requirements and the expectations of our stakeholders,

- a specific national reporting meeting to help entities prepare the non-financial performance report,
- a national meeting on green, responsible growth to centralize technical and sales expertise. An annual plenary meeting (125 participants on average) has been held since 2014;
- steering and oversight bodies:

Body	Roles
Groupe BPCE Supervisory Board Cooperative and CSR Committee	Steers and rules on major strategic CSR guidelines. The committee met twice in 2019.
CSR function (network of CSR managers and their business line counterparts)	Rolls out initiatives based on their specific priorities and involves all Group employees in the field.
Cooperative Shareholder & CSR Committee of the F�d�ration Nationale des Banques Populaires and CSR Committee of the F�d�ration Nationale des Caisses d'�pargne	Approve national CSR guidelines and assist with their local implementation.
Local CSR Committees of Group institutions	Monitor and coordinate local implementation of the CSR policy.

- training on sustainable development issues:
 - in 2019, a training session on "The Basics of CSR" was provided to the business lines,
 - two training courses on CSR reporting (organization and tools) and two on the carbon review tool were provided, and three CSR reporting telephone hotlines were made available in 2019.

It draws on a network of around two hundred officers in all Natixis' business lines and support functions.

The CSR officers in the support functions (Real Estate & Logistics, Human Resources, IT, Compliance, etc.) are involved in projects to incorporate sustainability in the company's operations.

Corporate & Investment Banking has created a Green Hub comprising experts who help issuers and investors all around the world by offering them solutions and expertise in sustainable financing.

In the Asset & Wealth Management and Insurance business lines, CSR officers have implemented CSR initiatives for many years.

ESG RATINGS

Keenly aware of the major role played by ESG rating agencies, Groupe BPCE responds to the requests of these agencies and maintains dialog with them. This is one of the CSR commitments set out in the strategic plan.

The following table shows the most recent assessments of the top ESG rating agencies.

Agency	Current rating	Previous rating
OEKOM	C – Prime (2018)	C – Prime (2016)
MSCI	A (August 2019)	AA (2018)
SUSTAINALYTICS	65/100 – Average performer (2018)	61/100 – Average performer (2016)
VIGEO EIRIS	57/100 – Robust (2018)	55/100 – Robust (2016)

A REGULAR AUDIT OF CSR REPORTING AND PROCESSES

CSR has been an integral part of the multi-year audit plans since 2016. The Internal Audit teams of each Group institution regularly perform an audit of CSR governance, CSR reporting and coordination of the CSR approach. Audit standards were addressed during a joint project by the CSR teams and the

Group Inspection G n rale division and are regularly updated in line with regulatory changes.

Development of CSR assessment tools in the Banque Populaire and Caisse d' pargne networks

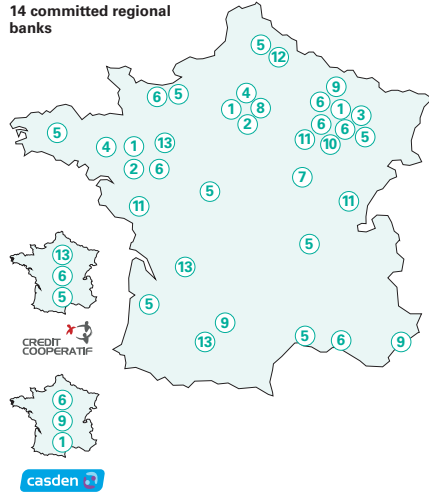
The Banque Populaire network uses the CSR & Cooperative Dividend to measure its commitment to its stakeholders.

Since 2014, the Caisses d'Epargne's federation has made available a CSR self-assessment tool to help them implement CSR action plans.

The Caisses d'Epargne also increasingly call on external assessments of their initiatives and the quality of their CSR

MAP OF CERTIFIED BANQUES POPULAIRES

THE BANQUES POPULAIRES
14 committed regional banks



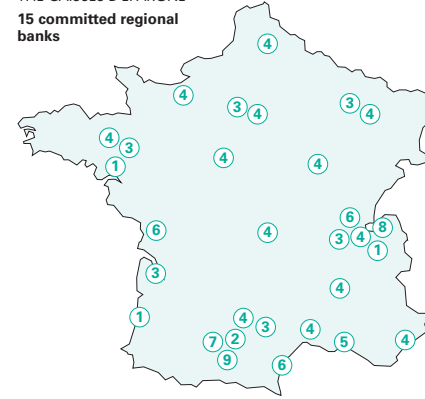
- 4 banks with "Lucie" certification,
- 2 VIGEO 26000 assessments
- 1 bank with AFNOR "Engagé RSE" label
- 2 banks with responsible supplier relations labels
- 8 banks with gender equality certification
- 16 banks with environmental certification/statements
- 3 banks with customer relationship quality certification
- 4 sustainable product certifications



approach. In 2014, a CSR self-assessment tool was made available to the Caisses d'Epargne by their federation to help them implement action plans in accordance with the ISO 26000 CSR standard.

MAP OF THE CAISSSES D'EPARGNE

THE CAISSSES D'EPARGNE
15 committed regional banks



"Lucie" certification for 3 banks and "Engagé RSE" certification for 1 bank (certification covering the CSR policy as a whole)

6 banks with Responsible Supplier Relations labels

13 banks with professional equality certification

1 bank with environmental certification for energy management (ISO 50001)

3 banks with environmental certification: NF HQE / NF Office buildings (French standards) and 2 banks with real estate certification: HPE and BREEAM



2.3 Supporting the energy, ecological and social transition in local regions

The TEC 2020 plan set three major goals in terms of the Group's "Commitment to its cooperative shareholders":

- to reach €10 billion in outstanding loans to finance green growth by the end of 2020;
- to record €35 billion in responsible deposits and savings;
- to issue at least two sustainable bonds per year with its own assets.

As of December 31, 2019, one year before the end of this strategic plan, the initial conclusions can be drawn as to progress made towards these targets.

Regarding the financing objective, outstanding loans are growing steadily, and have exceeded the initial target, at €10.8 billion, driven by loans to finance renewable energy projects. Large-scale projects represent €9.8 billion in outstanding loans. Groupe BPCE finances energy efficiency projects, including thermal renovations and low carbon mobility solutions for individuals, professionals and SMEs. As of the end of 2019, outstanding loans in this area amounted to €1 billion.

Despite intense competition and the falling cost of facilities, demand for renewable energy structured finance is not slowing. Financing for green growth is a bullish segment. However, it is important to keep a close eye on market developments.

RENEWABLE ENERGY SECTORS

Wind and photovoltaic solar power solutions are reaching maturity and demand for energy transition project financing is intensifying.

While interest rates remain persistently low, Groupe BPCE is using all its expertise to structure financing solutions adapted to the complexity of these projects. The quality of its relationships with its stakeholders allows it to find solutions suited to all players.

RESPONSIBLE SAVINGS

The initial responsible deposits and savings targets have already been exceeded.

Interest in responsible bank deposits and savings (passbook accounts) is strong. The products distributed by Groupe BPCE's networks are growing by between 20%-30% per year, confirming the appeal of these types of products. The next challenge is to adjust the range of solutions to address the issues at stake.

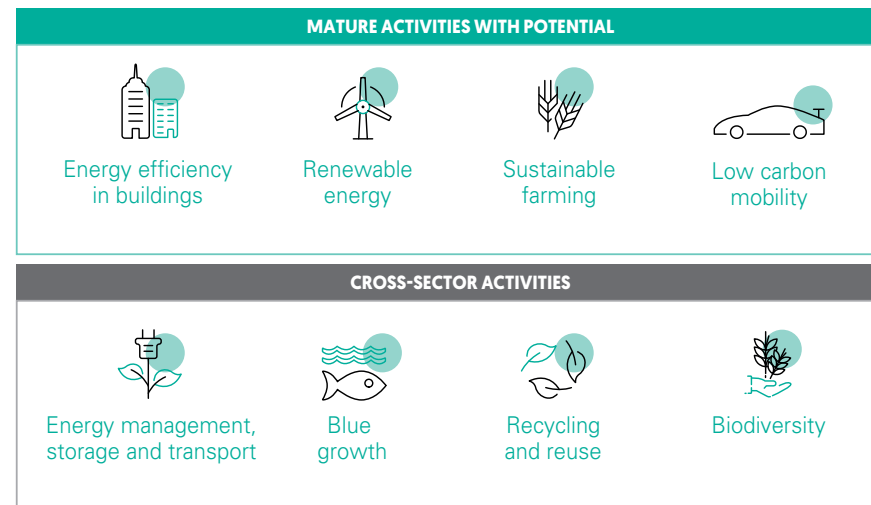
The first priority is to address the theme of re-use. The themes to be covered must meet:

- consumers' concerns, which are constantly changing;
- the major CSR priorities set by governments;
- banks' sales targets.

The second priority is to enhance communications on these products to bring them into line with the highest standards of transparency and impact acknowledgement. The identification and traceability of financing for the energy and ecological transition are crucial to achieving the targets set.

Since 2018, action plans have been implemented on the main retail markets (individuals, businesses, real estate, agriculture) to identify areas where CSR priorities are aligned with business targets. This has led to the launch of initiatives to expand the green growth financing market. The initiatives were focused on different issues in each market: Acculturation, Training, Products & Services, Distribution, and Communications.

This work also refocused Groupe BPCE's vision on four main areas of the energy and ecological transition, with four cross-business priorities.



This vision in terms of priorities is shaping the strategic work in progress for the 2021-2024 period. The ten strategic projects prioritized by Groupe BPCE include one solely focused on environmental issues. It involves several executive and non-executive directors and will set out the Group's new goals and the means to achieve them for the next four years, which will be a crucial period for addressing climate change.

2.3.1 Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS ARE GAINING IN IMPORTANCE

Groupe BPCE has stepped up its prevention and management of climate risk while pursuing the commitments set out in its TEC 2020 strategic plan (covering the period 2018-2020).

RECOGNIZING THE CONSEQUENCES OF THE GROUP'S BUSINESS ACTIVITY AND THE USE OF ITS PRODUCTS AND SERVICES ON CLIMATE CHANGE.

Integration of Environmental, Social and Governance (ESG) criteria

IN SECTOR POLICIES APPLICABLE TO THE ENTIRE GROUP

ESG criteria have been systematically incorporated in sector lending policies since 2018. As of the end of 2019, all the Group's sector policies include ESG criteria.

In particular, in 2019, the Group's sector lending policies for the agri-food, construction and public works, and real estate professionals sectors were clarified and updated.

The ESG analysis methodology includes an initial identification of the impact of companies in each sector on the environment and an assessment of how these risks affect their activities. Social, societal and governance risks are also analyzed in terms of the impact they have on business models in the sector in question. The Risk division decides which sectors are reviewed each year and the review frequency based on a group-wide schedule.

IN THE ANALYSIS OF CUSTOMER FILES

The Group Climate Risk department drafted a specific questionnaire in 2019 to assess how its business customers and those in the social and solidarity-based economy have appropriated ESG risks. This ESG questionnaire is being tested among customers in the first quarter of 2020 by client managers in Group entities that are taking part in the pilot schemes. At the end of the test phase, the aim is to roll out the questionnaire in all the Banques Populaires and Caisses d'Épargne in 2020.

Natixis is also working on an integrated approach to incorporate ESG criteria in its decisions for its Large Corporate clients. The process will be included in the bank's existing onboarding and financing information systems and involves the business lines and the Compliance, Risk and CSR departments.

IN FINANCING AND INVESTMENTS IN SENSITIVE SECTORS:

Natixis has set up a risk monitoring team to supervise policies in sensitive sectors. ESG principles are factored into all these policies and exclusion criteria apply. These policies cover the following sectors: coal, defense, tobacco, oil and gas. They are published on the Natixis website.

https://www.natixis.com/natixis/cms/ala_5415/en/environmental-and-social-risk-management

Internal CSR policies also cover the nuclear, mining and metals and palm oil sectors.

In June 2019, Natixis toughened the exclusion criteria in its coal sector policy.

THE GREEN WEIGHTING FACTOR: MANAGING THE CLIMATE IMPACT OF NATIXIS' CORPORATE & INVESTMENT BANKING ACTIVITIES

In 2018, in accordance with the announcements made at Climate Finance Day in December 2017, Natixis was one of the first banks in the world to use a solution to manage the climate impact of its balance sheet, going beyond simple disclosures. The bank ultimately aims to align its financing activities with the objectives of the Paris Agreement on Climate Change. It has given itself one year to set out the goals of its transition.

The Green Weighting Factor has been fully incorporated into the bank's existing loan approval process and systems since September 16, 2019. It is based on an extremely detailed approach to each sector. Each transaction is assigned a rating. The rating is based on an assessment of the impact of the financing solution on the climate and also takes into account its main non-climate environmental impacts (water, pollution, waste, biodiversity). By adjusting the expected return on each loan depending on its impact on the environment and the climate, Natixis encourages its teams to favor green financing solutions (for an equivalent level of credit risk). This is a concrete

way of contributing to the United Nations Sustainable Development Goals regarding climate change and the environment.

For further information, please see the Natixis universal registration document, Chapter 6.3.2.1 "Green Weighting Factor: an innovative solution for a greener financing portfolio".

IN RETAIL BANKING**ESG criteria**

Work has begun on determining specific ESG criteria for different sectors of activity, allowing each sector's ESG impact to be analyzed. French and international certification and standards applicable to the sector under consideration are examined to confirm the counterparty's commitment to take better account of ESG issues.

The taxonomy for green finance

From 2020, the details of the European taxonomy will systematically be incorporated into these analyses so as to assess the possible application of indicators set at a European level.

IN INVESTING ACTIVITIES

In 2019, Natixis Investment Managers, which groups the expertise of 25 affiliate asset management companies (€934 billion in assets under management at December 31, 2019), pursued its pledge to take Environmental, Social and Governance (ESG) issues into consideration in the investment models each of its affiliates develops.

Natixis has developed different methods for measuring the impact of its portfolios. The table below provides a summary of the methods used and the results obtained. For further information, please see the Natixis 2019 universal registration document, Chapter 6.3.2.6 "Aligning with the objectives of the Paris Agreement".

Company	Calculation method	Percentage of portfolio	Carbon footprint	Global warming scenario
Mirova	Proprietary model	84.6% of portfolio	Assessment of the carbon footprint	Global warming due to portfolio = 1.5°C
DNCA	Carbon footprint (scope 1 and 2 emissions) for companies in the portfolio tCO ₂ eq/€m in revenues	69% of portfolio	195 tCO ₂ eq per €m in revenues	
Naxicap	First estimate of carbon intensity of companies in the portfolio (scope 1 & 2 emissions) tCO ₂ eq/€m invested	54% of the portfolio Net Asset Value	62 tCO ₂ eq per €m invested (based on 2018 data)	
Ossiam	Carbon footprint measurement tCO ₂ eq/€m in revenues	12.3% of assets under management	3 funds: 241 tCO ₂ eq per €m in revenues Mandate: 209 tCO ₂ eq per €m in revenues	

Portfolios not listed above are not currently subject to a consolidated assessment in terms of their alignment with global warming scenarios or carbon footprint.

In 2018, Natixis Assurances made a commitment to combat climate change by aligning its investment policy with the 2°C global warming scenario set in the Paris Agreement. Each year,

Natixis Assurances will devote nearly 10% of its new investments to green assets, with a target of 10% of its total investments being in green assets by 2030.

At the end of 2019, over €980 million had been invested in green assets over the year. Its commitment covers all its investment portfolios (excluding unit-linked policies).

NEW ENVIRONMENTAL, SOCIAL AND SOCIETAL CONCERNS THROUGHOUT THE ECONOMY

The expectations of Groupe BPCE's clients have changed considerably in recent years, in particular with regard to environmental, social and societal concerns. Groupe BPCE's management, business lines, CSR & Sustainable Development, Research and Risk divisions monitor these changes in order to adapt its products and services.

ENVIRONMENTAL ISSUES

2018 marked a turning point in the recognition of climate and environment-related issues in businesses' and consumers' concerns, investment decisions and consumption habits. This trend was confirmed and intensified in 2019.

The environment is among French people's main concerns. The Sociovision 2019 survey showed that 46% of French people listed "Air, water and soil pollution" as their main concern (compared with 19% in 2015, when it was the fifth biggest concern).

This trend is reflected in consumption habits, with a shift towards use rather than ownership, resulting from growing awareness of climate change and plastic pollution in particular. The conclusions of the 15th Greenflex survey of responsible consumption showed a trend of 'Consuming better and consuming less'. This survey showed that 60% of French people believe it is urgent to take action to save the planet and that climate change, the loss of biodiversity and waste management are key issues. Nearly 80% of consumers have already changed their consumption habits in light of these issues. Healthcare, local employment and animal well-being are cited as concerns alongside these issues relating to climate change and pollution.

EXPECTATIONS AMONG SOCIETY VIS-À-VIS COMPANIES

Society's expectations regarding the role of companies has also changed considerably. With widespread distrust of large corporate brands, 69% of French people pay attention to companies' commitments to the environment and social aspects (Sociovision 2019 survey).

Research into investor interest in the incorporation of ESG issues in savings products has confirmed these trends for the banking industry. The latest research by the FIR (Forum for Responsible Investment) and the AMF (French financial markets

authority) shows that nearly 60% of savers believe it is important to consider environmental and social aspects when investing. Savers are unfamiliar with these issues and would like their banks to give them more information.

COMPANIES EVER MORE COMMITTED

The feeling of responsibility among leaders of small, medium and intermediate sized enterprises goes beyond economic concerns – over 80% of business leaders feel responsible for their employees' well-being, local society and environmental protection.

According to a survey by BPIFrance^[1], 50% of heads of small, medium and intermediate sized enterprises have a CSR policy and 26% have a structured approach with action plans. The portion of companies with CSR policies increases with the number of employees, from 23% in very small enterprises to 54% in intermediate sized enterprises. In small, medium and intermediate sized enterprises, CSR often takes the form of more open governance and improved working conditions. Environmental concerns are less of a priority. However, there are significant disparities between sectors: the services sector is committed to social aspects, while the transport and tourism sectors are more focused on the environment.

STRONG DEMAND FROM INSTITUTIONAL INVESTORS

After issuing its first green bond to finance renewable energy projects in December 2015, Groupe BPCE doubled down on its green bond activity with a new €500 million issue in November 2019. This issue was a big success and was oversubscribed more than four times.

In accordance with the legal framework published in 2018, Groupe BPCE also completed several issues in other formats, referred to as social bonds (Human Development Bonds and Local Economic Development Bonds) in 2017 and 2018, when three issues were made in this category.

In January 2019, Groupe BPCE issued a Local Economic Development bond for JPY 50 billion (€404 million) on the Japanese domestic market.

Following on from these successes, Groupe BPCE is pursuing its strategy of focusing on sustainable development issues in different markets and has met its goal of making at least two green or social bond issues per year by 2020.

[1] A human adventure: SMEs, mid-sized companies, and CSR - <https://www.bpifrance.fr/A-la-une/Actualites/Etude-Une-aventure-humaine.-Les-PME-ETI-et-la-RSE-39531>

2.3.2 Financing and facilitating the energy, ecological and social transition with Groupe BPCE's products and services

MEETING FAMILIES' NEEDS

THERMAL RENOVATIONS IN INDIVIDUAL HOMES

In 2019, Groupe BPCE was the number three provider of Eco-PTZ interest-free eco-loans in France, with a market share of 21%. Loans totaling €508 million have allowed our customers to make energy efficiency renovations in their homes. As an active contributor to the Eco-PTZ Committee of the SGFGAS (a personal guarantee provider for low income families), Groupe BPCE has put forward multiple proposals to improve product distribution and efficiency for the individual Eco-PTZ loan and the Eco-PTZ Copropriété loan for commonhold associations. The Group – via Caisse d'Épargne Ile-de-France – is one of only two banks that grant Eco-PTZ Copropriété loans.

The launch of the LDD Sustainable Development passbook savings account in 2006 obliged banks to allocate 10% of the deposits collected to thermal home renovation projects within the meaning of the "CITE" (energy transition tax credit) list.

The Group's retail banking networks distribute loans backed by LDD passbook savings accounts: PREVair at the Banques Populaires and the Ecureuil Crédit DD loan for the Caisses d'Épargne. Loan outstandings at December 31, 2019 totaled €142 million.

GIVING THE GREEN LIGHT TO GREEN PROJECTS

Natixis Assurances also encourages individual policyholders to save energy via its range of home insurance products. The range includes coverage of equipment such as domestic windmills, solar panels or solar-powered water heaters, energy control cabinets, storage batteries and rainwater collection tanks. In the event of a claim, policyholders can repair damaged paintwork themselves using eco-friendly paint available at a

preferential price. Policyholders also receive assistance and advice on how to save energy.

FACILITATING ACCESS TO ZERO CARBON MOBILITY

Groupe BPCE helps businesses and individuals in the transition to zero carbon mobility through its retail banks, insurance activities and as an investor. The Group's networks have created special products to help their customers adopt mobility solutions generating little to no carbon emissions. The Banques Populaires' AUTOVair loan and the Caisses d'Épargne's Ecureuil Auto DD loan can be used to buy hybrid and electric vehicles, including electric bicycles, at preferential rates. Loan outstandings at December 31, 2019 totaled €130 million.

Natixis Assurances offers preferential rates to individuals who travel less than 8,000 km per year in their car: this option applies to 25.5% of contracts (194,297 policies), representing €67.8 million in annual premiums in 2019. Savings of up to 30% are offered to electric vehicle owners. In the interest of supporting its customers, Natixis Assurances also offers eco-driving courses.

Mirova factors in sustainable mobility by encouraging investments in securities issued by vehicle manufacturers and equipment suppliers that propose technical solutions to solve the challenge of offering more and more people mobility solutions while reducing the environmental and social impacts linked to transport.

As the transition to electric vehicles gathers pace, Mirova published a report providing insight into the challenges facing the electric vehicle sector and the solutions available and identifying high added value segments in this sector to channel savings towards these companies, which are crucial to the energy transition.

NEW GREEN FINANCING PRODUCTS SOLD BY THE BANQUES POPULAIRES AND THE CAISSES D'ÉPARGNE

	2019		2018		2017	
	Number	Outstandings	Number	Outstandings	Number	Outstandings
<i>in thousands of euros</i>						
Regulated green loans						
PREVair (loans backed by LDD deposits) and CODEVair	158	1,482.92	242	2,463.33	376	3,339.60
Ecureuil Crédit DD (loans backed by LDD deposits)	3,237	37,813.66	3,141	32,052.16	3,429	33,404.53
Eco-PTZ (interest-free eco-loans)	6,705	78,367.79	4,354 ⁽¹⁾	62,727.40 ⁽¹⁾	5,380	78,555.54
TOTAL GREEN HOME LOANS	10,100	117,664.35	7,738	97,242.89	9,185	115,299.67
PREVair Auto (car loan)	1,955	28,327.23	2,100	28,284.34	2,064	26,627.94
Ecureuil Auto DD (car loan)	3,290	36,808.93	3,203	34,922.61	3,258	33,850.89
TOTAL ZERO CARBON MOBILITY LOANS	5,245	65,136.15	5,303	63,206.96	5,322	60,478.83
PROVair	98	13,432.61	62	8,961.01	68	7,740.65
TOTAL GREEN FINANCING	15,443	196,233.12	13,103	169,410.86	14,575	183,519.14

(1) Data adjusted in relation to figures published in the 2018 non-financial performance report.

On September 18, 2019, Banque Populaire du Sud opened EQWI – a sustainable e-branch for customers concerned about environmental and societal issues. EQWI is committed to:

- being a flexible, environmentally-friendly e-branch combining the benefits of digital (availability, accessibility, zero paper) with human relations (in-branch appointments);
- offering solidarity-based savings: using its funds exclusively to finance projects that contribute to environmental protection and sustainable development;
- granting responsible loans: financing its customers' environmentally-friendly projects such as the purchase of a low emission vehicle or home renovations and helping farmers with the transition to eco-friendly farming;
- being an e-branch for everyone: providing personalized solutions to all customers (individuals, professionals, farmers, non-profits and start-ups);
- having specialized advisors: supporting customers' projects with the expertise of advisors trained in sustainability.

<https://www.eqwi.fr>

HELPING ALL MEMBERS OF THE LOCAL ECONOMY WITH THE ECOLOGICAL TRANSITION

FINANCING THE TRANSITION IN THE AGRI-FOOD SECTOR

The agri-food sector is undergoing major transformations due to rapid changes in consumer behavior. Producers, processing firms and distributors need guidance to move towards a more responsible, local and circular business model.

Accordingly, several initiatives have been set up to facilitate farmers' investments in local development and the agricultural transition with loans guaranteed by the European Investment Fund (EIF). These loans are named Foster (provided by the Occitanie region, Banque Populaire Occitane, and Banque Populaire du Sud) and Alter'na (issued by Banque Populaire Aquitaine Centre Atlantique).

On December 4, 2019, Groupe BPCE signed the National Initiative for French Farming (INAF) agreement to set up and implement a similar guarantee system at a national level in partnership with the French government and the EIF⁽¹⁾.

Specific loans have been developed to finance direct-to-customer sales by farmers. These solutions support local economic and social development, improve access to quality food and reduce carbon emissions from transport.

Innovative, collective, responsible practices in agriculture are promoted with awards for regional farming initiatives and a national prize. The communications campaign organized for these awards showcases these regional initiatives in favor of the social, ecological and energy transition.

GUIDING CRAFTSMEN AND SMES ON THE PATH TO SUSTAINABLE DEVELOPMENT: A QUESTION OF COMPETITIVENESS

In its loyal commitment to the SME and craftsmen market, Banque Populaire offers a special financing tool to aid them in their ecological transformation. This facility is used to improve the energy efficiency of buildings and manufacturing equipment. Beneficiaries can also address waste management problems or polluting discharges, or adopt renewable energy solutions. At

December 31, 2019, 1,154 such projects had been financed for a total of €130 million.

Thanks to a financing line provided by the EIF in July 2018, Groupe BPCE has financed investments by small, medium and intermediate sized enterprises. The €250 million credit line has been used in full.

Negotiations are in progress for a new facility, PEM&ETI Green, provisionally for €300 million, to finance these companies' investments in tangible and intangible assets. At least one quarter of the credit line will be allocated to Climate Action projects.

Crédit Coopératif helps its customers reduce their environmental impact:

In partnership with the European Investment Bank (EIB), the European Commission and the European Union's LIFE program, Crédit Coopératif has designed a solution to issue loans exceeding usual risk limits to finance energy efficiency projects. The agreement also allows Crédit Coopératif to offer subsidized interest rates thanks to a guarantee mechanism. The loans are available to SMEs, non-profits, local public sector entities and intermediate sized enterprises (ISEs), enabling them to finance improvements in terms of heat or electricity consumption in existing buildings, production facilities or industrial processes.

Crédit Coopératif benefits from technical expertise provided by specialized consultants to support its customers' projects.

LOCAL PUBLIC SECTOR STAKEHOLDERS AND THE SOCIAL AND SOLIDARITY-BASED ECONOMY

The Banques Populaires and the Caisse d'Épargne are major sources of funding for local authorities, social housing operators and structures in the social and solidarity-based economy.

Groupe BPCE is the leading financier of the social economy: non-profits, foundations, mutual insurers, social entrepreneurs and cooperative groups. Among the Banques Populaires, Crédit Coopératif makes a particularly substantial contribution to this field.

Meanwhile, the Caisse d'Épargne network is:

- the number one private bank in the social housing sector. It is also a social housing operator via the Habitat en Région network, which manages 244,000 housing units. The Caisses d'Épargne are involved as partners in the governance of social housing landlords. They are on the Boards of one out of three organizations in France (public housing offices, social housing companies, cooperatives, non-profits, etc.). In 2019, the Caisses d'Épargne granted €2.36 million in loans to social housing companies;
- a major partner of the public sector: €3.64 in loans granted in 2019.

For more than 20 years, Compagnie Européenne de Garanties et de Cautions (CEGC), has been involved in the setting up of financing for social housing and non-profits working in the social and medical-social sector.

In 2019, CEGC provided guarantees for 60 social housing renovation projects (energy efficiency renovations, enhancements, renovations or construction), as well as for 54 centers for disabled persons and nursing homes for the elderly, and 69 non-profits working on social integration and support.

(1) EIF – European Investment Fund.

It issued slightly more than €209 million in guarantees to allow these projects to go ahead.

CEGC also provides guarantees to semi-public companies for sustainability projects.

It guaranteed a loan issued to finance the factory built by the regional semi-public company, SHEMA, on behalf of LM Wind Power, which will build wind turbine rotor blades as part of the development of offshore energy production by the Port of Cherbourg. The guarantee was set up in 2019. CEGC worked with partner banks to guarantee a total of €2.7 million^[1]. (A call for tenders was issued in 2011 to develop renewable energy in France under the Grenelle Act, with a goal of 6,000 MW in offshore energy production by 2020.)

Groupe BPCE will be able to finance its customers in the healthcare and medical-social sector thanks to a new €80 million credit facility provided by the European Investment Bank in June 2019. The credit facility, named Plan Santé France, is earmarked for projects to modernize facilities requiring investments of under €50 million.

The Caisses d'Épargne are longstanding partners of local authorities and finance their investment projects. To finance local authorities, Groupe BPCE regularly negotiates credit lines with the European Investment Bank (EIB).

In November 2019, the EIB granted Groupe BPCE a new €150 million credit line – Eau & Assainissement III (Water & Sanitation III). This credit line will allow the Group to finance local authority investments in water and waste water treatment, biodiversity, flood defense systems and curbing coastal erosion.

Two new credit lines are being negotiated with the EIB for 2020.

One will finance investments in public infrastructure energy efficiency improvements, for an amount estimated at €300 million.

The other, for €100 million, will finance the development of greener means of transport by funding local authority investments in vehicles and infrastructure.

Examples of financing include:

- Caisse d'Épargne de Bourgogne Franche-Comté, which granted a €5 million loan to the Doubs Très Haut Débit public sector joint venture to develop the fiber optics network in the Doubs department;
- Caisse d'Épargne Bretagne Pays de Loire, which invested €25 million in new tramway lines in Angers.

FINANCING FOR THE REGIONAL PUBLIC SECTOR, SOCIAL HOUSING AND THE SOCIAL ECONOMY BY GROUPE BPCE^[2]

Indicators (in thousands of euros)	2019	2018	2017	Change 2018-2019
Total annual new regional public sector loans	4,308,946	4,026,637	5,229,984	7%
Total annual new social housing loans	2,524,172	3,002,815	2,451,444	(15.9%)
Total annual new social economy loans	1,490,237	1,914,676	1,858,393	(22.2%)

In 2019, outstanding loans issued by the Banques Populaires and the Caisses d'Épargne in all markets amounted to €475 billion, making them major creditors of the French economy and local regions.

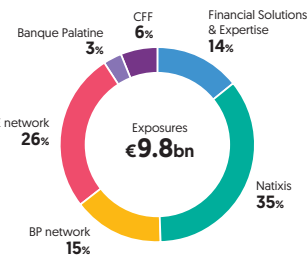
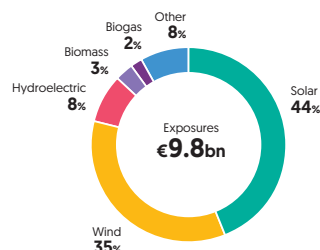
MAKING MAJOR ENERGY TRANSITION PROJECTS A REALITY

RENEWABLE ENERGY

Groupe BPCE is one of the leaders in renewable energy financing for all sizes of projects in France through its different entities.

The Banques Populaires and the Caisses d'Épargne are key sources of financing for local projects. The two networks draw on the expertise of several specialized subsidiaries such as Grand Ouest Environnement, Hyperia Finance and BPCE Energéco.

Groupe BPCE's renewable energy loan outstandings amounted to €9.8 billion at September 30, 2019, focused on solar power (44%) and wind power (35%) assets predominantly located in France (64%).



In August 2018, the EIB granted Groupe BPCE a €110 million credit facility to finance public and private sector renewable energy projects. The credit facility is intended to finance small-scale projects of less than €10 million. To date, €65.7 million of the credit line has been drawn (61%).

CRÉDIT COOPÉRATIF FLAGSHIP ACHIEVEMENTS IN 2019

Crédit Coopératif financed the installation of electric thermal energy batteries for combined heat and power systems operated by COMAX. The batteries will store green electricity produced by these power systems and release it as required so as to better manage production and ensure stable frequency across the grid.

Crédit Coopératif structured and financed €2.1 million in senior debt and a €3.4 million short-term credit line for the construction of a 12 MW thermal solar power plant on the Malteries Franco-Suisses site in Issoudun (in the Indre department) – the world's fourth largest malt producer and a subsidiary of the Axérial cooperative group. The plant's solar collectors will cover around 15,000 m², making it the world's third biggest thermal solar power plant supplying an industrial site. It will supply around 8.7 GWh of heat per year (approximately one-tenth of the site's consumption), which will also be available at night thanks to a storage tank. The renewable source of heat will reduce the site's natural gas consumption and cut its CO₂ emissions by around 2,200 metric tons per year – the equivalent of removing 1,100 new vehicles from the roads.

BPCE Energéco is a leading player in financing the energy transition. For over 15 years, BPCE Energéco has financed more than 3.5 GW in electricity and heat production from renewable sources.

In 2019, it arranged financing for 23 deals representing a total of €350 million. Some of the projects are located in France and will add total installed capacity of 185 MW in the wind and solar power segments.

BPCE ENERGÉCO FLAGSHIP ACHIEVEMENT IN 2019

BPCE Energéco and Banque Populaire Grand Ouest provided a financing solution for a regional project in Anjou. A group of citizens and a semi-public entity purchased the Hydrôme wind farm, which will supply 12,000 people with electricity from a renewable source.

In 2019, Natixis' Corporate & Investment Banking infrastructure financing teams arranged 25^[1] new deals totaling €2.1 billion, representing installed capacity of 7,832 MW, including:

- 8 onshore wind farms with a total capacity of 2,429 MW;
- 3 offshore wind farms with a total capacity of 1,498 MW;

- 15 PV and concentrated solar power projects with a capacity of 3,712 MW;
 - 2 hydroelectric facilities with a capacity of 193 MW.
- Renewable energy accounted for more than 90% of total financing granted by Corporate & Investment Banking in the electricity production sector in 2019.

[1] Call for tenders was issued in 2011 to develop renewable energy in France under the Grenelle Act, with a goal of 6,000 MW in offshore energy production by 2020.

[2] Rectified data.

[1] One of these projects include solar and wind power and one of the projects include solar, wind and hydraulic power.

2019 Key Events

FINANCING FOR OFFSHORE WIND FARMS IN FRANCE AND INTERNATIONALLY

Natixis funded the first offshore wind farm in France off the coast at Saint-Nazaire. This 480 MW wind farm has 80 turbines covering a surface area of 78 km² located 12 km and 20 km offshore and at depths ranging from 12 m to 25 m. It will be operational in 2022 and it is expected to produce the equivalent of 20% of the electricity consumption of the Loire-Atlantique department.

In 2019, Natixis also played a major role in the renewable energy sector in the Asia-Pacific region, where it financed the SIHU project, which has a capacity of 640 MW. This offshore wind farm in Taiwan will be China's biggest facility. On completion, it will supply clean energy to over 450,000 homes in Taiwan, saving nearly 916,000 metric tons of CO₂ per year.

FACILITATING THE TRANSITION FOR REAL ESTATE PORTFOLIOS

As a provider of financing

In 2019, Natixis continued to expand its financing and arrangement business in the sustainable real estate sector, with various solutions including mortgage loans, green bonds, securitization vehicles and green loans. Four green loans were closed having financed over 26,700 m² in green real estate.

As a responsible investor

AEW CILOGER continued its efforts to obtain certification for its portfolio assets throughout 2019. Seven funds took part in the

Global Real Estate Sustainability Benchmark (GRESB) assessment, which covers ESG themes. Six of these funds achieved a Green Star rating.

In 2019, AEW CILOGER also issued a request for proposals for electricity or gas supplies from 100% renewable sources in buildings where it purchases energy.

AEW Capital Management took part in the GRESB Assessment for several of its real estate portfolios and was awarded a score of 86/100 for its AEW Core Property Trust fund in 2019, ranking it seventh out of more than 40 funds (equivalent fund universe).

Natixis Assurances monitors the portion of its real estate investments that have environmental certification. At year-end 2019, 19% of real estate assets managed under investment mandates were certified (HQE, BREEAM, etc.). Natixis Assurances extended its policy of incorporating ESG criteria in its real estate portfolio in 2019. In 2020, it will implement an energy convergence plan and continue to obtain certification for the assets in its portfolio.

ICAWOOD: THE FIRST GREEN EQUITY BRIDGE LOAN

Natixis and ICAMAP closed the first green equity bridge loan for €100 million. This deal, which observes the Loan Market Association's Green Loan Principles, will finance the development of real estate projects using low carbon construction techniques in the Greater Paris area.

ENABLING EVERYONE TO ACCESS FINANCING AND BANKING SERVICES

In 2019, Groupe BPCE pursued its inclusive finance policy with various solutions to provide all customers with appropriate banking products and services. These include specific services for financially vulnerable customers, the prevention of over-indebtedness, personal or professional microloans, accessibility for disabled customers, and banking services for protected persons.

IMPROVING THE TREATMENT OF CUSTOMERS FACING FINANCIAL DIFFICULTIES

The TEC 2020 strategic plan emphasized the importance of how the Group treats customers facing financial difficulties and led to the implementation of action plans in each network. The number of customers taking out the specific range of services for vulnerable customers (OCF, or *Offre Clients Fragiles*) is monitored on a monthly basis.

In September 2018, the Group set a goal of increasing the number of OCFs by 30% in relation to 2017. As of December 31, 2019, this objective had been met, with 36,805⁽¹⁾ new OCFs opened in 2019 by customers facing financial difficulties (36%). Several entities have set up dedicated units or

use existing ones. At the same time, the Group continued to provide specific training in this area, with 13,048 members of staff trained in the range of services available for vulnerable customers via e-learning courses and virtual classrooms.

At the end of 2018, the Group also decided to place a monthly cap on the nine most frequent payment incident fees for customers concerned by this range (€16.50/month maximum) and for customers in one of the three vulnerable situations defined by regulations but who do not benefit from an OCF (€25/month maximum). These limits took effect on January 1, 2019 and on average 89,366⁽²⁾ customers have been assisted directly by this cap on payment incident fees.

STEPPING UP THE PREVENTION OF OVER-INDEBTEDNESS

In 2015, in accordance with the AFECEI Charter for Banking Inclusion and the Prevention of Over-indebtedness published in 2014, Groupe BPCE introduced a predictive scoring method to allow the early identification of customers at risk of incurring excessive debt. Customers identified by this system are invited to meet with their advisor.

In 2019, the Group worked on extending and enhancing this scoring method, and an upgraded version will be rolled out in 2020.

RESEARCH ON THE TOPIC OF "NO MORE DEBT"

Banque Populaire Grand Ouest and Informatique Banque Populaire teamed up with Nantes University in November 2019 in a research program combining psychology, sociology and artificial intelligence to identify what factors lead to the risk of over-indebtedness. The program is expected to last one year and aims to produce a software component for persons working with individuals in financial difficulty.

FACILITATING ACCESS TO BANKING SERVICES FOR PERSONS WITH DISABILITIES

Visually-impaired customers can receive account statements and check books in Braille on request. ATMs have been adapted for their use.

On July 1, 2019, BPCE Procurement renewed its nationwide master agreement with Delta Process to facilitate access to

telephone banking for a period of three years. The contract provides for videophone interpreting services between bank employees and the customers concerned. They are available in all disability-accessible Groupe BPCE contact points (customer relations centers, branches and e-branches). These facilities are accompanied by nationwide e-learning modules on disabilities, which were attended by 395 members of staff in 2019, and are supplemented by classroom-based courses.

BRANCH ACCESSIBILITY

	2019	2018	2017	Change 2018-2019
Percentage of accessible branches (2005 Disability Act) (in %)	99%	87%	63%	14%

SERVING PROTECTED PERSONS

In France, 747,000 adults receive legal or social protection under a ruling by a guardianship judge. The extent of the measures that apply depends on the individual's degree of autonomy. This affects banks for the management of protected persons' bank accounts in conjunction with their legal representative.

The Caisse d'Epargne network is the market leader among this customer segment with 310,000 protected adult customers, representing a penetration rate of 41.5%. It has 150 experts dedicated to protected persons across the country, who offer products and services that meet their specific needs (for example secure cash withdrawal cards). Legal representatives can also access a range of services to help them manage the protected person's account.

The Caisses d'Epargne also publish practical guides for representatives and legal guardians, and a newsletter covering topics relating to vulnerable individuals.

As the Group's number two provider in this area, Crédit Coopératif serves 129,000 protected adult customers with services and management solutions adapted to their situation. Crédit Coopératif maintains a relationship of trust with legal guardians and guardians' associations. It has extended its solutions by establishing a clear distinction between the services offered to guardians and those available to the adult customers. A specific customer onboarding charter has been

drafted for protected persons. Crédit Coopératif is also working on new digital payment solutions.

PROMOTING PERSONAL AND PROFESSIONAL MICROLOANS IN PARTNERSHIP WITH SUPPORT NETWORKS

Partnerships with the networks

In 2019, Groupe BPCE remained the number one bank in France in personal and professional microloans with support, with nearly one third of the market.⁽¹⁾

It has consolidated its position as the leading financier of the three major microloan support agencies, funding or refinancing a total of €555.8 million for 21,131 beneficiaries. For other solidarity-based loans, which are not considered microloans due to their higher amounts (the Lagarde Act of July 1, 2010 caps microloans at €46,000), the Group's market share is the same.

These loans qualify as solidarity-based loans because their approval is not based on standard bank scoring criteria, particularly for project sponsors who are out of work or cannot put up personal collateral. They are guaranteed by specific mechanisms, for example interest-free loans requiring no personal surety, or delegated public sector guarantees. Project sponsors are supported by a solidarity-based finance provider that is a partner of a Banque Populaire bank or Caisse d'Epargne.

[1] Source: DITG – Groupe BPCE reporting survey.

[2] Source: table of average fee caps per OCF-2019 per quarter.

[1] Source: Fonds de cohésion sociale [social cohesion fund].

SUMMARY OF MICROLOANS⁽¹⁾ WITH SUPPORT

Type of loan (in euros)	New loans in 2019 ⁽²⁾		New loans in 2018		New loans in 2017		Change 2018-2019	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Personal banking microloans	4,988	14,504,035	5,361	14,965,587	5,790	15,251,697	(7%)	(3%)
Personal non-banking microloans	1,545	5,137,651	1,787	5,704,572	1,273	3,860,942	(14%)	(10%)
Secured professional banking microloans, o/w guaranteed by France Active	2,242	74,049,744	2,407	71,749,351	1,984	65,141,491	(7%)	3%
Professional non-banking microloans	6,514	24,516,136	5,570	20,441,971	4,664	17,056,621	17%	20%
GROUPE BPCE TOTAL (INCL. CAISSES D'ÉPARGNE, BANQUES POPULAIRES, CRÉDIT COOPÉRATIF)	15,289	118,207,566	15,125	112,861,481	13,711	101,310,751	1%	5%

(1) Microloans: loans issued to borrowers in vulnerable situations covered by a guarantee and supported by a public interest organization. Caps on funds issued as established by the Lagarde Act of July 1, 2010.

(2) France Active – Fafif.

NACRE [NOUVEL ACCOMPAGNEMENT À LA CREATION ET À LA REPRISE D'ENTREPRISES] TOP-UP LOANS

Issuing network (in euros)	New loans in 2019		New loans in 2018		New loans in 2017		Change 2018-2019	
	Number	Payments	Number	Payments	Number	Payments	Number	Payments
GROUPE BPCE TOTAL	547	20,439,542	1,109	40,018,571	1,611	56,646,769	(51%)	(49%)

TOP-UPS FOR START-UP LOANS PROVIDED BY INITIATIVE FRANCE (ESTIMATE AT JANUARY 31, 2020)

Issuing network (in euros)	New loans in 2019		New loans in 2018		New loans in 2017		Change 2018-2019	
	Number	Payments	Number	Payments	Number	Payments	Number	Payments
GROUPE BPCE TOTAL⁽¹⁾	5,295	417,200,000⁽²⁾	5,216	377,803,603	5,015	366,266,977	5%	5%

(1) Including the Caisses d'Épargne, the Banques Populaires and Crédit Coopératif.

(2) 2020 estimates provided by Initiative France.

Sources: Report by the Fonds de cohésion sociale (social cohesion fund), Adie reporting, France Active, Initiative France and France Active disclosures on NACRE financing.

Caisses d'Épargne

In 2019, the Caisses d'Épargne consolidated their rank as the number one bank for personal microloans⁽¹⁾ while also holding on to their leading position in the professional microloan segment. They offer solutions for microloan borrowers via the Parours Confiance association and the Créa-Sol microfinance institution. Sixty advisors are dedicated to this activity across France, alongside over 600 partners providing support for borrowers.

In 2019, 4,442 personal microloans and 1,214 professional microloans were issued by the Caisses d'Épargne, alongside 453 microloans via Créa-Sol. At the national level, they are represented on the Steering and Supervisory Board of the *fonds de cohésion sociale* (social cohesion fund).

In 2019, the Caisses d'Épargne further rolled out the *Mobilize Véhicule Neuf* vehicle leasing solution with purchase option financed via a microloan, in partnership with Renault and the *Entreprise et Pauvreté* action tank, to enable persons in financial difficulty to lease a new vehicle.

The Caisses d'Épargne also rolled out cash management microloans with the support of the social cohesion fund, to allow individual customers to repay overdue loans.

They also maintained their international commitments through their involvement in the European Microfinance Network (EMN), and Paris Europlace, which has set up a microfinance group.

Partnership with business creation support networks

The Banques Populaires work with networks that support business creation, including Adie (French association for the right to economic initiative), Initiative France, France Active, Réseau Entreprendre, and BGE (formerly Boutiques de Gestion). They primarily focus their microfinance initiatives on professional microloans.

The Banques Populaires remained ADIE's leading provider of refinancing, representing 23% of microloan origination. Nearly €28.9 million in credit lines were granted, and €24.4 million disbursed to finance 7,115 microloans, contributing to the creation or retention of 7,058 jobs for self-employed workers or employees.

They also provide top-ups to start-up loans requiring no personal guarantees for young people, as set up by Adie. As well as this financing, the Banques Populaires and their federation:

- provide funding for the new training program for young people entitled "I am an entrepreneur" (formerly CréaJeunes);
- are partners of Adie's communications campaign on "Entrepreneurship for all" week;

- organize the *Créadie Jeune* – Banque Populaire award for young people with entrepreneurial projects in local regions and at a national level. The FNBP's Chief Executive Officer is a member of Adie's Board of Directors.

In 2019, the Banques Populaires granted €287.4 million in top-ups for start-up loans requiring no personal guarantees under the Initiative France program, and most of these banks have set up agreements with the incubator France Active, generating €36 million in secured loans.

Crédit Coopératif remains active in microloans with Adie. In 2019, it financed 1,104 micro-business creations with professional microloans. It is also involved in the personal microloan segment through its strong commitment to support networks (Adie, the Red Cross, Secours Catholique, Missions Locales, etc.) and a partnership between its subsidiary BTP Banque and Pro-BTP (a social protection agency for construction workers) to enable apprentices in the construction sector to buy a vehicle. Accordingly, in 2019 it granted 1,412 personal microloans with support. In 2019, 61% of Crédit Coopératif's loans were aimed at facilitating the professional integration of women.

L'ENVOLEE, A CRÉDIT COOPÉRATIF BUSINESS INCUBATOR

In 2019, Crédit Coopératif opened *L'Envolée*, an inclusive business incubator in Saint-Denis (in the Seine-Saint-Denis department) for entrepreneurs committed to fostering a fairer, more equitable and open society for all. Crédit Coopératif and its partners share their expertise with entrepreneurs who place social impact and inclusion at the center of their business plans. They receive individual support, business development assistance and access to an active network of partners. The incubator is also funded by the Ile-de-France region.

Partnership with the non-profit Finances & Pédagogie

The Caisses d'Épargne support the association Finances & Pédagogie, which is an educational program for young people, for people in financial difficulty, social aid professionals, volunteers with charities and employees.

The objective is not only to provide support on recurrent topics involving money (managing a budget, relations with the bank, knowing how to talk about money, planning for life events, etc.) but also to address new challenges: digital money, sustainable development, professional retraining, setting up a business, etc.

In 2019, 3,081 sessions were held for 50,467 trainees. They included:

- 17,848 young people from schools and vocational training centers;
- 15,682 people receiving assistance from entities in the social and solidarity-based economy or other social organizations;
- over 1,469 social workers and volunteers, mainly from the social services divisions of associations, guardianship organizations and local governments.

All of these actions are concrete responses to the priorities of banking inclusion and the prevention of over-indebtedness. The initiatives take the form of workshops/training sessions that combine theoretical learning and practical experience.

- 63% covered everyday budgeting and money issues;
- 25% covered banking and payment instruments;
- and 12% covered issues related to credit, microloans and excessive debt.

The association is a member of the Operational Committee for National Financial Education Strategy run by the Banque de France. Its educational materials are available on the Finances & Pédagogie website and are also published on the national portal "*Mes questions d'argent*" (My questions about money). It is also accredited by the French Ministry of Education. Its key teaching materials are validated and incorporated in the educational library of the INC (French National Consumer Institute).

Finances & Pédagogie works closely with over a thousand different public, private and non-profit partners all around the country.

WOMEN ENTREPRENEURS: A EUROPEAN SURVEY LAUNCHED BY THE CAISSES D'ÉPARGNE⁽²⁾

For eight in ten French women entrepreneurs, the decision to set up their own business was a way of taking control of their career development. 80% of women said they had no problems financing their business. Setting up a business is a truly rewarding challenge but there are various difficulties to overcome. From Italy to Sweden, as well as in France, Germany and the United Kingdom, more than 60% of women entrepreneurs are happy with their lives. This figure peaks at 78% in France and 84% in Sweden.

(1) Source: Fonds de cohésion sociale (social cohesion fund).

(2) Caisse d'Épargne/CRÉDOC survey of 2,500 entrepreneurs (excluding self-employed workers) in France, Italy, Sweden, Germany, and the United Kingdom in July 2019.

2.3.3 Steering customers' deposits and savings towards a more responsible economy

SOLIDARITY-BASED SAVINGS ARE PART OF GROUPE BPCE'S DNA

The Banques Populaires and the Caisses d'Épargne are regional cooperative banks that channel most of their customers' savings and deposits into local projects.

Groupe BPCE is a leader in solidarity-based savings in France, ranking number one in terms of inflows and management in the latest Finansol professional survey.

At December 31, 2019, Groupe BPCE managed nearly 36% of total solidarity-based savings (€4.5 billion out of €12.6 billion).

Passbook savings accounts

CODEVair is a Finansol-certified product distributed by the Banques Populaires, aimed at encouraging customers to put their savings into the energy transition. Launched in 1999 by Banque Populaire d'Alsace, CODEVair is now distributed by nine Banques Populaires, including Crédit Coopératif. Outstanding deposits and savings amounted to €1.85 billion at December 31, 2019. The savings in these accounts have financed 11,500 projects totaling €283 million, in particular low energy homes and low emission vehicles.

All the Caisses d'Épargne offer the *Compte sur Livret Régional* (CSLR) passbook savings account. Funds collected are used to finance local support and development initiatives. Each Caisse d'Épargne chooses to use the funds to finance digital development, healthcare or employment. Outstanding savings in CSLR accounts total €1.42 billion, invested by 17,009 customers who can ask to be informed of the projects financed by their savings.

Crédit Coopératif is one of the leaders in solidarity-based financial products in France. It offers the AGIR range, which includes a charity debit card and six passbook savings accounts.

The flagship product is the Livret AGIR, which donates 50% of accrued interest to one of the 25 beneficiary associations approved by the bank. In 2019, over €3 million in donations were made via Crédit Coopératif solidarity-based products and Ecofi Investissements solidarity-based investment funds. With the *Coopération pour ma région* passbook savings account, savers can put their deposits to work in funding the social and solidarity-based economy in the region of their choice. The REV3 account finances projects sponsored by the REV3 organization in the Hauts de France region.

RESPONSIBLE PASSBOOK SAVINGS ACCOUNTS

Responsible passbook savings accounts (outstandings in millions of euros)	2019		2018		2017		Change 2018-2019	
	Number	Outstandings	Number	Outstandings	Number	Outstandings	Number	Outstandings
LDD Sustainable Development passbook savings account	293,138	1,347	304,616	1,269	312,664	1,268	(3.9%)	5.8%
CODEVair passbook savings account	9,608	587	8,871	687	6,918	411	8.3%	(14.6%)
Regional passbook savings account	17,009	613	12,422	422	10,599	309	36.9%	45.3%
Crédit Coopératif committed passbook savings accounts (Épargne engagée)	73,103	832	71,156	769	67,538	662	2.74%	12.6%

CROWDFUNDING SOLUTIONS FOR PROJECTS TO IMPROVE SOCIETY

Espace Asso

The *Espace Asso* range of digital services has rounded out the *Espace Dons* offer since 2018. This solution, developed by the fintech E-Cotiz, allows non-profits to digitalize their membership registrations, donations, and any sales or ticketing inflows. As well as making their cash collection process more secure, *Espace Asso* facilitates their day-to-day management, enables them to optimize their cash management, saves time, and simplifies their relationship with their members. The *Espace Dons* website, which complements this range of services, showcases non-profit organizations and allows them to receive donations from the general public. The projects it promotes are localized to encourage regional solidarity. Each Caisse d'Épargne

can match crowdfunding donations through its patronage scheme.

With this range of services, the Caisse d'Épargne network is helping its customers from the social and solidarity-based economy with the digital transition, in line with its values of encouraging social innovation and its position as the leading private financier of the social and solidarity-based economy.

Crédit Coopératif is also involved in crowdfunding with the support of new digital players such as the equity structure, WiSEED, with which it has formed a partnership to promote innovative offers in the energy, ecological and solidarity transition field. It also supports Financement Participatif France, an association that represents and promotes crowdfunding platforms.

CREATION OF THE KIWAI CROWDFUNDING PLATFORM

On November 15, 2019, at the Hôtel de Région (regional parliament) in Rouen, Hervé Morin, President of Normandy, revealed Normandy's first crowdfunding platform for the ecological transition, alongside Christophe Descos, Chairman of Kiwai and Bruno Goré, Chairman of the Management Board of Caisse d'Épargne Normandie. This crowdfunding platform will bring together entrepreneurs with local sustainable development projects and individuals who wish to invest usefully in their region. A call for projects was announced to attract candidates with projects in Normandy to launch the crowdfunding campaign in December.

SRI AND ESG EXPERTISE SERVING THE SUSTAINABLE DEVELOPMENT CAUSE

INCORPORATING ESG CRITERIA

Groupe BPCE's asset managers offer a range of investment solutions that incorporate ESG criteria to different degrees:

- first level: ESG analysis – recognition of ESG criteria in the analysis of issuers, without this systematically having an impact on investment decisions;

- second level: ESG integration – incorporation of ESG criteria in investment decisions (including thematic and/or impact investments and exclusion strategies);
- third level: Certification – funds certified by recognized third parties (the French SRI label, Greenfin, Finansol, Febelfin, LuxFlag ESG, Nordic Swan EcoLabel, FNG Siegel).

Under an inclusive system, when a fund qualifies for Certification, it also joins the ESG integration category, and a fund that qualifies for the ESG integration level also enters the ESG analysis category.

ANALYSIS AND INTEGRATION

SUMMARY OF HOW ESG CRITERIA ARE TAKEN INTO ACCOUNT IN THE INVESTMENT ANALYSIS/DECISION PROCESS

Company	Analysis/integration	Scope covered in billions of euros (total AuM in portfolio)	Percentage of AuM Analysis/Integration
Ostrum	Analysis/Integration	€274.1 billion	93%/24.3%
Mirova	Integration	€12.5 billion	100%
DNCA	Analysis/Integration	€22.34 billion	71.7%/3.5%
Naxicap Partners	Analysis	€3.6 billion	98%
Seeyond	Integration	€9.7 billion	9.7%
Thematics	Integration	€0.6 billion	100%
Ossiam	Integration	€4.2 billion	18.3%
AEW Ciloger	Integration	€31.6 billion	16% of assets

CHANGE IN PERCENTAGE OF ASSETS UNDER MANAGEMENT THAT INCORPORATE ESG CRITERIA IN INVESTMENT DECISIONS

Indicator (as a %)	2019	2018	2017	2016	Change 2018-2019
Ostrum AM	24.3%	21%	5.6%	4.95%	15.7%
Mirova	100%	100%	100%	100%	0%
Ecofi Investissements	73.4%	57.9%	64.9%	66.5%	27%
Banque Palatine	3.5%	2.1%	0.7%	0.7%	67%
DNCA	3.5%	2.2% ⁽¹⁾	NC	NC	59%
Seeyond	9.7%	7.2% ⁽¹⁾	NC	NC	34.7%

(1) Year of inception.

Ostrum AM incorporates material ESG aspects in its analysis for both its equity and credit funds. The companies it invests in are always asked about ESG issues and how they include them in their business model. This process applies to €255.4 billion in assets under management, representing 93% of its total assets under management. Ostrum AM's responsible investment approach applies to all its investments in sovereign assets from emerging and developed countries and over 90% of its credit investments. Since 2019, all its equity investments incorporate ESG dimensions throughout the investment process.

In October 2019, Citywire ranked Ostrum AM fifth out of 220 investment management firms that are truly committed to ESG.

Ostrum AM offers its customers socially responsible products on all its asset classes with a range of investment strategies, representing a total of €66.6 billion, or 24.3% of its total assets under management:

- Best in Class and Positive Screening: selection of the best rated issuers from an investment universe that excludes issuers with a high ESG risk profile;
- Best in Universe: selection of issuers from all sectors with the best ESG performance in the investment universe;
- Bespoke Strategies: strategies co-built with clients for their dedicated funds or discretionary mandates so as to match their ESG philosophy as closely as possible.

Mirova, the Group's sustainable investment affiliate, includes ESG criteria in its investment filters on all asset classes, representing €12.5 billion in assets under management. This year, Mirova was awarded the 2019 Gold Prize for Management Companies.

MIROVA WOMEN LEADERS EQUITY FUND

In the first quarter of 2019, Mirova launched a global equity fund on the theme of the presence of women in companies' executive bodies. Women's presence in senior management positions is a key factor of diversity in companies and proof of their commitment to gender equality. Mirova has set criteria and created an investment universe of 250 companies around the world, and has built a portfolio of around 50 companies from this universe following an active fundamental management approach. The fund has obtained the French SRI label and it has entered into a partnership with the French National Committee of UN Women, to which it donates part of its management fees. Natixis Assurances is committed to supporting projects with a strong social impact and has invested €10 million in this fund.

DNCA manages €22.34 billion in assets, including €16 billion analyzed against ESG criteria (71.7% of total assets under management).

Naxicap Partners applies ESG analysis to all companies in its portfolio in which the total investment exceeds €5 million, which account for 98% of assets under management. External auditors perform mandatory pre-investment ESG analysis. Each issue is analyzed in detail, including a review of its materiality, its strategic importance in the sector, a summary of the company's ESG performance and appropriate indicators. Naxicap Partners won Private Equity magazine's 2019 ESG – Sustainable Development award.

After performing pre-investment ESG audits, Naxicap Partners systematically includes an ESG clause in its shareholders' agreements. This clause includes a commitment by the company to implement a detailed action plan and provide regular information and responses to ESG questionnaires (120 indicators). In addition, Naxicap Partners works with the management of the companies in its portfolio to establish a plan to reduce greenhouse gas emissions and adapt to climate change. In 2020, it intends to include ESG criteria in the variable compensation of its investment teams and the executive officers of the companies in its portfolio.

AEW CILOGER in Europe, and AEW Capital Management in the United States, both of which specialize in real estate investments, are building a corporate culture that respects ESG principles. ESG aspects are considered and discussed with the Investment Committee at the acquisition stage for direct investments. Before making any investment decisions, the investment team looks at:

- ESG strategy;
- certifications;
- renewable energy on site or renewable energy certificates purchased;
- risks relating to the water supply and water quality.

Natixis Assurances ultimately aims to fully incorporate ESG criteria, with certification for all its real estate assets (compared with 40% of its portfolio by market value as of the end of 2019).

Fund certification

Fund managers who incorporate ESG criteria can seek certification for their funds based on the region in which they are sold and/or the investment sector.

Company	Number of certified funds	Certification	Amount at 12/31/2019
DNCA (Beyond range)	6	6 SRI labeled funds including 4 Febelfin certified funds	€0.78 billion
Ostrum AM	13	SRI, Greenfin	€12.9 billion
Mirova	4	SRI	€4.7 billion
Mirova	NC	Greenfin	€2.4 billion
Mirova	NC	Finansol	€0.9 billion
Mirova	NC	Other labels	€0.9 billion
Ossiam	4 funds	SRI	€0.54 billion

4 DNCA FUNDS OBTAIN FEBELFIN CERTIFICATION – THE NEW LABEL FOR THE EUROPEAN FINANCIAL CENTER

The new Belgian Febelfin certification imposes new standards based on the recommendations of the European expert group on promoting sustainability funds among retail investors: transparency, ESG analysis and exclusions with low tolerance thresholds for coal and conventional and unconventional fossil fuels. DNCA was awarded this certification for all the sustainability funds it sells in Belgium. Three equity funds and a mixed fund were certified, representing €685 million in assets under management.

AEW CILOGER set up a working group within the French association of investment property companies (ASPI) to create a real estate SRI label in France incorporating criteria covering all environmental, social and governance issues.

SOCIETAL EXCLUSION POLICIES:

Natixis has adopted exclusion policies for sectors and issuers that do not respect certain human rights and fundamental principles of corporate responsibility. DNCA, Ostrum AM, Mirova, Seeyond, Thematics AM, Ossiam and Natixis Assurances apply these policies to their investments,

The following sectors and issuers are excluded:

- controversial weapons;
- tobacco⁽¹⁾;
- companies deemed the worst offenders (companies that do not observe the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises)⁽²⁾;

- countries on the FATF list or under US or European embargo.

In addition, Natixis Assurances applies ESG criteria ahead of its investment process to exclude issuers deemed to be opposed to achieving Sustainable Development Goals. These are issuers with a negative rating in research by Mirova. Natixis Assurances' life insurance investments have had no exposure to these issuers since the end of 2017.

INVESTOR STATEMENT ON GENDER EQUALITY IN THE WORKPLACE

A group of 66 investors representing over \$4 trillion in assets is calling on companies to step up their commitments to gender equality in the workplace. This group of investors is coordinated by Mirova. Natixis Investment Managers, Ostrum AM and Natixis Assurances have also signed this collaborative statement. The statement is supported by UN Women and the United Nations Global Compact. It is part of the Women's Empowerment Principles, which Natixis has signed.

MIROVA AND OSTRUM AM FIGHT DEFORESTATION IN THE AMAZON

In September 2019, as media attention was focused on fires in the Amazon, 244 investors, including Mirova and Ostrum AM, signed a declaration to curtail deforestation and wildfires in the Amazon. These investors represent \$17.2 trillion in assets under management. More generally, Mirova strives to direct its investments towards companies committed to curbing deforestation.

VOTING AND ENGAGEMENT POLICIES

Ostrum AM, Mirova, Seeyond, DNCA, Thematics AM and Ossiam place shareholder engagement at the center of their responsible investor approach.

Ongoing constructive dialog is established with companies to encourage them to take better account of environmental, social and governance issues in their strategic planning.

Their voting and engagement policies are based on two complementary principles:

- individual ongoing engagement by using voting rights and maintaining dialog with issuers;
- collaborative engagement alongside other investors aimed at raising awareness of the importance of ESG among issuers, government authorities and regulators.

In 2019, Ostrum AM supported four new commitments covering gender equality in the workplace, tobacco, deforestation and wildfires in the Amazon, and methane emissions in the oil and gas sectors.

The voting policy and dialog are central to Ecofi Investissements' sustainability strategy; it has updated its voting

policy with more stringent requirements in terms of ESG. In accordance with its policy, Ecofi Investissements votes at all Shareholder Meetings of the French and European companies whose shares it holds in its portfolios. Ecofi Investissements maintains application of this voting policy which fosters socially responsible behavior among its investment targets.

It engaged regular individual dialog with several companies involved in serious controversies that are considered as to be emblematic for the energy transition. It also actively contributes to the shareholder coalitions it has joined to influence companies on the front line in terms of the energy transition.

FINANCE WITH SOCIAL IMPACT

Natixis supported the development of several flagship social impact financing solutions in 2019, including a sustainable bond issue with a major social impact and a fixed income structured product.

Sustainable bonds raise funds that may only be used to finance or refinance a combination of green or social projects (exclusively social projects for "social bonds").

Natixis arranged the issuance of 9 sustainable bonds in 2019.

INCLUSION OF SOCIAL CRITERIA IN THE GHANA COCOA BOARD'S SUSTAINABLE TERM LOAN

Natixis co-arranged a sustainable term loan for the Ghana Cocoa Board. This new \$300 million loan over three years will finance production improvement programs and includes a margin adjustment mechanism based on environmental and social goals. One of the goals is the promotion of sustainable agricultural practices (training in these practices, planting of shade trees). This deal is one of the first in this sector to encourage environmentally friendly production techniques and improve farmers' livelihoods (in particular for women and children).

[1] Except at Seeyond and only for certified funds at DNCA.

[2] With the exception of Thematics AM and Seeyond for their index tracker funds.

ACTION LOGEMENT ISSUES ITS FIRST SUSTAINABLE BOND FOR €1 BILLION

Natixis was lead manager for the first sustainable bond issue by Action Logement, an organization run jointly by the government, employers and unions which finances low cost housing in France. The bond raised €1 billion over 15 years. It will finance the commitments made by employers and union bodies under the €9 billion voluntary investment plan signed with the government in April 2019. The funds raised will finance and refinance social and green projects, for example, the construction and renovation of social housing. The net proceeds will fund contributions to public policy, assistance and services for individuals, as well as social and capped-rent housing schemes in France.

THE MIROVA SOLIDAIRE FUND TOPS €200 MILLION

In 2019, the Mirova Solidaire fund surpassed the symbolic €200 million mark in terms of assets under management, with inflows of nearly €20 million over the year. These inflows allowed the fund to invest €10 million in the rooming-house scheme run by Habitats & Humanisme. Under this scheme, 20 new rooming-houses (low cost individual residences with shared living spaces) will be provided in line with the government's plan to create 10,000 additional rooms in such houses. The Mirova Solidaire fund was certified a "French Impact" fund in 2019, which will increase its visibility.

Ecofi – Crédit Coopératif's asset management subsidiary – is pursuing its commitment. Since January 1, 2019, Ecofi Investissements has applied its new SRI process to all its open-ended funds and it completed its certification process, obtaining three SRI labels from the French government and a Greenfin label for its investment funds. At the end of 2019, Ecofi Investissements chose a new service provider, ISS ESG, to enhance analysis of its investments in terms of their alignment with the 2°C climate scenario.

RESPONSIBLE SOLIDARITY-BASED EMPLOYEE SAVINGS PLANS

Groupe BPCE's entities offer a range of responsible and/or solidarity-based employee savings solutions via Natixis Interépargne (NIE).

Natixis Interépargne is fully committed to sustainable development, ranking number one in terms of solidarity-based employee savings inflows in France, with over €33.5 billion in assets under management. Natixis Interépargne is a major player in responsible company savings plans in France with SRI-certified assets under custody amounting to €5.8 billion. Solidarity-certified funds amount to more than €1.7 billion. With total assets of over €7.65 billion, Natixis Interépargne's market share exceeds 25% in SRI and 29.5% in solidarity investments in France.

Natixis Interépargne's savings inflows and Mirova's portfolio management expertise combine to provide financing for sustainable and solidarity-based projects. Projects such as these are developed by investing in companies that strictly observe ESG criteria, or by allocating resources to entities in the social and solidarity-based economy.

Mirova's Insertion Emplois Dynamique fund, which was launched in 1994, was one of the first solidarity-based "90/10" funds dedicated to job creation in France. The solidarity allocation (10% of assets) finances structures with a positive social impact across the country in conjunction with France Active, while the equity allocation (90% of assets) invests in listed companies planning to create jobs in France over 3 years, based on analysis performed by Mirova. The employee headcount in the listed companies in which the fund invests increased by an average of 13.1% over the review period (2014-2018), while it rose by 2.7% for CAC 40 companies more generally over the same period. The portfolio's ESG profile also improved over this period, and its carbon impact improved sharply, with the climate scenario implied by its investments (expected temperature rise) estimated at +1.5°C at December 31, 2019, compared with +4.4°C at the end of 2014. The fund has €576 million in assets under management. Mirova manages €967 million in assets in solidarity investments⁽¹⁾.

Natixis Interépargne's SRI expertise is fully on display in the Impact ISR and Cap ISR ranges, created in 2002 and 2013 respectively, which together accounted for over €4.5 billion in AuM in September 2019. These two product ranges invest in funds managed by Mirova, an award-winning asset management company renowned for its responsible investments and the quality of its investment management, offering customers a viable and sustainable alternative to traditional financial investments.

Natixis Assurances systematically includes an ESG-certified unit-linked product (SRI or Greenfin certification) in all new life insurance policies. These certified unit-linked products totaled €804 million at the end of 2019.

⁽¹⁾ Solidarity-based funds (Mirova Solidaire) and "90/10" solidarity-based equity funds (Insertion Emplois Dynamique fund and dedicated fund).

2.4 Responsible internal and external practices

2.4.1 Respecting business ethics

THE GROUPE BPCE CODE OF CONDUCT AND ETHICS

Groupe BPCE published a code of conduct and ethics in 2018, as announced in the TEC 2020 strategic plan. It was reviewed by the Cooperative and CSR Committee then approved by the Executive Management Committee and the Supervisory Board.

<http://guide-ethique.groupebpce.fr/>

The Code is rooted in international values and standards, and provides a practical guide with clear illustrative examples. It includes a message from Executive Management and sets out the Group's ethical standards in three areas: the interests of customers, employer responsibility and social responsibility, with practical business-oriented examples.

The Code applies to all members of staff in all Groupe BPCE entities. In view of its specific activities, Natixis also published a code of conduct in early 2018 – a master document setting out the main guidelines to be followed by employees in their relations with Natixis' stakeholders: its clients, teams and shareholders, as well as society at large.

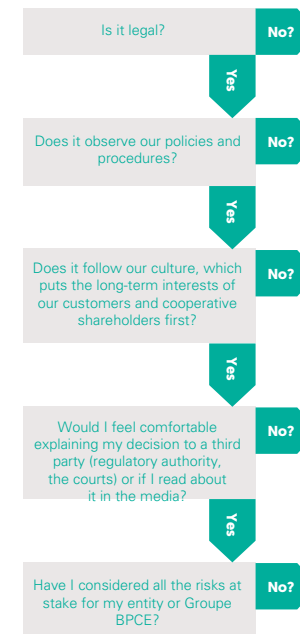
https://www.natixis.com/natixis/cms/rpar5_65439/en/code-of-conduite

GUIDING PRINCIPLES

These rules of conduct are illustrated with real-life situations that may be encountered by any stakeholder, including employees, managers, directors and other parties. When contradictory influences are at play, it is important that employees have clear rules to help them make the right decision.

The code of conduct and internal policies and procedures provide clear instructions on how to behave, but they cannot provide a solution for all situations. Members of staff must exercise their judgment to make the right decision, drawing on the principles set out in the code of conduct.

If they have any doubts about what they are about to do, employees should ask themselves the following questions:

**WHISTLEBLOWING**

Groupe BPCE employees can use the internal whistleblowing procedures in place in all Group entities to report breaches of the rules before they become serious risks.

The Group protects whistleblowers. Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted impartially and in good faith.

The Group code of conduct and ethics was widely rolled out from late 2018 and throughout the first half of 2019, accompanied by a communications plan across all the Group's media. All members of staff must complete a mandatory e-learning course by the end of the first quarter of 2020 to confirm their understanding of the principles set out in the Code. At the end of 2019, 84% of staff had done the course. Work is also under way to set up an ethical governance structure with a specific reporting process, to incorporate ethics in HR processes and to ensure consistency between the code of conduct and ethics and internal procedures. This work should be finalized in the first half of 2020.

PREVENTION OF MONEY LAUNDERING AND FRAUD

Financial security covers anti-money laundering and counter terrorist financing measures, as well as adherence to international sanctions aimed at individual persons, entities or countries.

BPCE works to prevent money laundering and terrorist financing through:

CORPORATE CULTURE

Promoted across all levels of the company, corporate culture is built on:

- formally-established principles governing relationships with customers designed to avert risks; employees are regularly reminded of these principles;
- a harmonized, biannual training program for Group employees, and specialized training for the Financial Security function.

ACTIVITIES IN 2019

The Group Financial Security department increased its headcount so it can actively monitor all Financial Security matters. The permanent control system was reviewed and enhanced.

ANTI-MONEY LAUNDERING

	2019	2018	2017	Change 2018-2019
Percentage of employees trained in their entity's anti-money laundering policies and procedures (based on reports from the entities) ⁽¹⁾	77%	79%	90%	(3%)

(1) Number of employees (on permanent, fixed-term or work-study contracts) who have received anti-money laundering training in the last two years.

ANTI-CORRUPTION MEASURES

PREVENTION OF CORRUPTION

Corruption, which is defined as an act in which a person offers or grants an undue reward to another person in exchange for an act falling within that person's remit, is fraudulent and unethical behavior subject to severe criminal and administrative sanctions.

Groupe BPCE denounces corruption in all forms and in all circumstances. It is a signatory of the United Nations Global

ORGANIZATIONAL STRUCTURE

In accordance with Groupe BPCE's charters, each institution has its own financial security unit. A department within the Risk division coordinates anti-money laundering and counter terrorist financing processes. It determines the financial security policy for the entire Group, establishes and obtains approval for standards and procedures, and ensures that money laundering and terrorism financing risks are taken into account in the Group's procedures for approving new products and services.

SPECIALIZED PROCESSES

In accordance with regulations, the banks have methods for detecting unusual transactions that are specific to each risk classification. These can be used, if needed, to conduct closer analysis and to submit suspicious-transaction reports to Tracfin (French financial intelligence agency) as promptly as possible. The Group's risk classification identifies "high-risk" countries in terms of money laundering, terrorism, tax fraud or corruption. It enhanced its systems in 2018 with the introduction of a set of standards and automated scenarios tailored to the specific features of terrorist financing. As regards compliance with restrictive measures related to international sanctions, Group institutions are equipped with screening tools that generate alerts on customers (asset freezes on certain individuals or entities) and international flows (asset freezes and countries subject to European and/or US embargoes).

SUPERVISION OF OPERATIONS

Internal reports on the prevention of money laundering and terrorist financing are submitted to company directors and governing bodies, as well as to the central institution.

Compact, whose tenth principle states that "Businesses should work against corruption in all its forms, including extortion and bribery."

Anti-corruption measures

The Group strives to prevent corruption in order to guarantee the financial security of its activities, in particular by:

- taking measures against money laundering, terrorist financing and fraud, supervising politically-exposed persons, and complying with embargoes;

- ensuring that employees observe the code of conduct and professional rules of compliance and ethics by applying policies governing conflicts of interest, exchanges of gifts, benefits and invitations, confidentiality and professional secrecy. Disciplinary sanctions have been defined for any failure to respect professional rules governing the activities conducted by Group companies;
- exercising due diligence when making contributions to political campaigns or to government agents, donations, patronage and sponsorship, or lobbying;
- supervising relations with intermediaries and business introducers via groupwide standardized contracts describing the reciprocal services and obligations, and committees for approving and contractually establishing compensation terms;
- producing and regularly updating a map of exposure to corruption risks arising from the Group's activities. This was supplemented in 2019 by a map of exposure to procurement categories that are exposed to corruption risks;
- organizing regulatory training sessions on ethical rules applicable in the industry and on fighting corruption, in the form of a mandatory e-learning course for all new hires and members of the business lines that are most at risk.

A whistleblowing system is available to employees and included in the internal rules. Employees and external service providers have a procedure in place for implementing the whistleblowing system.

The Group also has a comprehensive corpus of standards and procedures setting out the rules governing the strict separation of operating and control functions, including:

- a tiered system of delegation of authority for granting loans;
- standards and procedures governing KYC and due diligence procedures used for customer classification and supervision purposes.

In the interest of organizing the internal control system, whistleblowing/detection tools and permanent control plans serve to bolster the security of this system.

SIGNATURE OF A TAX PARTNERSHIP WITH THE MINISTER OF PUBLIC ACTION AND ACCOUNTS

BPCE SA, acting on behalf of itself and its wholly-owned subsidiaries, signed the Tax Partnership with the Minister of Public Action and Accounts on its official launch on March 14, 2019.

The Tax Partnership involves regular, transparent dialog with the tax authorities on a voluntary basis and is aimed at large corporations and intermediate sized enterprises, which are subject to frequent tax audits.

It allows the companies concerned to obtain a clear response from the authorities on complex tax matters that can cause financial or legal risk, in exchange for more transparency.

Groupe BPCE is the only bank admitted to this new scheme. To date, 190 Group entities have adhered to the Tax Partnership.

As a reminder, BPCE was a pioneer in this area in 2013 when it joined the experimental 'trusted relationship' scheme set up by the tax authority.

Plans to set up a fiscal code of conduct

Groupe BPCE has decided to draft a fiscal code of conduct setting out the principles and general framework to be used as a guide to the Group's own taxation, as well as the taxation applicable to its customers within their relations with the Group. The Code will be issued to all members of staff and will be applicable to all.

BPCE also has accounting policies and procedures in place in line with professional standards. The Group's internal control system for accounting information is based on a structured audit process to check the conditions in which such information is assessed, recorded, stored and made available, in particular by verifying the existence of the audit trail. This control system is part of the fraud, corruption and influence-peddling prevention and detection plan.

From a more general standpoint, these systems are formalized and detailed in the Umbrella Charter governing the organization of Group internal control and the Risk, Compliance and Permanent Control Charter. These charters apply to parent company affiliates and all BPCE subsidiaries.

BPCE Procurement and Natixis are working to establish common rules for assessing the Group's suppliers in terms of anti-corruption requirements. A KYS system will be introduced in 2020 with rules for assessing the Group's suppliers in terms of their exposure to the risk of corruption, in particular in certain procurement categories.

Pursuant to the requirements of Article 17 of the French act of December 9, 2016 on transparency, prevention of corruption and economic modernization (Sapin 2 Act), Natixis has also reviewed its anti-corruption policy, which is available on its website

https://www.natixis.com/natixis/cms/rpz5_65439/en/code-of-conduite

COMBATING TAX AVOIDANCE AND THE GROUP'S TAX POLICY

Groupe BPCE conducts most of its activities in France, under a regional cooperative business model. Through its subsidiary Natixis, the Group serves multinational enterprises and has thus established commercial operations all around the world. Its presence in different jurisdictions is justified for such business reasons and not for the purpose of enjoying any specific tax advantages.

Groupe BPCE transfer pricing policy

Groupe BPCE's transfer pricing policy observes OECD recommendations and does not give rise to indirect profit shifting.

The general underlying goal is for profits to be taxed where the value is created, in line with OECD transfer pricing guidelines and with local tax rules.

Groupe BPCE applies the "arm's length principle" to ensure that the parties to intragroup transactions are paid the amount they would normally receive on the open market, that transfer pricing methods are applied consistently and that transactions are performed responsibly and transparently.

Groupe BPCE prepares transfer pricing documentation for its intragroup transactions to comply with local transfer pricing documentation requirements in the countries where its entities are located.

Transfer pricing tax compliance

French legislation requires the completion of several specific tax returns and disclosures on transfer pricing.

At the end of 2019, BPCE completed the new Country-by-Country (CbC) report for 2018. This report was created in accordance with Action 13 of the OECD's Base Erosion and Profit Shifting (BEPS) action plan – a coordinated international approach to combat tax evasion by multinational enterprises.

The French General Tax Code requires the arm's length principle be applied to intragroup transactions.

Groupe BPCE entities are subject to regular tax audits during which the authorities review the compliance of its transfer pricing policy.

Financial institutions are also subject to specific annual reporting requirements (under the European CRD IV directive), calling for an itemized disclosure of corporate tax paid in all countries of operation. This report is included in Groupe BPCE's annual registration document.

No commercial presence in non-cooperative states or territories

Groupe BPCE does not conduct any business in non-cooperative countries and territories, and there are no registered offices of Group companies in these countries.

The French tax authorities publish a list of non-cooperative states or territories pursuant to Article 238-0 A of the General Tax Code. The latest list includes the following countries: Botswana, Brunei, Guatemala, Marshall Islands, Nauru, Nioué, and Panama.

DUE DILIGENCE OBLIGATIONS

As a French company with over 5,000 employees, Groupe BPCE is subject to the act of March 27, 2017 defining the requirements in terms of due diligence of parent companies and client companies. This act requires the Group to prepare a due diligence action plan containing measures capable of identifying and preventing risks of violations to human rights and fundamental freedoms, the environment, and occupational health and safety, which could be associated with the activities conducted by BPCE as well as its subsidiaries, sub-contractors and suppliers.

The plan notably includes risk mapping, a risk assessment and mitigation measures, as well as a whistleblowing system.

The Group sees this new regulatory obligation as an opportunity to reiterate and continuously improve its existing due diligence plan. It strengthens the environmental and social risk management framework implemented by the Group on a voluntary basis.

Governance, methodology and scope of the due diligence plan

In view of the issues covered by the due diligence system and the scope of risks covered, a number of divisions were involved in drafting the due diligence plan: CSR & Sustainable Development, Risks, Compliance and Permanent Control, Human Resources, Procurement, and Legal, as well as representatives from Natixis, a BPCE subsidiary also subject to the law on due diligence.

Tasked with identifying the main risks liable to arise in the course of its activities, the working group selected the following two risk approaches:

- an approach tailored to the activities and operations of BPCE and its subsidiaries, covered in the "Activities" pillar;
- an approach specific to the procurement function, developed during the update of procurement processes as a whole, addressed in the "Procurement" pillar.

In light of these identified risks, and given the obligation to provide results, reasonable due diligence measures intended to prevent the risks were identified and/or enhanced.

The overall rollout of the due diligence plan is coordinated by the divisions listed above and implemented under their responsibility. The plan is designed to adapt over time as new issues and risks are identified.

In preparing its due diligence plan, the Group determined the issues covered by the scope of the law, identified the risks involved in relation to the non-financial performance report and reviewed its policies and existing risk assessment and management procedures.

The Group based its due diligence plan on the Declaration of Human Rights of 1789, the Environment Charter and international law more broadly. It led to a risk review covering the following:

- issues involving human rights and fundamental freedoms, in particular discrimination, inequality, the right to privacy and family life, the right to protest, freedom of association and freedom of opinion;
- issues involving personal health and safety: health-related risk, failure to observe legal working conditions, forced labor, child labor, violation of worker safety and unequal access to healthcare;
- issues relating to the environment: risk of pollution (water, sea, soil), interfering with the fight against global warming, harming biodiversity, waste management.

As a signatory of the Global Compact (for the second year, with "advanced level" obtained in 2019), Groupe BPCE has undertaken to uphold the ten associated principles covering human rights, international labor standards, environmental protection and the prevention of corruption.

First, regarding the risks relating to the Group's activities, the review scope included its employees and the main activities performed in respect of its banking business ("Activities" pillar).

Second, the scope of suppliers and sub-contractors was extended with a specific system ("Procurement" pillar).

For monitoring purposes, the indicators used under the TEC2020 strategic plan and for the Group's non-financial performance disclosures enable it to monitor the implementation and effectiveness of action taken by the Group. These indicators are mentioned in the explanation of the due diligence plan.

"Activities" pillar

Employees: identification of risks, implementation of mitigating measures and monitoring indicators.

For the management of its employees, Groupe BPCE is aware that its first scope of responsibility lies in-house and to this end, it has a responsible HR policy covering its employees and their geographical location.

For the risks incurred by its members of staff – most of whom work in France – the most relevant areas requiring attention in terms of the activities performed by BPCE and its subsidiaries are shown in the table below. These issues are already strictly

Subject	Mitigating measures	Monitoring indicator
Preventing discrimination and promoting equal opportunities for men and women	see Chapter 2.4.3, "Ensuring equality – developing gender equality, promoting diversity"	Women in management roles: 42.3% (in 2017), 42.9% (in 2018), 43.7% in 2019 Objective: 45% Female company directors: 20.4% (in 2017), 26.1% (in 2018), 26.4% in 2019 Objective: 30%
Promoting equal opportunities	See Chapter 2.4.3, "Equal opportunities"	No specific indicators at present
Preventing discrimination against persons with disabilities	See Chapter 2.4.3, "Ensuring equality – a commitment to persons with disabilities"	The employment rate of persons with disabilities stands at 5.03% for the two networks.
Facilitating social dialog and the freedom of association	See Chapter 2.4.3, "Dialog with employee representatives at the Groupe BPCE level and review of collective bargaining agreements"	4 meetings of the Group Committee 2 meetings of the Strategic Planning Committee
Non-compliance with legal working conditions	See Chapter 2.4.3, "Improving quality of life in the workplace"	No specific indicators at present
Health and safety in the workplace	See Chapter 2.4.3, "Occupational health and safety conditions and workplace accidents"	No data available for 2019 at present for 2018, number of absences due to workplace/commuting accidents: 1,089.

As a responsible company, BPCE ensures it applies ethical business practices by fostering a compliance culture among all members of staff through the Groupe BPCE code of conduct and ethics. This is rounded out by a responsible compliance approach implemented by Financial Security and Compliance,

monitored under existing legislation in France, in particular the Labor Code. Groupe BPCE's human resources management policies provide a response to the goals of achieving a fairer society and address the transformation of its business activities over time. A series of voluntary charters, agreements and operational systems ensure the protection and safety of employees in performing their duties.

These topics are covered by the risk analysis performed for the non-financial performance report under "Diversity", "Employability and transformation of jobs", and "Working conditions".

covering anti-money laundering, anti-fraud and anti-corruption systems.

This risk is reported in the non-financial performance report under "Respecting business ethics in all Group business lines".

Subject	Mitigating measures	Monitoring indicator
Business ethics	See Chapter 2.4.1, "Prevention of money laundering and fraud"	% of employees trained in the code of conduct and ethics 84% of employees registered by their entities were trained in the code of conduct and ethics, representing 49,500 people in 2019.

Financial products and services: identification of risks, implementation of mitigating measures and monitoring indicators.

Regarding the risks relating to discrimination against customers arising with the distribution of financial products and services, the topics identified are presented in the table below along with the mitigating measures applied by Groupe BPCE.

These risks are covered by the risk analysis performed for the non-financial performance report under "Financial inclusion", "Financing the real economy and society's needs", and more generally, via the risks relating to lasting customer relations and customer protection and the transparency of the product offer.

Risks regarding customers' right to privacy, data protection and cybersecurity were also identified. These risks are covered in the non-financial performance report under "Data security".

Subject	Mitigating measures	Monitoring indicator
Preventing discrimination and promoting equal opportunities for men and women	See Chapter 2.3.2, "Promoting personal and professional microloans in partnership with support networks"	Women accounted for 49% of entrepreneurs supported with a professional microloan by the Banques Populaires and the Caisses d'Épargne (via our partner France Active)
Promoting equal opportunities for visible minorities	See Chapter 2.3.2, "Financing for the energy, ecological and social transition with Groupe BPCE's products and services" and Chapter 2.2.1, "Engagement and dialog"	It is not possible to report on visible minorities because this would involve the application of criteria requiring the production of sensitive data under the terms of the GDPR
Data security and confidentiality	See Chapter 2.4.1, "Data protection and cybersecurity"	Percentage of new community projects with ISS and Privacy support: 87%

More generally, as part of its business as a banker, Groupe BPCE is subject to a series of regulations (anti-money laundering, anti-corruption, embargoes, etc.) which form an integral part of its activity. Over and above these requirements, ESG criteria are gradually being incorporated into the Group's risk policies to take into account the impact of the activities it finances. A section on climate risk and strengthening CSR principles was added to the Group's credit risk policy in 2018. A new paragraph on the ESG risk assessment and ratings (high, moderate, or low risk) has also been added to supplement sector policies (agri-food, automotive, construction and public works, communications and media, transport sectors, etc.). The non-financial performance report addresses this risk under "ESG risks" (see Chapter 2.3.1, "Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy").

In its financing activities, for several years now, Groupe BPCE, including Natixis, has addressed the human rights and environmental risks incurred by some of its financing activities, most notably by applying the Equator Principles for project financing and specific policies for sensitive sectors. (See Chapter 2.2.1, "Engagement and dialog" and Chapter 2.3.1, "Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy".)

As a signatory of the Equator Principles, for the past several years, Natixis has applied a system for measuring and managing risks related to human rights and the environment in its project financing activities. It also applies specific sector policies in high risk sectors.

In addition to this due diligence, Natixis is also working on an integrated approach to managing environmental, social and governance (ESG) risks for its corporate clients. The process is being included in the bank's existing client onboarding and loan approval systems, involving the business lines and the Compliance, Risk and CSR departments. This project will use questionnaires specific to each sector rolled out gradually among existing and new customers to establish a ranking of clients based on due diligence categories.

Procurement pillar

In a concerted approach, BPCE Procurement, acting on behalf of Groupe BPCE, and three other banking groups decided to map out their CSR risks by procurement category using shared classifications covering around a hundred sourcing categories. The CSR risk map and the corresponding due diligence plan were presented to the procurement and CSR functions in the last quarter of 2018. The map identifies risks of serious violations and prioritizes the necessary actions in each category. It also incorporates the risk associated with the country in which

the majority of the added value on each product or service is generated.

This risk map identified thirteen procurement categories with a high or very high level of risk independent of country risk, which can increase or decrease the intrinsic risk. For these categories, a specific procedure has been set up for proposal requests organized by BPCE Procurement on behalf of Group companies. Under this procedure, suppliers must complete a questionnaire specific to each category and provide details of the action taken to mitigate the risks and prevent major violations. BPCE Procurement assesses these actions and assigns a CSR rating, which is included in the supplier's overall rating. Depending on the results, an improvement plan is established with the chosen suppliers, subject to review at the six-month point.

This system can be used outside the consultation process for suppliers already approved or those that invoice large amounts to Groupe BPCE.

Procurement managers at Groupe BPCE entities may apply this due diligence system on a voluntary basis and can contact their CSR manager to prepare a joint action plan.

BPCE Procurement has provided training to familiarize the procurement and CSR functions with the system, in the form of morning procurement meetings, classroom-based lessons and specific due diligence e-learning courses.

Indicators are used to monitor the rollout of the due diligence process for high and very high risk procurement categories:

- 31% of relevant procurement categories have been assessed;
- 46% of relevant procurement categories are currently being assessed;
- 100% of BPCE Procurement buyers responsible for these procurement categories have received training.

Whistleblowing

Groupe BPCE has a whistleblowing system in place setting out the applicable procedure at all Group entities, as provided for in the act of December 9, 2016 (Sapin 2 Act) and the Ministerial Order of November 3, 2014 on internal control of banking sector companies. The current whistleblowing procedure applies to all internal employees, as well as to external and occasional staff, who may use the procedure should they become aware of any crime, offence, major violation of the law, threat or major breach of general interest or any conduct or situation that breaches the code of conduct. Groupe BPCE entities protect whistleblowers. Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted impartially and in good faith.

The current whistleblowing procedure will be supplemented by the effective implementation of the obligations arising from the French Due Diligence Act in 2020.

RESPONSIBLE PROCUREMENT POLICY

CSR is one of the priorities of the 2020 procurement strategic plan followed by BPCE Procurement and the procurement function. The Group has set the following targets for 2020:

- increase the number of Group companies with Responsible Supplier Relations and Procurement certification from 7 to 14;
- raise the percentage of requests for proposals (RFPs) observing standardized procurement processes that include CSR criteria to 80%;
- pay suppliers in 28 days, on average;
- incorporate CSR into the procurement policy.

ENGAGING STAKEHOLDERS WITH THE RESPONSIBLE PROCUREMENT POLICY

Since 2018, the responsible procurement charter, a joint initiative by BPCE Procurement on behalf of Groupe BPCE and leading French banks and insurers, has been one of the reference documents included in tender documentation sent to suppliers. The aim is to involve suppliers in the application of diligence measures in this area.

APPLYING THE RESPONSIBLE PROCUREMENT POLICY IN DAILY PROCUREMENT ACTIVITIES

The CSR roadmap and the action plan produced by the "developing responsible procurement" project implemented under the Groupe BPCE CSR policy, set out three priority objectives: optimizing the environmental and social impact of purchases, contributing to the economic and social development of the regions and promoting best business practices. A responsible-procurement working-group run by BPCE Procurement and comprising procurement and CSR representatives discusses these three objectives and implements the action plan.

CSR is incorporated:

- in the Groupe BPCE procurement policy: developing responsible procurement is one of the three priorities of the Group's procurement policy;
- in the procurement process: the responsible procurement policy has been adapted and included in the different tools used in the procurement process;
- in supplier relations: analysis considered how to find a simple, quantifiable way of measuring suppliers' CSR performance. Procurement teams can include a voluntary CSR performance assessment questionnaire for suppliers and their products in order to identify CSR risks and opportunities in the tender process and incorporate this performance in their overall assessment;
- in procurement documents: At the end of 2019, 36% of tender documentation included a CSR component, up 6% compared to 2018.

The Group's procurement managers are instructed to apply and circulate this policy within their companies and among their supplier panels.

PROMOTING SUSTAINABLE, BALANCED RELATIONS WITH SUPPLIERS

In 2019, two Groupe BPCE companies – Banque Populaire du Sud and Caisse d'Épargne Hauts de France – applied for the Responsible Supplier Relations and Procurement label in cooperation with BPCE Procurement. The companies certified in 2016 – Banque Populaire Rives de Paris, Caisse d'Épargne Ile-de-France and Caisse d'Épargne Midi-Pyrénées – have renewed their certification for three years.

As part of a program of constant improvements, the companies certified in 2018 and 2019 – Banque Populaire Grand Ouest, Caisse d'Épargne Aquitaine Poitou-Charentes, Caisse d'Épargne Bretagne Pays de Loire, Caisse d'Épargne Grand Est Europe, Caisse d'Épargne Rhône Alpes and BPCE – received a positive assessment in their annual review.

In line with the Responsible Supplier Relations Charter and the responsible procurement standard ISO 20400, the Responsible Supplier Relations and Procurement certification is awarded by the company mediator (under the auspices of the French Ministry for the Economy) and the CNA (French association of purchasing managers). It aims to single out French companies that have established lasting, balanced relations with their suppliers.

The certification is awarded for a period of three years and an annual audit is performed to verify that best practices in responsible supplier relations (respect for supplier interests, integration of environmental and social criteria in procurement procedures, quality of supplier relations, etc.) are constantly applied by the certified entities.

Eleven Groupe BPCE companies have committed to this label, reflecting the responsible procurement strategy coordinated by BPCE Procurement and the integration of CSR at the center of the procurement function and in relations with suppliers.

RAISING AWARENESS OF RESPONSIBLE PROCUREMENT

In 2019, two e-learning training courses on ethics in procurement and responsible procurement were published for the procurement and CSR departments.

A platform for sharing services, suppliers and best practice – ONEMAP RSE – was made available to Groupe BPCE employees. The objective is to allow localized sourcing, taking CSR criteria into account.

An event on payment deadlines was organized by BPCE Procurement. It allowed purchasers, Accounting and Finance departments in the Group companies to share their payment rules and use testimonials to identify best practices.

DUE DILIGENCE ACTION PLAN

The initiatives implemented in accordance with parent company and client company due diligence requirements are detailed in section 2.4.1 of this chapter, "Due diligence obligations".

Outlook

The Group aims to continue to apply the action plan provided for in the CSR pillar of the 2020 procurement strategic plan, in line with the "Developing responsible procurement" priority set out in the CSR section of the Group strategic plan. Appropriation of the responsible procurement policy will continue with the dissemination of best practices, the implementation of the supplier CSR assessment shared by procurement and CSR managers, and the awarding of the Responsible Supplier Relations and Procurement certification to new Group companies.

SUB-CONTRACTING POLICY

In accordance with the responsible procurement policy, the Group's suppliers are required to comply with current CSR rules and regulations and to encourage their own suppliers and sub-contractors to do the same. These commitments are included in the responsible procurement charter, which is one of the reference documents included in RFP documentation.

DISABILITY AND RESPONSIBLE PROCUREMENT POLICY
("PHARE")

Since July 2010, when it launched the responsible purchasing and disabilities policy (*Politique Handicap et Achats Responsables*, or PHARE), Groupe BPCE has contributed to the professional and social inclusion of persons with disabilities by sub-contracting some operations to companies working with disabled persons.

In 2019, Groupe BPCE bolstered this commitment by spending €15 million (including tax)⁽¹⁾ on companies employing persons with disabilities, representing a more than five-fold increase since the policy was launched. Purchases by Groupe BPCE from companies working with disabled persons contributed to the professional inclusion of persons with disabilities equivalent to 499 Full-Time Equivalent (FTE) positions⁽¹⁾. To develop purchasers' expertise and independence when purchasing from

companies working with people with disabilities, an e-learning training course was made available to the procurement function and the Group's disability officers.

Groupe BPCE currently works with over 300 suppliers in this sector who provide different types of services both directly and via co-contracting agreements.

With this policy, the Group has undertaken to continue expanding its cooperation with EAs (*entreprises adaptées*), which are companies offering disability-friendly work environments, and with ESATs (*établissement et service d'aide par le travail*), which are establishments offering employment to disabled persons with special needs and unable to work in an ordinary setting.

The PHARE symposium aims to facilitate meetings between companies working with disabled persons and Group companies in order to encourage them to work more often with EAs and ESATs. This annual event also provides the opportunity to share best practices and thus facilitate the implementation of new initiatives.

In 2019, four Group entities attended the fifth symposium held in south-eastern France. The theme of the symposium was innovation, providing an opportunity to learn about new activities offered by companies in the social and solidarity-based economy and start-ups in the region.

PURCHASES FROM COMPANIES WORKING WITH PEOPLE WITH DISABILITIES

	2019 ⁽¹⁾	2018	2017
Number of full-time equivalent positions in companies working with disabled persons (2019 estimate)	499	518	523
Purchases from companies working with disabled persons (2019 estimate) (in thousands of euros)	15,025	15,169	15,770

(1) Estimate.

CUSTOMER PROTECTION

Groupe BPCE protects its customers' interests by tasking committees with the approval of new products, services and sales processes and any upgrades.

In 2010, Groupe BPCE introduced an approval procedure for new banking and financial products and services. This procedure is designed to manage the risks associated with the sale of products and services and the implementation of new sales processes (digitalization, etc.) and to take into account regulatory requirements aimed at protecting customers' interests and personal data. The approval procedure includes contributions from the competent experts and business lines within BPCE. This procedure must be completed before the new product or sales process is presented to the Group's approval committees prior to marketing or development.

Within the scope of investment services, BPCE's marketing process incorporates the obligations arising from the Markets in Financial Instruments directive and regulation (MiFID II), the Insurance Distribution Directive (IDD) and the Packaged Retail Investment and Insurance-based Products Regulation (PRIIPs). A remediation plan was set up in 2018 and continued in 2019 to enhance IT security in some processes. Accordingly, specific governance and supervision of products covered by MiFID II have resulted in the establishment of:

- a committee in charge of validating model securities portfolios, which meets quarterly since the third quarter of 2018 to monitor the performance of high risk asset allocations, perform a macroeconomic review and prepare an allocation analysis and outlook;

(1) Estimate.

- a Product Governance and Supervision Committee working alongside manufacturers, established in 2019 to exchange information between manufacturers and distributors, and to oversee complaints and the distribution strategy in line with sales reporting, product changes and investor protection, etc.

COMPLIANCE WITH THE GROUPE BPCE CODE OF
CONDUCT AND ETHICS

BPCE has published a code of conduct and ethics for the whole Group. Employees have been informed about the Code and it is available on the Intranet and on Internet.

<http://guide-ethique.groupebpce.fr/>

Providing customers with clear, accurate and truthful
information

The Group ensures it provides its customers with accurate information (in-branch displays, contractual, pre-contractual and commercial documentation, product subscription process). To this end, BPCE has a system for approving national sales material, which includes approval by the Compliance division and the Legal department, where applicable. Local communications campaigns are approved by the Group's banks, which have been provided with a compliance guide listing all their obligations in this area.

Compliance is careful to ensure that sales procedures, processes and policies guarantee that compliance and ethics rules are observed at all times for all customer segments, and in particular that customers are given suitable advice with respect to their situation and their needs.

In terms of our CSR products (environmental products, and social and solidarity-based products), a specific range has been produced with Mirova's UCITS and funds investing in regional SMEs, particularly innovative SMEs (FIPs – local investment funds, and FCPIs – innovation investment funds).

Employee training

Group employees regularly receive training on customer protection, the right to hold an account and vulnerable customers. Ethics and compliance training, entitled "Fundamentals of professional ethics", has been set up for all employees.

Supervision of sales challenges

Group Compliance coordinates the approval of national sales challenges, ensures that conflicts of interest are managed properly and guarantees that customer interests always come first. Local challenges are coordinated by local Compliance teams.

Addressing market abuse and financial activities

With the transposition of the Market Abuse directive and regulation, the Group began using a market abuse alert analysis and reporting tool covering the Banques Populaires, the Caisses d'Epargne and their subsidiaries. A virtual assistant helps staff members analyze alerts reported by the Group's information systems.

The Group's market abuse memorandum has been updated and compliance staff are given special training to enhance their skills and due diligence in the analysis of market abuse alerts.

Lastly, the SRAB KPI measurement methods (regarding the separation of banking activities) recommended by the AMF and ACPR were implemented throughout the Group.

COMPLAINTS MANAGEMENT:

The complaints handling process

Complaints are handled at three successive levels:

- Level 1: the branch or business center in charge of the relationship;
- Level 2: the Customer Relations department of the bank or the subsidiary if the complaint has not been resolved at level 1;
- Level 3: the mediator, if the complaint persists despite the level 2 intervention.

The mediator is an independent body. It has its own website where customers can complete a form to submit their request for mediation.

All Groupe BPCE entities have a department that handles customer complaints.

The procedure for discussing or transferring complaints between the Customer Relations departments of Group institutions, and those of the subsidiaries, is organized to ensure that each complaint is addressed as quickly as possible.

Informing customers about the complaints handling
process

Customers are informed of the complaints handling process and how to contact the bank:

- on the Group's websites;
- in fee guides;
- in the general terms and conditions.

Monitoring of the complaints handling process

This monitoring covers:

- the reasons for complaints;
- the products and services involved;
- processing times.

Key indicators are regularly submitted to Groupe BPCE bank directors, Internal Control departments and all sales structures.

63% of complaints are addressed in less than 10 days.

The average processing time in 2019 was 13 days⁽¹⁾.

Analysis and use of information about complaints

Group entities analyze complaints in order to detect failures, shortcomings and bad practices.

This analysis allows them to establish corrective measures to be implemented with the relevant divisions.

The Group is working on developing research into the causes of complaints.

This continuous improvement process is also aided by customer comments shared through satisfaction surveys and observed by monitoring online and social media activity and customer opinions.

CUSTOMER SATISFACTION AND QUALITY POLICY

In 2019, Groupe BPCE committed to providing a customer experience aligned with the highest standards on the market. To do so the Group has activated all key components of customer satisfaction.

Customer satisfaction is measured using the NPS (net promoter score).

The Group uses customer surveys to help the brands – from the branches to the head office – effectively boost customer satisfaction on all markets.

These surveys allow us to contact all customers once a year and each time they are in contact with their advisor, enabling us to capture customer satisfaction in real time and make improvements to their mobile experience or their experience in their branch or with their advisor. All members of staff can now access a mobile phone app that shows customer satisfaction levels in real time – the app records over 100,000 visits per year.

At the end of 2019, the NPS had increased by 6 points over one year for the Banques Populaires and by 7 points over one year for the Caisses d'Epargne.

Two programs were rolled out across the networks to accelerate this trend:

- the first program, targeting individual and professional customers, is focused on "keeping things simple, maintaining a close relationship with customers, and being committed banking experts";
- the second program, targeting corporate customers, is focused on "being responsive and proactive".

(1) Source: Complaint monitoring tools.

These programs are intended to enhance performance in terms of everyday banking experience and at key times in the customer's life.

They clearly reflect customer satisfaction drivers and provide each entity with the information they need to implement them successfully.

Customers have high expectations: they expect their advisor to answer the first time they call and provide a response within half a day, and they want to keep the same advisor for longer than three years.

Action taken under these programs in 2019 focused in particular on key customer expectations:

- improved telephone access and responsiveness in our branches;

- rollout of a program on relationship management attitudes to generate more customer recommendations;
- launch of efforts to better manage the frequency with which customers' advisors change.

The results achieved at the end of 2019 are encouraging:

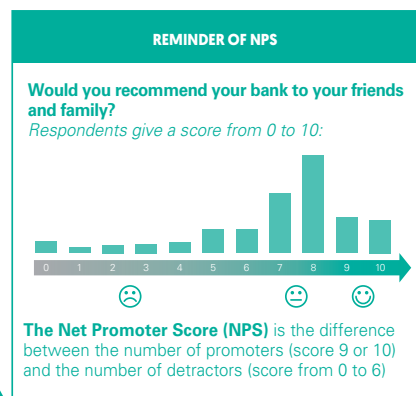
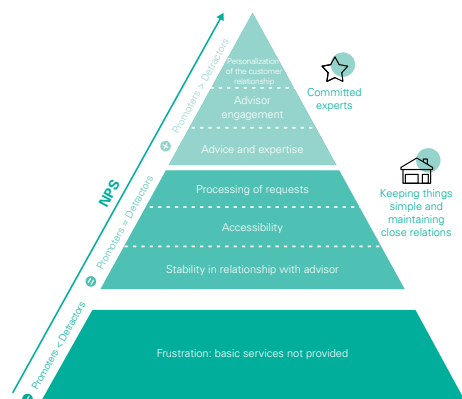
- accessibility: +3 points for the Banques Populaires and +7 points for the Caisses d'Epargne;
- responsiveness: +2 points for the Banques Populaires and +6 points for the Caisses d'Epargne;
- change of advisor: +2 points for the Banques Populaires and +4 points for the Caisses d'Epargne;
- opinion of advisor: +3 points for the Banques Populaires and +6 points for the Caisses d'Epargne.

NPS PROGRESS

	At 12/31/2019	At 12/31/2018	At 12/31/2017	Change 2018-2019
NPS – Banques Populaires	(4)	(10)	(19)	6 points
NPS – Caisses d'Epargne	(10)	(17)	(25)	7 points

Components of the Net Promoter Score (NPS)

Customer advisors remain central to the relationship despite the rise of digital banking. Advisors make the biggest contribution to customer satisfaction



DATA PROTECTION AND CYBERSECURITY

Preventing risks relating to cyber threats, safeguarding the information systems and protecting data – in particular the personal data of our customers, employees and all our

stakeholders – are key priorities and the focus of Groupe BPCE's concerns.

Trust lies at the heart of the Group's digital transformation and it firmly believes that cyber security is essential for its businesses.

Organization

GROUP SECURITY DIVISION (DS-G)

The Group Security division (DS-G) establishes and adapts Group IT System Security policies. It provides continuous and consolidated oversight of information system security, along with technical and regulatory watch. It initiates and coordinates Group projects aimed at reducing risks in its field.

Within its remit, DS-G represents Groupe BPCE vis-à-vis banking industry groups and public authorities.

As a contributor to the permanent control system, the Group Head of Security reports to the Group Security Compliance department within the Group Corporate Secretary's Office. Within the central institution, the Group ISS division also works regularly with the Group's Inspection Générale division.

Groupe BPCE has established a groupwide Information System Security function comprising the Head of Group Information System Security (RSSI-G), who coordinates the function, and the Heads of IT System Security for all Group entities.

The heads of Information System Security for parent company affiliates, direct subsidiaries and EIGs are functionally subordinated to the RSSI-G through coordinated actions. This means that:

- the RSSI-G is notified of the appointment of any heads of information system security;
- the Group's information system security policy is adopted by the individual entities, and each company's application methods for the Group policy must be presented for validation to the Group's Head of Information System Security prior to approval by Executive Management and presentation to the Board of Directors or the Management Board;
- a report on the institutions' compliance with the Group's information system security policy, permanent controls, risk level, primary incidents and actions is submitted to the RSSI-G.

DATA PROTECTION

- each entity has its own Data Protection Officer (DPO), who reports functionally to the Group DPO Coordinator;
- the Group DPO Coordinator is responsible for organizing the personal data protection process;
- each entity business line has data processing officers who liaise with the DPO;
- training on personal data protection is provided to the DPOs and Group employees.

As of the end of 2019, 87% of new community projects received ISS and Privacy support.

Cyber security strategy

In response to the new challenges of IT transformation and to achieve the goals it has set, the Group has a cyber security strategy with four priorities:

- to support the Group's digital transformation and growth:
 - raising customer awareness of how to manage cyber risks and providing support,
 - ramping up and standardizing security, GDPR and fraud support in business line projects with an appropriate level of

security under a Security by Design/Privacy by Design and Privacy by Default approach,

- enhancing the customer and employee digital security experience,
- facilitating secure use of the public cloud;
- to provide governance and observe regulations:
 - implementing governance and a common reference framework for security matters,
 - strengthening and automating permanent controls,
 - developing a Risk Appetite Framework,
 - managing risks caused by third parties, including in terms of personal data protection;
- to continually improve understanding of the information systems' assets and improve their protection:
 - applying and reinforcing security basics,
 - enhancing protection of the most sensitive assets, in line with the risk appetite framework, in particular regarding data,
 - implementing user identity and access management governance,
 - developing cyber culture within the Group and the associated tools and methods for different target populations;
- to continually improve its cyber attack detection and response capabilities:
 - enhancing monitoring systems, in particular through the Groupe BPCE CERT (Computer Emergency Response Team).

In 2019, the cyber security strategy was implemented in the following major projects:

- definition of the Group Security Master Plan to establish the Group's ambitions in terms of cyber security, taking into account IT security, IT continuity and regulatory compliance IT projects (GDPR⁽¹⁾, PSD2⁽²⁾, etc.);
- extension of the ISS mapping of all the Group's information systems, including entities' private information systems and shadow IT systems. This project is scheduled for completion by the end of 2020, with an intermediate goal of mapping out the information systems serving the 28 most critical business processes by the end of the first half of 2020;
- production of a groupwide identity and access management (IAM) roadmap, aimed at:
 - establishing a Group database of individuals, applications and organizations,
 - implementing Group IAM governance,
 - integrating all the Group's applications in the IAM, if possible, with automatic data input and a global view of user rights;
- definition and initial execution of the Group Awareness Plan:
 - delivery of an awareness-raising kit to all Group entities for Cyber Security month;
 - provision of ongoing training in secure development of applications for the Group's developers;
 - phishing awareness-raising campaigns for 30,000 members of staff at 32 Group institutions;

⁽¹⁾ General Data Protection Regulation.

⁽²⁾ European Payment Services directive version 2.

- design and implementation of an enhanced personal data protection awareness campaign for project managers and the heads of products and services;
- in the fight against cybercrime:
 - implementation of new services adapted to changing threats, available to all Group institutions; for example, an IOC (indicators of compromise) management platform and a proactive solution for analyzing web and mobile malware,
 - increased presence of the Groupe BPCE CERT (Computer Emergency Response Team) in the InterCERT-FR

community (run by the ANSSI) and in the European TF-CSIRT task force,

- creation of a unified Group Security Operations Center (SOC) – a surveillance and detection control tower – including a Level 1 supervisor, operating 24/7,
- expansion in 2019 of the VIGIE community (Groupe BPCE's collective due diligence system) to include the Banques Populaires and the Caisses d'Épargne, in order to improve communications and oversight of their private information systems.

2.4.2 Reducing Groupe BPCE's carbon footprint

Reducing the environmental footprint of the Group's own operations is one of the key pillars of the 2018-2020 CSR strategy and the Group has set a goal of reducing its carbon emissions by 10% in relation to 2017.

To this end, it has established a Group environmental reporting system and organized several campaigns to raise awareness of best practices.

The Group's training catalogue offers specific CSR training sessions open to all Group employees, covering:

- awareness of CSR, energy and climate issues: a session on the CSR basics was provided to Group employees;
- CSR reporting: one session was held to raise employee awareness of the organization of CSR data collection and the use of IT tools for preparing and publishing the CSR report;

GROUPE BPCE, A PARTNER AND PRECURSOR OF THE NET ZERO INITIATIVE, LAYS THE FOUNDATIONS OF A GROUPWIDE CARBON NEUTRALITY FRAMEWORK

In 2018, the Group joined the Net Zero initiative alongside eight other French companies, to draft a methodology for companies seeking to achieve a challenging, credible and harmonized net zero carbon footprint. Carbon neutrality was explicitly mentioned in the Paris Agreement on climate change as an objective to be reached by the end of the century. It corresponds to a balance between greenhouse gas emissions and the volumes absorbed by carbon sinks. The first mission of the initiative was to draft a market-wide methodology for companies seeking to achieve zero net emissions.

CLIMATE CHANGE

The Group's target is to cut its greenhouse gas emissions by 10% in relation to 2017 by 2020, from 602,629 to 542,366 metric tons of CO₂ equivalent (tCO₂eq)^[1].

To monitor progress on initiatives subject to clear targets, the Group CSR & Sustainable Development division has used a special tool since 2013 to review its greenhouse gas (GHG) emissions. The tool is based on a methodology compatible with that used by the ADEME (the French environment and energy management agency), ISO 14064 and the Greenhouse Gas Protocol.

After seven years spent collecting carbon data using a stable benchmark shared by all Group companies, the tool is able to provide:

- an estimate of each company's greenhouse gas emissions;

- a map of GHG emissions:
 - by source: energy use, procurement of goods and services, business travel, fixed assets and other,
 - by scope: Indirect emissions caused by the Group's products and services are excluded from the scope of this analysis, but work is underway on this subject (see chapter 2.3.1, "Reflecting environmental, social and governance risks and our customers' requirements and aspirations in our strategy").

The entities that currently perform carbon review represent 94% of the Group's permanent staff.

Each year, the Group provides stable benchmark indices covering the entire Group and each individual entity. The indices are used to define local GHG emission reduction plans and drive national initiatives.

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON REVIEW IN 2019

In 2019, total Group emissions (excluding its datacenters) amounted to 587,999 tCO₂eq, down 2% in relation to 2018. Emissions per employee came to 6.8 tCO₂eq/FTE, down by 1%

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON REVIEW (EMISSIONS IN TCO₂EQ)^[1]

Indicator	2019	2018	2017	Change 2018-2019
Direct greenhouse gas emissions – Scope 1 (tCO ₂ eq)	27,877	28,869	28,652	(3%)
Indirect greenhouse gas emissions – Scope 2 (tCO ₂ eq)	18,747	24,689	30,738	(24%)
Indirect greenhouse gas emissions – Scope 3 (tCO ₂ eq)	541,376	548,029	543,239	(1%)
Total (excl. data centers)	587,999	601,587	602,629	(2%)
Total tCO ₂ eq/FTE	6.8	6.9	7.0	(1%)

The data centers made up 2% of total Group emissions in 2019.







Indicator	2019	2018	2017	Change 2018-2019
Data center emissions	10,064	11,281	14,572	(11%)
% of Group carbon emissions (recorded in the carbon review) generated by data centers	1.7%	1.9%	2.4%	(9%)

A breakdown of the largest sources of GHG emissions in 2019 is provided below.

RESULTS OF GROUPE BPCE'S CONSOLIDATED CARBON REVIEW, BY SOURCE (EMISSIONS IN TCO₂EQ)^[1]

GROUPE BPCE CARBON EMISSIONS IN 2019

587,999 tCO₂eq

POSTE	2019 (tCO ₂ eq)	SHARE OF TOTAL	CHANGE 2018-2019
 TRAVEL	189,381	32%	(4%)
Daily work commute	99,376	17%	(3%)
Business travel	49,183	8%	1%
Customer and visitor travel	40,822	7%	(8%)
 PROCUREMENT Goods and services purchased	165,118	28%	(6%)
 FIXED ASSETS IT equipment, buildings, vehicles, ATMs	144,759	25%	(13%)
 TRANSPORT Mail, cash transport	51,331	9%	(5%)
 ENERGY Electricity, natural gas, heating oil, heating network	36,929	6%	(19%)
 WASTE Non-hazardous and recycled waste, WEEE	482	0.1%	(58%)

[1] See note on methodology – optimization of the number of indicators.

[1] See note on methodology – optimization of the number of indicators and calculations using the same consolidated scope.

With the exception of fixed assets, emissions declined in all areas, partly due to the "emission factor" effect and also as a result of initiatives taken by Groupe BPCE entities. Emission factors are reviewed annually by the Ademe and Carbone 4, and are updated in Groupe BPCE's information systems.

The 4% decline in travel-related emissions is due to internal policies and the significant decrease in the number of customer journeys to their branches thanks to the expansion of digital communications tools.

For fixed assets, emissions were up by 13% due to a substantial increase in emission factors. This increase was not offset by the reduction in surface area or the 90% increase in energy-efficient surface area.

Procurement emissions were down by 6%. This was due to improved recognition of our suppliers' carbon emissions in emission factors. This policy is aligned with the overall responsible procurement policy.

There are various best practices for reducing emissions, some of which are described below.

ENERGY CONSUMPTION

The Group's energy consumption amounted to 180 kWh per m² in 2019 *versus* 164 kWh per m² in 2018. A series of measures were taken to reduce our energy consumption in 2019.

- Better energy-use management, in particular with the installation of automated controllers in branches: since 2016, an energy-saving solution has been available to the companies in the Group. The software identifies energy savings and implements energy reduction initiatives with the assistance of Energy Manager.
- Launch of an IOT solution to collect information about temperatures in our branches, replacing the previous "plugged-in" solution.
- Performance of energy audits on all Groupe BPCE buildings, in accordance with regulations.
- Continued replacement of incandescent light bulbs with LED bulbs and installation of motion detectors in most head office buildings :

ENERGY CONSUMPTION

Indicator	2019	2018	2017	2016	Change 2018-2019
Total energy consumption per m ² (kWh/m ²)	180	164	172	180	10%
Total final energy consumption (kWh) ⁽¹⁾	540,692,814	575,137,611	547,846,479	547,977,132	(6%)
o/w data centers (kWh)	13%	12%	12%	NC	1%
Share of renewable energy in total final energy consumption (kWh)	104,726,079	112,589,467	179,405,225	123,369,266	(7%)

(1) Sum of: (kWh of electricity + kWh HHV of gas/1.11 + liters of heating oil x 9.86 + kWh of steam + kWh of cooling)/total m².

Indicator	2019	2018	2017	2016	Change 2018-2019
Number of buildings with environmental or other certification	44	42	32	32	5%
Surface area of buildings with environmental or other certification (m ²)	333,201	175,071	148,688	219,149	90%

(1) Power Usage Effectiveness.

– Less use of heating oil (-2% from 2018 to 2019) in our networks. This decline reflects the gradual replacement of heating oil by low carbon energy sources.

• Large-scale initiatives at the four data centers:

– At the two Albireo sites: investments were made in new control valves for the denco data center cooling units at the Albireo campus. Existing valves were replaced with Energy Valves, which are self-regulating, measure energy use and report malfunctions, thus improving energy efficiency from the production to the distribution stage.

These initiatives reduced the PUE⁽¹⁾ by 0.2 points (for a constant level of consumption), representing annual savings of €250,000-€300,000 on the campus' energy bill. The annual PUE stands at 1.60 for the Saphir building and 1.56 for the Topaze building, representing an average of 1.58 for the Albireo campus over 2019. These figures are moving closer to the initial target PUE of 1.4.

- At the two Antares sites: three changes were made in 2019 to reduce energy consumption:
 - new technology for hot water tanks;
 - replacement of light bulbs with LEDs, which divided the corresponding energy use by three;
 - changes to the air recovery systems in server rooms to avoid hot aisle/cold aisle air recycling. This work is currently being finalized.

As a result of all the steps taken to optimize energy consumption, in 2019, the average PUE at the Sirius site was 1.71 and the average PUE (after resale) at the Vega site was 1.70.

- Employee incentives to limit energy use at the main regional locations: information on environmentally friendly practices, dedicated Intranet site, etc.
- A Power Purchase Agreement (PPA) was signed with Engie in late 2019.

Albiant-IT, which manages the Albireo & Antares data centers, signed a PPA to purchase 30 GWh in electricity per year (40% of the data centers' annual consumption) produced by a wind farm in Fauquemergues (in the Pas-de-Calais department). The agreement covers five years from January 2020.

REDUCING ENERGY CONSUMPTION FROM TRANSPORTATION

Based on the carbon reviews conducted by the Group, business travel and commuting are one of the highest sources of total estimated CO₂ emissions (averaging nearly one-third of total emissions each year).

The Group has drawn up action plans aimed at limiting and reducing emissions generated by business travel and commuting, such as:

- a strict travel policy explained in a best practice guide on business travel. This guide suggests alternatives for travel by train rather than airplane for trips within France, emphasizing the financial savings as well as the lower carbon emissions to allow the companies to adjust their travel policy;
- a comprehensive listing of electric cars in BPCE Procurement's global range for the Group; furthermore, the Group is also furthering its efforts to apply the total cost of ownership approach groupwide (one of the levers of the AgIR responsible procurement policy) to ensure that all economic and environmental criteria are taken into account (especially CO₂ emissions) when selecting company cars; as a result, the

company car fleet is gradually being replaced with greener vehicles;

- facilities provided to limit travel: conference rooms have been fitted with videoconferencing and teleconferencing equipment;
- a precise, complete annual measurement of emissions generated by business travel for the purpose of monitoring trends by category.

Several initiatives have also been carried out in the regions:

- implementation of carpooling and ride-sharing programs and/or optimized use of the company car fleet;
- telecommuting options, cutting CO₂ emissions generated by the daily commute;
- eco-driving courses for employees recording the highest mileage for work during the year;
- provision of electric bicycles and cars for employees at their workplace, with charging stations;
- allocation of a mileage bonus for employees who cycle to work;
- organization of network events aimed at raising awareness and educating employees: mobility week, mobility challenges, etc.

Indicator	2019	2018	2017	2016	Change 2018-2019
Total fuel consumption for business travel in cars ⁽¹⁾ (in liters)	12,962,075	12,732,243	14,832,646	13,571,600	2%
Average grams of CO ₂ per km (as stated by manufacturer) for company cars and fleet cars (grams of CO ₂ /km)	100	99	100	100	1%
Business travel by train (in km)	62,421,532	58,800,471	60,335,055	61,384,466	6%
Business travel by plane (in km)	61,860,708	66,027,131	72,296,066	69,958,952	(6%)

(1) Sum of indicators: GASOLINE consumption by company and fleet cars + DIESEL consumption by company and fleet cars + business travel in private cars; km-to-liter conversion for the private car indicator using the ratio from the carbon review user guide: 0.08 liter/km.

WASTE REDUCTION AND RECYCLING

Thanks to initiatives aimed at promoting recycling and re-use, the Group's total volume of non-hazardous industrial waste per FTE fell by 21%. 49% of this waste is recycled.

Since 2012, Groupe BPCE's constituent entities have reported on their waste management. The waste categories concerned include non-hazardous industrial waste and waste electrical and electronic equipment (WEEE). Entities have undertaken multiple initiatives to recycle different types of waste and certain types of products.

In the WEEE category, a guide was co-drafted by BPCE (CSR, procurement and IT functions) and the waste-management

organization Ecologic. It was distributed to the Groupe BPCE institutions to raise awareness and inform them about existing solutions. The guide was presented to the CSR, Logistics and procurement functions by videoconference.

BANKING-RELATED WASTE

The drop in the total volume of waste in 2019 was due to the reduction in WEEE as less electrical equipment was destroyed and removed in the regions in 2019. Electrical equipment is often destroyed or removed following mergers of entities. No large establishments were merged in 2019. The decrease in the number of printer ink cartridges collected in 2019 was due to a change in definition by the service providers concerned.

PAYMENT CARD RECYCLING

In 2019, Caisse d'Epargne Aquitaine Poitou-Charentes, with the support of Elise Atlantique-Actes, collected and recycled 396 kg of payment cards, representing around 79,000 cards. All the components of the cards, which are 90% plastic but also contain copper, ink, resin and gold in the microchip, the signature strip, hologram, magnetic stripe and the card security code, are recycled using an innovative patented eco-friendly technique. Caisse d'Epargne Bourgogne Franche-Comté is following the same approach, with customers returning expired bank cards to their branch. It collected 327 kg of cards in 2019. Caisse d'Epargne Bourgogne Franche-Comté uses the services of two local companies offering employment to disabled persons with special needs. The cards are shredded before being recycled using a low-energy technique.

SUSTAINABLE USE OF RESOURCES

Paper use amounted to 3,128 metric tons in 2019, representing 36.40 kg/FTE, compared with 5,755 tons or 66 kg/FTE in 2018.

The reduction in paper consumption is achieved by:

- replacing individual printers with shared printers, where users are required to go to the shared printer to confirm the printouts launched from their workstation, thus avoiding unused printouts;

- dematerialization, particularly in customer relations (in-branch electronic signature, remote selling, paperless account statements and general terms and conditions of sale);
- better monitoring of reports submitted by two key suppliers, thus improving data accuracy and completeness;
- a procurement policy encouraging the use of responsible paper (derived from recycling or sustainably managed forests), i.e. containing over 50% recycled paper or PEFC-certified (Program for the Endorsement of Forest Certification schemes) or FSC-certified (Forest Stewardship Council) paper.

PAPER CONSUMPTION

Indicator	2019	2018	2017	2016	Change 2018-2019
Total recycled and/or certified paper ⁽¹⁾ (kg per FTE)	33.47	51.38	51.17	42.92	(35%)
Total non-recycled/non-certified paper ⁽¹⁾ (kg per FTE)	2.92	14.62	25.23	51.52	(80%)
Percentage of recycled and/or certified reams of A4 paper	92%	86%	74.5%	48.3%	7%

(1) Includes A4 reams purchased during the fiscal year, specific printouts, office supplies, marketing materials, large-volume documents, reams of paper other than A4, brochures, forms, envelopes, headed paper, mailings.

2.4.3 Looking after our employees

Group headcount:

- Groupe BPCE's total headcount at December 31, 2019 was 105,019 employees, 89% of whom work in France;

- The Banques Populaires accounted for 30% of the Group headcount, while the Caisse d'Épargne banks accounted for 33%;
- The total headcount fell by 0.4% compared with 2018.

GROUP HEADCOUNT

Total headcount	2019	2018	2017	Change
Banques Populaires	30,985	30,807	31,404	0.6%
Caisses d'Épargne	34,300	35,001	36,112	(2.0%)
Natixis	21,414	23,539	22,790	(9.0%)
Central institution	2,505	1,619	1,559	54.7%
Subsidiaries, other retail banks and joint ventures	15,815	14,492	14,598	9.1%
GROUP TOTAL	105,019	105,458	106,463	(0.4%)

Permanent and fixed-term staff, excl. work-study contracts at December 31.

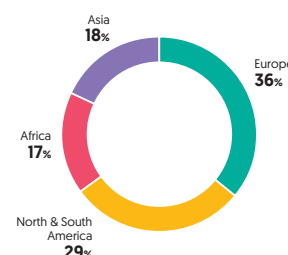
GEOGRAPHIC BREAKDOWN OF HEADCOUNT

11% of Groupe BPCE staff are located outside France.

HEADCOUNT OUTSIDE OF FRANCE

	Natixis	Other subsidiaries	Total	
	Number	Number	Number	%
Europe	3,878	334	4,212	36%
North & South America	3,369		3,369	29%
Africa	1,319	678	1,997	17%
Asia	1,216	839	2,055	18%
GROUP TOTAL	9,782	1,851	11,633	100%

Permanent and fixed-term staff, excl. work-study contracts at December 31.



The TEC 2020 strategic plan sets targets intended to meet growth ambitions and challenges, and achieve the corresponding transformations in all of our business lines.

The HR commitments set out in the TEC 2020 plan focus on three key areas:

- ensuring equality: developing gender equality, promoting diversity;
- developing employee value: fostering skills development and enhancing career paths with mobility;
- attracting and retaining the best talents: developing the Group's employer image, improving the quality of life in the workplace and empowering employees to drive change.

ENSURING EQUALITY

PROMOTING GENDER EQUALITY AND DIVERSITY

For Groupe BPCE, it is essential that each of its companies ensures that it acts fairly, reducing inequalities and developing an environment that respects the differences arising from each individual's social identity (age, gender, origin, ethnic group, etc.).

Naturally, the Group has set targets and taken concrete steps to promote diversity ever since it was founded.

The Group Human Resources division has had a Head of Diversity since 2015.

In the 2018-2020 Strategic Workforce Planning agreement, the Group set objectives in three priority areas: gender equality, the employment of persons with disabilities and equal opportunities.

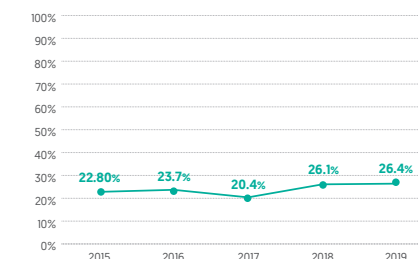
Increasing the number of female company directors

This ambition involves stepping up efforts to identify and support women with the potential to hold senior management positions.

To that end, more will be done to identify, accompany and develop potential candidates based on the following principles:

- female employees identified during Individual Potential Reviews are interviewed by the Company Director Talent division (Direction de la Gestion des Dirigeants, or GDD);
- gender parity in the Group's career development programs;
- personalized career paths can also be proposed;
- individual interviews are available during breakfast meetings organized by "Les Elles de BPCE" in-house women's network;
- for each senior management vacancy, the Company Director Talent division proposes one or more female candidates.

PERCENTAGE OF FEMALE COMPANY DIRECTORS



Increasing the number of female executives

Groupe BPCE has been committed to gender equality ever since it was founded in 2009.

At end-2019, over 57% of all Group employees were women. The number of women executives has always been an important indicator for the Group. The number of women executives has increased from 36.2% in 2010 to 43.7% at the end of 2019, representing a very sharp rise of 7.5 basis points.

The Group HR department is working with all Group companies to promote gender equality policies. It provides staff, middle management and senior management teams with tools to raise awareness.

At the same time, the Group HR department is helping companies complete the intermediate audit for their professional gender equality certification (18 months after first being certified). To date, seven companies have had their

professional gender equality certification confirmed and twenty others were audited in late 2018 or 2019. This certification meets the requirements set out in the specifications and expert opinion.

The Group also follows a methodology to identify pay gaps between men and women. This should reduce pay gaps and harmonize salaries at recruitment, in particular at the highest levels.

PERCENTAGE OF WOMEN EXECUTIVES



To bolster the agreements and action plans in place at each company of the Group, two gender equality agreements were signed in June 2018 – one for the Banques Populaires and one for the Caisses d'Epargne. These agreements establish a framework for companies in both networks. They provide support for the networks in their internal negotiations and allow for concrete actions to promote gender equality.

Creation of women's networks

Created in 2012, the women's network of Groupe BPCE ("Les Elles de BPCE", or "The Women of BPCE") currently has a membership of over 400 women and 29 local networks. In line with the HR policy promoting gender equality, these networks are valuable forums for discussion and mutual assistance.

A COMMITMENT TO PERSONS WITH DISABILITIES

In 2019, Groupe BPCE continued to support the employment of persons with disabilities in accordance with the agreements signed with the Banque Populaire and Caisse d'Epargne employee representative networks, which were renewed for the 2017-2019 period.

DEVELOPING EMPLOYABILITY

FOSTERING SKILLS DEVELOPMENT

Transforming our businesses by creating conditions to develop skills and enhance employee value is a priority.

The employment rate of persons with disabilities stands at 5.03% for the two networks, while the legal requirement is 6% and the national average is 3.4%.

Groupe BPCE has notably developed initiatives designed to encourage direct and indirect employment:

- sourcing initiatives to help companies with their recruitment: participation in the Talents Handicap recruitment fairs in March, May, and November 2019. Throughout the year, the Group is also present on specialized websites agefiph.fr and handibanque.fr, and on social media, in particular through its partnership with the blog Talentéo.fr;
- it renewed its partnership with the GESAT network in 2019. This partnership is helping to increase the indirect employment rate while promoting the use of companies working with people with disabilities;
- the Group also entered into a partnership in 2017 with the UPTIH (professional union of independent workers with disabilities). This partnership is helping to increase the indirect employment rate while promoting the selection of independent workers with disabilities.

The Group will also be closely monitoring the legal and regulatory changes related to the Employment of Disabled Workers Obligation under the Pénicaud Act (promoting the freedom to choose one's future career).

EQUAL OPPORTUNITIES

Following on from action taken since 2010 with the *Nos Quartiers ont des Talents* (Our Neighborhoods Have Talent) association, Groupe BPCE participated in the national plan in support of disadvantaged neighborhoods and the *PaQte* agreement between the government and corporations. As a result, four priority initiatives will be rolled out in the coming months:

- raising awareness of working life among young people through internships and school presentations by employees;
- facilitating access to apprenticeships to allow young people from disadvantaged neighborhoods to enter employment and to diversify the Group's talent pool;
- promoting non-discriminatory hiring methods;
- developing purchases from suppliers located in neighborhoods identified as priority areas according to French urban policy.

Professional training initiatives in 2019 followed on from measures taken under the TEC 2020 strategic plan in 2018.

TRAINING FOR PERMANENT STAFF ACCORDING TO GENDER AND CATEGORY

	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees trained									
Non-management	27,357	13,577	40,934	27,397	13,290	40,687	27,581	13,855	41,436
Management	11,812	15,783	27,595	11,699	16,286	27,985	10,948	15,637	26,585
TOTAL	39,169	29,360	68,529	39,096	29,576	68,672	38,529	29,492	68,021
Number of hours/FTE			33			32			32

Staff with permanent contracts present or having left at December 31.

Training courses targeted primarily advisory and management functions in response to the Group's strategy of establishing a human-relations-based banking model that even better satisfies our customers.

In line with its employer promise, Groupe BPCE's training policy focused on three main areas in 2019:

Boosting expertise to support the transformation:

MANAGEMENT OF OMNI-CHANNEL RELATIONSHIPS

Training for all customer advisors in 2019 focused on the appropriation of omni-channel business relationships (the capacity to serve, inform and advise customers across all distribution channels).

SPECIALIZED ADVISORS

The Group's relations-based banking model aims to have 50% more specialized advisors in 2020. The career paths that currently allow access to positions as Professional CRMs, Private Banking CRMs, Corporate CRMs and Market CRMs have been updated with the dual goal of enhancing expertise and facilitating the rollout of these positions in all local regions.

In addition, in 2019, the Group organized its first "Business Customer Management Excellence" program. This program, which is offered in partnership with ESSEC business school and the CFPB school for the banking industry, leads to a Master's qualification.

BANKING PENETRATION AND ACCOUNT FEES

To meet customer requirements, new offerings to increase banking penetration rates have been rolled out, with the "Cristal" range at the Banques Populaires and "Les Formules" for the Caisses d'Epargne. Training was provided to accompany the launch of these products.

CONSTANTLY ADAPTING TO NEW REGULATORY REQUIREMENTS

Since 2018, the companies of the Group have made considerable investments to comply in full with increasing regulatory requirements.

Putting customer satisfaction first:

The service-minded approach involves adopting attitudes that are aligned with our customer segmentation. In addition to the reference framework for corporate client markets, delivered under the HR Lab program, an "Excellence in customer relations" program has begun to be rolled out in Group companies.

Enabling employees to co-write their career paths:

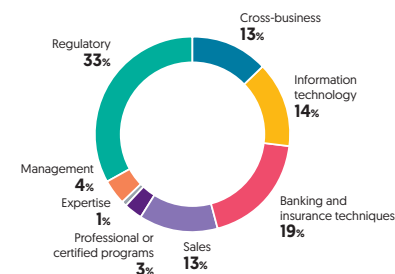
The Group continues to invest in providing its employees opportunities to self-train at their own pace and according to

their personal needs. *Mobile Learning* solutions offer short training sessions available on all devices (videos, quizzes, etc.). This format has been chosen by the Group to enhance its employees' digital acculturation with B'digit.

In 2019, the Group laid the foundations for a self-learning organizational model by rolling out a solution to enable all employees to share their knowledge, experience and practical advice with their peers by posting short video explanations, for example.

The Group also set up a process to generalize Workplace Training Initiatives (AFEST program) as required in the French Future Career Planning Act of September 6, 2018. This way of learning delivers excellent results. It is fully aligned with participants' requirements, does not disrupt the unit's operations and therefore helps improve customer satisfaction.

BREAKDOWN OF PERMANENT STAFF TRAINED BY AREA OF TRAINING

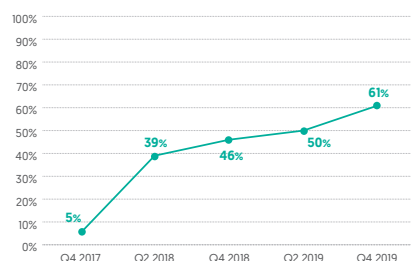


Training is primarily focused on regulatory issues, followed by banking and insurance techniques and IT.

FACILITATING INTERNAL TRANSFERS

Groupe BPCE launched an internal mobility portal in 2017: Mobilway. This fun and informative Intranet site displays job vacancies available at Group companies. Mobilway is being gradually rolled out at all Group companies and will be expanded and improved in response to user feedback.

ROLLOUT OF MOBILIWAY



The Group HR division aims to have fully rolled out Mobiliway by the end of 2020 for the Banque Populaire and Caisses d'Épargne regional banks, BPCE SA, Natixis SA, i-BP, IT-CE, BPCE IT, Crédit Foncier de France and Banque Palatine.

At the same time, the Group companies have built on the momentum achieved in inter-company mobility by signing a new Strategic Workforce Planning agreement, which incorporates a new set of common rules. These rules facilitate inter-company transfers through a simplified hiring process, support measures, mobility programs and coordination meetings between HR directors in the local regions.

In 2019, over 1,325 inter-company transfers were made, up from 801 in 2018.

Transfers between functions were once again high in 2019, at nearly 10,000.

Staff departures for mobility reasons (transfers) have risen from 10.8% of all departures in 2016 to 17.3% in 2019.

DEPARTURES OF PERMANENT-CONTRACT EMPLOYEES ACCORDING TO REASON AND GENDER

	2019				2018		2017	
	Women		Men		Total		Total	
	Number	Number	Number	%	Number	%	Number	%
Departures, permanent staff								
Resignation	1,202	1,068	2,270	29.3%	2,073	29.9%	1,819	28.9%
Dismissal	593	482	1,075	13.9%	882	12.7%	662	10.5%
Transfer	714	629	1,343	17.3%	635	9.1%	547	8.7%
Retirement	755	807	1,562	20.1%	1,695	24.4%	1,630	25.9%
Mutually-agreed termination	341	243	584	7.5%	586	8.4%	511	8.1%
Departure during a trial period	430	309	739	9.5%	452	6.5%	425	6.8%
Other reasons	94	91	185	2.4%	618	8.9%	691	11.0%
TOTAL	4,129	3,629	7,758	100.0%	6,941	100.0%	6,285	100.0%

Permanent staff, incl. work-study contracts.

MAKING OUR GROUP ATTRACTIVE: ATTRACTING AND RETAINING TALENTED STAFF

Groupe BPCE hired over 6,900 people with permanent contracts in 2019, playing an important role in offering jobs to young graduates from different backgrounds (business schools,

universities, apprentice training centers, elite universities, etc.). New hires with fixed-term employment contracts totaled 7,282 in 2019.

BREAKDOWN OF NEW HIRES ACCORDING TO TYPE OF CONTRACT

	2019		2018		2017	
	Number	%	Number	%	Number	%
Permanent + fixed-term hires						
Permanent staff, incl. work-study contracts	6,903	48.7%	5,623	40.0%	4,669	33.7%
Fixed-term staff, incl. work-study contracts	7,282	51.3%	8,430	60.0%	9,201	66.3%
TOTAL	14,185	100.0%	14,053	100.0%	13,870	100.0%

Permanent and fixed-term staff at December 31.

DEVELOPING THE GROUP'S EMPLOYER IMAGE

In its TEC 2020 plan, Groupe BPCE has undertaken to develop the Group's employer image in a bid to attract and retain talented individuals.

To achieve this, an employer brand platform has been established that complements and is consistent with the existing brands. The objective of the Groupe BPCE employer brand is to create a strong, structured, unique positioning likely to:

- attract priority targets;
- inspire employee engagement and retain the best talent by better meeting today's changing expectations and job relations (employee/appllicant experience).

New and improved hiring methods

OPTIMIZING SOURCING

In response to changing candidate behavior and the impact of digital on sourcing activities, Groupe BPCE is implementing hiring practices intended to increase visibility among candidates.

A new applicant experience

The Group's recruitment website has been revamped to focus on applicants, with videos taking center stage to:

- showcase real employees instead of presenting a corporate text drafted by HR;
- provide sections where applicants can submit their resume, prepare for an interview, define their career path, etc.;
- involve employees in promoting their business line, company and the Group's values (via social media, referrals, videos).

The number of visits and pages viewed on <https://recrutement.bpce.fr/is> monitored for information purposes.

EMPOWERING EMPLOYEES TO DRIVE CHANGE

This requires support from managers, who must listen and provide direction. It also involves developing collaborative working methods, made possible with the launch of the groupwide social network, Yammer, and through other initiatives taken by Group companies in this area.

Two major assessment and monitoring systems were set up to gauge the impact and perception of these initiatives:

Measuring satisfaction at key stages of an employee's career

The TEC 2020 strategic plan places particular emphasis on the quality of the employee experience, as well as the customer experience. Employee satisfaction is measured and monitored at key stages in their careers (recruitment, mobility, promotion to management level).

At each key stage, employees receive a questionnaire. Their feedback is anonymized and used to develop concrete operational action plans. The questionnaire provides immediate insight into employees' everyday work-lives, and helps with the continual improvement of HR processes.

Employer survey

To measure employee satisfaction, an internal opinion survey (Diapason) is conducted in Group companies every two years. In the latest edition, 74,000 members of staff were surveyed (30 companies in November 2018 and 6 in January 2019). The survey covered the following topics: the digital revolution, new business lines, management, working conditions, human resources management, etc. Employees had the opportunity to freely, individually and directly express their opinions and expectations in terms of their careers and their support for the Group's strategy.

HR Lab

The HR Lab was set up following the decision made in the TEC 2020 strategic plan to co-construct HR solutions for the Group.

The HR Lab started with an HR Hackathon that brought together forty employees from different backgrounds assisted by coaches to upgrade HR operating methods and develop a service-minded approach, as well as to roll out the Workplace Training Initiative (AFEST program).

Dialog with employee representatives at the Groupe BPCE level and review of collective bargaining agreements

Dialog with employee representatives at the Groupe BPCE level is conducted through two bodies:

- the Group Committee, a forum for information, discussion and dialog, which met four times in 2019. The topics addressed included the economic situation, and the financial and social audit of the Group's financial statements, prepared in advance by the economic and employment/training committees;
- the Strategic Planning Committee, provided for by the SWP agreement of December 22, 2017, and which met twice in 2019. Key items on the agenda included the presentation of strategic labor issues and concerns for Groupe BPCE.

Most of the collective bargaining agreements signed in 2019 were the result of negotiations conducted locally with the Group companies. They covered the following main topics: gender equality, mandatory annual negotiations, quality of life in the workplace, and the organization of the new employee representative body, the CSE (Economic and Labor Relations Council).

IMPROVING QUALITY OF LIFE IN THE WORKPLACE

Working conditions

All Group companies have systems in place to address psychosocial risks.

These systems are part of a resolute approach to psychosocial risks: measuring risks (questionnaires, surveys), identifying vulnerable populations (monitoring and alert system), raising awareness among managers, and helping any employees struggling with problems (counseling and psychological support).

Groupe BPCE promotes a policy on quality-of-life in the workplace that moves beyond simple risk prevention and fosters long-term employee engagement.

In 2019, the Group companies continued and expanded their efforts to improve quality-of-life in the workplace, stimulated by the agreements signed in 2016. Improvement focused particularly on the work-life balance, the right to disconnect after hours, telecommuting and digital transformations.

The aim of the Group's approach to quality-of-life in the workplace is to strengthen the appeal of the Group's businesses and increase the engagement, professional motivation and loyalty of all employees, while also reducing stress at work and lowering absenteeism.

Groupe BPCE's Human Resources division works with all Group companies to constantly improve the quality of working conditions by coordinating and sharing best practices, particularly via the network of occupational quality-of-life officers and implementing measures to help people cope with change.

As of 2019, twenty Groupe BPCE companies had signed the Cancer@Work Charter, underscoring their commitment to take concrete action to promote the integration and continued employment of people directly or indirectly affected by cancer or other chronic illness.

Banque Populaire Val de France and Caisse d'Épargne Loire-Centre were awarded the first Cancer@Work label, which was created in 2019 to encourage the recognition and inclusion of cancer in the workplace. These banks met all the conditions required in the new certification process, which is aligned with Corporate Social Responsibility standards under the Global Reporting Initiative. The label was designed by members of the Cancer@Work association with the support of Axa, Malakoff Médéric and Roche France.

These two Groupe BPCE companies were particularly committed to the "Working with cancer and chronic illness" program launched by the Group Human Resources division in 2016 at the request of employees affected by such illnesses. As well as signing a charter, the program involves taking real steps to incorporate chronic illness in human resources and Corporate Social Responsibility policies at all levels: from diagnosis, throughout treatment, on the employee's return to work, among colleagues and managers, etc.

Occupational health and safety conditions and workplace accidents

At Groupe BPCE, policies and budgets relating to health and safety conditions fall within the remit of each of the entities and the CHSCTs (Health, Safety and Working Conditions Committees).

In addition to investing in specific programs to improve occupational health and safety, Group companies also implement more traditional monitoring and prevention programs.

The increase in the number of workplace and commuting accidents seen in 2018 continued in 2019.

All Group companies have a CHSCT that oversees occupational health, safety and working conditions, and is primarily responsible for protecting the health and safety of employees. Each of these committees oversees improvements in safety and working conditions as well as compliance with applicable legal and regulatory provisions.

NUMBER OF ABSENCES FOR WORKPLACE/COMMUTING ACCIDENTS

	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Non-management	585	169	754	606	174	780	537	166	703
Management	247	143	390	194	115	309	133	124	257
TOTAL	832	312	1,144	800	289	1,089	670	290	960

Absenteeism among employees with permanent and fixed-term contracts due to workplace/commuting accidents.

Absenteeism

Absenteeism is a real concern for the Group and its companies. The Group provides its companies with a structured system for identifying, analyzing and preventing absenteeism and taking action to manage it.

The most recent evaluation of overall absenteeism (including maternity/paternity leave, illness, family events and other reasons) remains close to 7%.

Since absenteeism rates include maternity leave, in a Group with a predominantly female workforce, it makes sense that the rate of absence is higher among women.

The Group is not able to differentiate absences related specifically to occupational illness, which are very rare in the banking sector.

ABSENTEEISM DUE TO ILLNESS ACCORDING TO GENDER AND CATEGORY

	2019			2018			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Non-management	5.5%	3.4%	4.8%	5.7%	3.4%	4.9%	5.4%	3.3%	4.7%
Management	3.2%	1.9%	2.4%	3.3%	2.0%	2.5%	3.3%	1.9%	2.5%
TOTAL	4.7%	2.5%	3.7%	5.0%	2.6%	4.0%	4.8%	2.6%	3.8%

Absenteeism among employees with permanent and fixed-term contracts as per Group human resources data.

Rising employee engagement in a constantly improving working environment should allow the Group to retain its talented staff and limit the number of resignations among staff with permanent employment contracts. That rate has been stable for the past three years.

RESIGNATIONS

	2019	2018	2017
Departure rate	2.9%	2.6%	2.8%

INTERNATIONAL LABOR ORGANIZATION

Groupe BPCE pursues growth in accordance with fundamental human and social rights wherever it does business.

FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

Each entity monitors compliance with rules on freedom of association and working conditions in respect of its international activities.

ELIMINATION OF FORCED LABOR AND EFFECTIVE ABOLITION OF CHILD LABOR

In accordance with the Group's adherence to the Global Compact, each entity abstains from using forced or compulsory labor or child labor, according to definitions in International Labor Organization conventions, even if local laws authorize such practices.

ELIMINATION OF DISCRIMINATION IN EMPLOYMENT

In its procurement policy, Groupe BPCE refers to its sustainable development policy, to its adherence to the Global Compact and to such founding texts as the Universal Declaration of Human Rights and the international conventions of the International Labor Organization.

Suppliers undertake to respect these agreements in their countries of operation by signing contracts containing specific clauses to that end.

One of the commitments of the Global Compact concerns respect for Human Rights.

Full quantitative human resources indicators for Groupe BPCE are available on <https://groupebpce.com/en/csr/employees>

2.5 CSR reporting methodology

This section explains the methodology applied by Groupe BPCE in its CSR reporting.

2.5.1 CSR reporting structure

Sustainable development indicators based on the Global Reporting Initiative (GRI) guidelines are used to complete the non-financial performance report, in line with the ESG risk analysis performed by the Group in 2019 (see Chapter 2.3.1). The indicator guidelines were also updated to incorporate the 2018 regulatory changes, the expectations of our stakeholders (rating agencies, investors, NGOs, etc.), feedback from sustainable development officers in charge of reporting, and the recommendations of the independent third party for fiscal year 2017.

ENVIRONMENTAL INDICATORS

For fiscal year 2019, the internal environmental indicators were collected from the entities' sustainable development officers in collaboration with their logistics officers, via the SPIDER data entry tool.

For the carbon review, the Group uses the methodology defined in ISO 14064. Data are collected annually by each entity's sustainable development officers, and are reported in the COGNOS tool, rolled out in 2015.

Most of the emissions factors are based on those set by the French Environment and Energy Management Agency (ADEME) and are updated annually. In accordance with the general principles of carbon accounting, the integration of emission factors specific to Groupe BPCE is encouraged in the following cases:

- to compensate for a lack of appropriate factors;
- to replace Ademe's emissions factors (or factors from any other public or semi-public source) when they are not relevant or sufficiently detailed.

Green growth indicators are business indicators (eco-loans) collected from centralized databases for both networks. Indicators on outstanding renewable energy loans are collected from the Group Risk division.

HUMAN RESOURCES INDICATORS

No major changes were made to the human resources indicators so as to ensure stability and to allow for comparison.

Human resources data (excluding training) are extracted from two centralized information systems managed by the Group HR Data Management and Information Systems division, namely the "Services" data center for companies in the Caisse d'Epargne network and the "Perse" infocenter for all other entities.

The data extracted from the two information systems are verified following a regular control process at Group level, according to the human resources indicators published in the registration document.

Permanent contracts include work-study contracts with an indefinite term. Fixed-term contracts include fixed-term

work-study contracts (professionalization contracts and apprenticeships). Employees included in the headcount at December 31 of each year include those departing on that date and those whose contracts have been suspended.

New hires data refer to new hires on permanent and fixed-term contracts signed between January 1, and December 31, including work-study contracts (professionalization and apprenticeships).

Departures data include staff on permanent contracts leaving between December 31 of the previous year and December 30 of the current year broken down by reason: dismissal, resignation, departure during a trial period, mutually-agreed termination, transfer within the Group and retirement. The departure rate corresponds to the number of departures among permanent staff in year N divided by the total number of permanent staff at December 31 in year N-1.

Transfers between different Group companies are taken into account in the new hires and departures figures.

Absenteeism figures are calculated at December 31 of year N, based on absences recorded at that date and recorded in the HR information system at the time of data extraction for the scope under review.

Absenteeism is calculated as per the Group human resources data. It corresponds to the ratio between the number of days of absence in year N and the number of days due to be worked in the same year.

Indicators related to training are extracted from the new Apogée Formation data center. These data cover all of the training sessions assigned under the plan for a given year and approved by the training departments of the companies within the scope reviewed at the time of the data extraction.

SOCIETAL INDICATORS

Societal indicators are mainly business indicators, such as socially responsible investments and loans to local authorities, to social housing operators and to the social and solidarity-based economy. Data are extracted from centralized databases. Their accuracy is regularly verified at Group level. Indicators related to patronage, microloans and cooperative identity are provided by the two networks' federations and by the Group's outside partners (Adie, France Active, Initiative France). Procurement indicators are provided by BPCE Procurement.

The amounts reported for assets under management are grouped into three major categories:

- first level: ESG analysis – recognition of ESG criteria in the analysis of issuers, without this systematically having an impact on investment decisions;
- second level: ESG integration – incorporation of ESG criteria in investment decisions (including thematic and/or impact investments and exclusion strategies);

- third level: Certification – funds certified by recognized third parties (the French SRI label, Greenfin, Finansol, Febelfin, LuxFlag ESG, Nordic Swan EcoLabel, FNG Siegel).

BUSINESS MODEL

The Group's business model is described in Chapter 1.1, "A business model that creates lasting value and has confirmed its solidity." It sets out our main activities, the main challenges in our business environment, our business model and what stands us apart from our peers. The business model is updated each year as often as necessary.

MEASURING OUR SOCIO-ECONOMIC FOOTPRINT

The aim of the socio-economic footprint is to measure the impact that the Banques Populaires and Caisses d'Epargne have on employment and GDP. The review covers the banks' operating expenses (purchases from suppliers, payroll expenses and taxes) and the loans they grant to their customers (medium and long-term loans, lease financing, microloans). It does not include:

- impacts generated by short-term financing;

SOURCES AND DETAILS OF BUSINESS MODEL DATA (CHAPTER 2.1)

Information	References
2nd largest banking group in France	Market share: 21.9% in customer deposits and savings; 21% in customer loans (Banque de France, Q3 2019)
No. 2 bank for individual customers	Market share: 22.3% in household deposits and savings; 26% in home loans (Banque de France, Q3 2018). Total penetration rate of 29.1% (No. 2) among individual customers (SOFIA TNS-SOFRES survey, April 2019)
Change in Net Promoter Score	2018/2019 change in NPS (expressed in points)
26% market share in home loans	(Banque de France, Q3 2018) – Quarterly SURFI reports – home loan outstandings
We fund over 20% of the French economy	21.1% market share in loan outstandings, all non-financial sector customers (Banque de France, Q3 2019)
No. 1 lender to the social economy	CE APRI lending market share: 21.2% (Source: Banque de France, end-June 2018)
No. 1 bank for SMEs	53% (No. 1) in terms of total penetration rate (2019 Kantar-TNS survey of SMEs).
69% of our employees are engaged	Diapason 2018 employee survey

REPORTING STRUCTURE

CSR reporting is organized by the Group's Sustainable Development division, which coordinates the required tasks each year (updating the guidelines, indicators and user guides; advising the banks in the drafting of their own CSR annual report; etc.).

Like every year, it worked with the Group's operational divisions (IT, Human Resources, Real Estate & Logistics, Procurement, etc.) and federations (FBNP, FNCE) in order to make better use of centralized databases.

More specifically, in preparing the 2019 non-financial performance report, the Group Sustainable Development division worked with the Group Risk division and its regional functions.

Various initiatives were taken in this respect in 2019, in collaboration with all of the contributors to the non-financial performance report, to facilitate the appropriation of this new process by all Group entities:

- groupwide distribution of a memorandum going over regulations and detailing the reporting process for the business lines;

- impacts generated by off-balance sheet financing (guarantees, sureties, etc.);
- impacts generated by investments in the financial markets, equity investments and insurance compensation payouts;
- productivity or competitiveness gains that the loans granted may generate for their beneficiaries;
- the impact of support provided to customers by employees of the Caisse d'Epargne and Banque Populaire networks.

Groupe BPCE drew on the expertise of the specialist firm Utopies to complete the measurement using the LOCAL FOOTPRINT® model. This model uses inflows and outflows by department, and replicates as closely as possible how the economy functions. However, the results must be interpreted in light of the assumptions inherent to the model.

LOCAL FOOTPRINT® quantifies jobs supported and GDP generated in economic sectors and departments across the supply chain based on consumer spending and public sector spending. Consistency checks are performed at different stages in the calculation process.

- organization of two days of seminars for the CSR function:
 - a one-day presentation of the tool box used to implement the non-financial performance report in their entities and the methodology, attended by the four independent third parties working with the Group,
 - a one-day conference for all sustainable development officers from every entity to inform them about the importance of CSR reporting and answer their questions about the data collection process;
- awareness-raising among the Group's business functions about CSR reporting issues through visits by the sustainable development team (the credit exposure managers club, real estate & logistics conference, national procurement meeting, etc.);
- two carbon review training sessions (beginners and advanced levels), a CSR reporting training session and two sessions on the basics of CSR;
- two conference calls attended by nearly all of the sustainable development officers to provide advice and answer questions about the non-financial performance report and the collection of CSR data.

REPORTING TOPICS

The following topics are considered relevant in terms of the bank's indirect impacts: circular economy, reducing food waste, combating food poverty, improving animal welfare and ensuring responsible, fair, sustainable food supplies.

These topics are not addressed in specific paragraphs in this report but are covered by the bank's ESG risk analysis procedures. For its lending business, these topics are covered in sector policies. For investment and asset management activities, they are covered by the ESG ratings methodologies for fund management.

ROLE OF METHODOLOGY TOOLS

Risk analysis matrix

The matrix used to rate the 21 CSR risks provides a rating system for gross risks based on their frequency and severity over a three-year period. It also measures the Group's net risk exposure in terms of the risk management systems (processes/quality, resources, controls) used.

User Guides

The user guide, addressed to all contributors to the Group CSR reporting processes, was updated for 2019. With respect to the Group's registration document (but also for each entity, *i.e.* annual management report or registration document), it defines the following:

- the regulatory environment;
- the timeline;
- the reporting process (scope, rules on extrapolation for incomplete data, consolidation rules and the information control process);
- a glossary.

This guide also relies on a CSR reporting standard that specifies all of the indicators published, their definitions, their units, the corresponding GRI reference, their sources, how they are calculated and collected, and examples of controls to carry out.

The Group carbon-review user guide was also updated in 2019. The guide is intended to promote the carbon-review system. The purpose of this guide is to:

- present the general principles of the method developed by the Group;
- review the system's history and the most recent changes to the system;

2.5.2 Reporting scope for 2019

Groupe BPCE's long-term objective is to meet the regulatory requirement of producing CSR reporting for the statutory scope of consolidation (the same as used for the publication of the Group's consolidated financial statements). The scope established for 2019 was defined as reasonably as possible under the circumstances. This scope varies depending on the type of indicator. The scope will expand every year, with the aim of covering the entire statutory scope of consolidation.

- offer a uniform presentation of the reporting rules for Groupe BPCE's greenhouse gas emissions reviews (reporting period, scope, extrapolation rules, etc.);
- enable departments to establish action plans for carbon reduction while meeting the requirements of Article 75 of the Grenelle 2 Act, which concerns greenhouse gas emissions reviews and the Local Climate-Energy Plan ("PCET") plan.

In 2019, the Group published three methodology memos for Travel, Fixed Assets and Procurement.

Reporting period

Published data cover the period from January 1, 2019 to December 31, 2019. Where physical data are not comprehensive for the period, contributors make approximate calculations to estimate the value of the missing data from average ratios provided by Groupe BPCE (in the user guides) based on FTEs and/or the surface area covered. The contributors review the estimates used and send their comments along with the information provided and approved by the Group.

Comparability

For 2019, Groupe BPCE chose only to report figures for a single year for some indicators, namely those that have undergone a major change in definition since 2018 and some that were newly introduced in 2019.

Controls

The "ESG information quality control framework" defines the organization of control systems for ESG information within Groupe BPCE, and describes the main policies in place on this subject. It applies to all Groupe BPCE entities in the consolidated scope: the central institution, its direct and indirect subsidiaries, all BPCE affiliates and their subsidiaries.

Each entity is responsible for the accuracy of its CSR data. The same applies to Groupe BPCE's operational divisions.

At Group level, all data collected are verified and subject to a careful review of units and data consistency. Contributors are asked for an explanation where figures appear unjustified.

The third level of control is the Internal Audit, which performs checks on entities' CSR reporting as part of its multi-annual audit plan (since 2017).

If any data published in the management report for the previous year prove inaccurate, a correction is made with an accompanying explanation on the bottom of the same page.

HUMAN RESOURCES INDICATORS – REPORTING SCOPE

In 2019, the reporting scope reviewed for human resources indicators (excluding training and absenteeism) included the following:

- the Banques Populaires;
- the Caisses d'Épargne;
- Banque de Savoie;

- the subsidiaries of Crédit Coopératif;
 - SBE, PRIAM;
 - the i-BP, IT-CE and BPCE-IT organizations;
 - BPCE SA group and Natixis SA;
 - BPCE Lease, BPCE Car Lease, BPCE Factor, BPCE Financement;
 - Natixis Payment Solutions, Natixis Intérépargne.
- The human resources reporting scope covers 90% of the Group's headcount in France.

With respect to training and absenteeism data, the scope is limited to the Banques Populaires, the Caisses d'Épargne, BPCE SA group and the IT subsidiaries of Groupe BPCE. It represents 89% of permanent staff (incl. work-study contracts) covered by the human resources data.

ENVIRONMENTAL AND SOCIETAL INDICATORS – REPORTING SCOPE

For 2019, the reporting scope covers 94% of Groupe BPCE's permanent headcount.

It includes the following entities (barring specifically-mentioned exceptions):

- the 14 companies of the Banque Populaire network, composed of the Banques Populaires and their subsidiaries in France;
- the 15 companies of the Caisse d'Épargne network and their subsidiaries;
- BPCE, BPCE Factor, BPCE Financement, BPCE Lease, Compagnie Européenne de Garanties et de Cautions, BPCE IT, i-BP, IT-CE, Natixis SA and its subsidiaries in France, Banque Palatine and its subsidiaries in France, Crédit Foncier.

The methodologies and scopes related to BRED Banque Populaire, Crédit Coopératif and Natixis are outlined in their respective management reports.

SCOPE OF THE CARBON REVIEW

In 2019, a working group comprising representatives of Groupe BPCE entities, overseen by the Group CSR & Sustainable Development division and Carbone 4, was tasked with optimizing the indicators used in the carbon review. All the indicators were reviewed to pinpoint those with an insignificant impact, those which are difficult to obtain and those offering little scope for action.

The conclusions led to the removal of 25 indicators covering procurement, fixed assets, transport, customer/visitor travel and refrigerants, representing 10.81% of the Group's total carbon emissions in 2018.

Following this change, Groupe BPCE's carbon review for 2018 and 2017 was recalculated to cover the same scope.

This review was also used to recalculate data from previous years (2018 and 2017), using the same scope of consolidation as in 2019.

DIFFICULTIES AND LIMITATIONS

It is difficult to analyze and interpret the data owing to the large number of information systems in use within Groupe BPCE. The reporting scopes vary according to the type of data (human resources, environmental, societal or business data).

2.6 Report by one of the Statutory Auditors, appointed as independent third-party, on the consolidated Non-Financial Performance Statement published in the Group management report

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2019

To the Shareholders,

In our capacity as Statutory Auditor of BPCE SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.

- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code.
 - We verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
 - We referred to documentary sources and conducted interviews to :
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important^[1] ; concerning certain risks (*Customer protection and transparency of the range of products and services, Involvement in the governance of investment targets and Consequences of the group's business activity and the use of its products and services on climate change*), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities.
 - We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
 - We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
 - We carried out, for the key performance indicators and other quantitative outcomes^[2] that in our judgment were of most significance:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities^[3] and covered between 15% and 100% of the consolidated data for the key performance indicators and outcomes selected for these tests;
 - We assessed the overall consistency of the Statement in relation to our knowledge of the company.
- We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of eight people between November 2019 and March 2020.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments regarding the asset management activities:

- the information related to the integration of ESG criteria and to the methods used to assess the impact of portfolios are limited to certain asset management companies of the group;
- the results of the carbon footprint assessments of the portfolios are presented on a voluntary basis for some asset management companies and were not the object of verification on our part.

Paris-La Défense, March 25, 2020

One of the statutory auditors,

Deloitte & Associés

Sylvie Bourguignon

Partner

Julien Rivals

Partner, Sustainability Services

[1] Solutions applied in terms of customer protection and transparency of the range of products and services, Voting and engagement policy (scope: Miravia/Natixis and ECOFI (Crédit Coopératif)). Assessment of the carbon footprint and/or the climate trajectory of the portfolio.

[2] Number of customers with products for vulnerable customers (number and trend), Amount and change in loan outstandings for the Banques Populaires and the Caisses d'Épargne, Percentage of sector lending policies including CSR criteria (as a %), Percentage of new community projects with ISS and Privacy support, Annual customer NPS (Net Promoter Score) and trends, Socio-economic footprint (calculated by Utopies), Number of hours of training per FTE, Percentage of women in management roles (as a %), Percentage of resignations, Total group headcount, Distribution of hires by contract, Financing for the energy and ecological transition: production (in euros and trend), Responsible deposits and savings (in euros and trend), Annual CO2 emissions per FTE (tCO2eq/FTE) and trend, Share of employees having completed code of conduct training (as a %).

[3] Natixis SA, Banque Populaire Centre Atlantique, Banque Populaire du Nord.