

Nature policy
La Banque Postale Group

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1. Regulatory and legal context

The Kunming-Montreal Global Biodiversity Framework¹, adopted by consensus at COP15, under the Convention on Biological Diversity, set a new global course for biodiversity. Among the 23 targets to be achieved by 2030, target 15 reinforces the need for financial institutions and large companies to “**postpone their risks, dependencies and impacts with respect to biodiversity**”. Another target explicitly highlights the role of the financial system in combating the erosion of ecosystems: target 19, which proposes the establishment of new tools and sources of private financing to free up \$200 billion in financing for biodiversity per year.

The National Strategy for Biodiversity is the national framework strategy to meet the objectives of the Convention on Biological Diversity (CBD). It steers the implementation of the French biodiversity policy at all levels. Launched in 2023, the 3rd version of the National Strategy for Biodiversity for 2030 (SNB3) includes four main areas: reducing the pressure on biodiversity, restoring biodiversity wherever possible, mobilising all stakeholders with the State at the forefront, as well as local authorities and businesses, while raising awareness among citizens and ensuring the means to achieve these ambitions through financial support, while developing research and knowledge dissemination and focusing on the governance of the management of the strategy.

Several major studies have been published by monetary authorities. In 2021, the French Central Bank revealed that **42% of the securities portfolio held by French financial institutions was highly dependent on at least one ecosystem service²**. In 2024, the European Central Bank revealed an even more striking figure: **72% of the companies in the euro zone, i.e. around 3 million companies, were critically dependent on ecosystem services and were expected to face significant economic challenges** due to ecosystem degradation. These include, for example, the supply of water and raw materials, but also climate regulation, or air quality... In 2024, **the Network of Central Banks for Greening the Financial System (NGFS)**, which as of 5 January 2026 comprised 149 entities, published **an enhanced conceptual framework on nature-related financial risks** to establish the link between nature degradation and impacts on growth and inflation. As part of the supervision of financial institutions, **the NGFS encourages the development of stress tests to assess the resilience of banks to environmental risks, with the initial exercises dedicated to nature**. For its part, in the summer of 2025 the ECB went a step further by announcing its **intention to integrate nature damage into its monetary policy**, as is already the case for the climate.

Several French and European regulations govern the issue of biodiversity³. New obligations are imposed on companies, at both the French and European levels, with regard to the integration of all environmental and social issues into their strategies. At the same time, several international initiatives offer voluntary methodological frameworks to support companies in structuring their biodiversity approaches.

The Corporate Sustainability Reporting Directive (CSRD) requires companies to disclose the processes implemented to, among other things, **act against air, water and soil pollution, and to protect water, marine resources, biodiversity and ecosystems**. Applicable since January 2024, this European directive includes the principle of double materiality. The companies concerned must therefore measure the impact of their activities on society and the environment, in addition to assessing the environmental and social risks to which they are exposed. In its 2025 sustainability report, La Banque Postale Group considers the issues relating to nature as material: pollution, water & marine resources, and biodiversity & ecosystems (ESRS E2, E3 and E4).

¹ See COP15 diagram in the appendix.

² The term “ecosystem services” generally refers to the benefits offered by nature, living species and ecosystems to human populations.

³ See diagram of the regulations in the appendix.

2. Policy objectives

To protect biodiversity, combat pollution and manage resources sustainably, La Banque Postale applies the provisions of this policy:

- To the Purchasing Department for items relating to the Bank's operations (section on commitments relating to internal operations).
 - o In this respect, the information presented here defines the Bank's commitments concerning nature protection and requirements towards suppliers, managed by the Purchasing Department.
- To the Corporate financing and investment activities (including when entering into a relationship), as well as to the factoring⁴, leasing and real estate⁵ financing of La Banque Postale SA.
 - o In this respect, the Bank assesses the corporate counterparties⁶ as regards their ability to meet La Banque Postale Group's nature-related commitments and to take the results of these assessments into account in its financing and investment decisions (dialogue with companies and exclusion in certain cases if the result of the commitment is not satisfactory).

The commitments of the nature policy are part of a gradual approach, taking into account the availability and maturity of tools and access to data.

The information presented here is supplemented by the commitments specific to all La Banque Postale Group entities that are in force and available on their websites.

The content of the policy will be reassessed every year and may change according to the commitments of the Caisse des Dépôts Group, La Banque Postale Group and the regulatory context, as well as to the recommendations of the business lines in charge of its implementation or other stakeholders, upon approval by the Sustainability Department (SD) and the Group Risk Department (GRD) and after validation by the Group Risk Management Committee (GRMC).

3. Main definitions

See Glossary at the end of the document.

4. Guiding principles

Biodiversity is declining at all levels, from global to local, and in all regions. This continuing decline in nature, due in large part to human activity, including climate change, has direct and disastrous consequences on food security and nutrition, water quality and availability, health and well-being, resilience to climate change and almost all of nature's other contributions to humans.

Aware of the urgent need for action, La Banque Postale Group is mobilising all the levers at its disposal to preserve nature by reducing the negative impacts of its activities on biodiversity and water, and by contributing to achieving national and international biodiversity objectives.

⁴ Invoice financing (traditional factoring) does not fall within the scope, it being understood that La Banque Postale does not provide financial services to these entities and does not enter into contracts with them.

⁵ For a better understanding of this policy, each reference to financing and investment activities also includes the entry into relationships as well as factoring, leasing and real estate financing.

⁶ Companies with a turnover of more than €1.5 billion.

Because the preservation of biodiversity and resources, the fight against pollution and the sustainable management of resources are intrinsically linked, the Group's nature policy addresses these various issues in two distinct areas.

- One on biodiversity, structured into four main sections:
 - Measuring its biodiversity footprint and analysing its risks,
 - Reducing their negative impacts on biodiversity,
 - Amplifying the momentum in favour of biodiversity by increasing its positive impacts,
 - Supporting change to better take biodiversity into account;
- The other on water, structured into three sections:
 - Measuring and mapping its risks,
 - Aiming for water sobriety and modernising drinking water networks,
 - Conserving and restoring aquatic environments.

This policy is aligned with the [nature policy of the Caisse des Dépôts Group](#).

La Banque Postale Group's biodiversity policy focuses on four main areas, designed to take account of its impacts on the five major biodiversity pressures by working to:

1. **Measure its impacts and risks.** La Banque Postale Group measures its biodiversity footprint and biodiversity-related risks: physical risks by analysing the dependencies on the functioning of ecosystem services, and transition risks by analysing the contribution to pressure factors on biodiversity.
2. **Reduce its negative impacts with regard to the IPBES⁷ pressure factors:** another major thrust of this policy involves taking action to reduce negative impacts on biodiversity and ecosystems. This involves defining commitments to reduce impacts on soil artificialisation, deforestation, pollution, depletion of resources and the introduction of invasive alien species.
3. **Amplify the momentum in favour of biodiversity by increasing its positive impacts** to help reverse the net loss of nature, by committing to long-term initiatives contributing to the achievement of the objectives and targets of the Kunming-Montreal Global Biodiversity Framework, and by adopting a "nature-positive" approach.
4. **Support change** by supporting research efforts, increasing the awareness of its stakeholders and employees, participating in "biodiversity" coalitions and forging partnerships.

Finance for Biodiversity Pledge

In 2021, La Banque Postale Group became a signatory of the Finance for Biodiversity Pledge. Through this international initiative, La Banque Postale Group is committed to:

- Collaborating and sharing knowledge
- Engaging with companies
- Assessing impact

La Banque Postale Group's commitments to responding to the pressure factor related to climate change are described in the climate policies of the Group's entities.

⁷ The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

5. General principles regarding biodiversity

5.1. Measuring its impacts and risks

In order to understand where to act as a priority, and with a view to being able to build a “nature” transition policy in the years to come, La Banque Postale Group’s entities undertake to measure their biodiversity footprint within the limits of the tools and methodologies available.

Measurement of the global biodiversity footprint

La Banque Postale Group carries out:

➔ **A measurement of the biodiversity footprint of its internal operations and value chain**

The entities measure the biodiversity footprint by using a single metric, favouring the Mean Species Abundance (MSA) metric. They have the disaggregated results in order to know their specific impacts with regard to the IPBES pressure factors.

➔ **A measurement of the biodiversity footprint of its financing and investment portfolios** by using the static and dynamic MSA metrics and specifying the type of portfolios assessed, and the value of this measure (in intensity per thousand euros of outstandings), with the exception of Louvre Banque Privée which, due to the composition of its portfolio, uses the PDF⁸ metric.

Measurement of localised impacts

The measurement of the global footprint, as it exists today, does not allow players to measure their impacts near or within sensitive areas. It has been proven that protecting these areas, which are often more vulnerable and/or have richer ecosystem potential, and/or host more varied biological diversity, is more effective for overall conservation, and gives rise to more convincing results in terms of preserving biodiversity. Supplementing global footprint measurements with an analysis of the financed/invested activities located in sensitive areas would thus contribute more to the Group’s response to the global biodiversity challenge.

La Banque Postale Group carries out the following projects on its financing/investment portfolios:

➔ **Mapping of the impact of its financial portfolios on sensitive areas.**⁹

The Group’s¹⁰ asset managers and asset owners are in dialogue with their counterparties, for whom this is a material issue, so that they can reduce their impacts near or in these sensitive areas.

Measurement of biodiversity-related risks

Understanding biodiversity-related risks is a major challenge for all financial players, in a logic of financial materiality.

The French Central Bank distinguishes between two categories of biodiversity-related risks:

⁸ See glossary.

⁹ Sensitive areas are areas with significant challenges related to nature, implying a specific risk for the activities present in this area: the presence of endangered species, the presence of protected areas, the integrity of ecosystems, the level of water stress, the presence of key biodiversity areas. Institutional investors can use and refer to the monitoring of the PAI 7 biodiversity indicator of the European SFDR to meet this commitment.

¹⁰ CNP Assurances and LBP AM.

- ➔ **Transition risks** (or impacts): these are the risks of financial loss related to the consequences of the transition to a “nature-positive” economy through regulatory changes (end of subsidies for activities that are harmful to nature, regulations on water quality or access, creation of protected areas), market changes (e.g. shifting consumer preferences), technological or reputational changes;
- ➔ **Physical risks** (or dependencies): these are the risks of financial loss caused by disruptions to the ecosystem services on which economic players are dependent. Ecosystem services are a prerequisite for the existence and prosperity of human societies. Nature provides supply, regulation, socio-cultural and support services (water cycle, carbon cycle, soil formation, etc.). Their collapse or loss of efficiency or quality could entail major financial losses.

La Banque Postale Group wishes to anticipate the risks that the loss of biodiversity could entail on the sustainability of its business model and is committed to:

- ➔ Carry out¹¹ **an assessment of these nature-related risks** (physical and transition) **by 2030**¹².

In 2024, La Banque Postale SA carried out an initial analysis of nature risks, which revealed methodological limits that will be improved in the coming years.

5.2. Reducing its negative impacts on biodiversity and ecosystems

La Banque Postale Group has **several levers for action at its disposal to reduce the pressure of its portfolios on the IPBES¹³ pressure factors**:

- ➔ ESG analysis, including biodiversity criteria, upstream of investment and financing decisions;
- ➔ Dialogue with counterparties;
- ➔ Exclusion as a last resort;
- ➔ Development of thematic funds aimed at reducing the economy’s pressure on biodiversity and ecosystems.

Pre-investment/financing analysis

Before any financing or investment decision is made, La Banque Postale Group’s entities **carry out an analysis** based on a rating grid incorporating the biodiversity issues according to the counterparty’s business sector or the type of project.

Because the **pressure factor related to land use change** has the greatest impact on France as a whole, La Banque Postale:

- ➔ **Incorporates a soil artificialisation criterion**, in relation to the artificialised surface area of the financed project or real estate asset, in its ESG impact measurement tool with the aim of reducing its impact on soil artificialisation by 2030.

In order to reduce its impact on the overexploitation of biological resources, in 2021 CNP Assurances, an owner of forest assets, committed to PEFC or FSC certifying its entire portfolio of forest assets.

Commitments in terms of dialogue with counterparties

¹¹ Within the limits of the tools and data available.

¹² Incorporation of the CDC Group commitment present in the CDC nature policy.

¹³ La Banque Postale Group’s policy aims to reduce the Group’s impacts with regard to the following pressure factors: Changing the use of land, aquatic environments and seas, with an emphasis on land use and degradation; Pollution; Overexploitation of biological resources; Invasive alien species. La Banque Postale Group’s commitments to responding to the pressure factor related to climate change are described in the climate policies of the Group’s entities.

La Banque Postale Group's¹⁴ asset managers and asset owners use the leverage of shareholder engagement to support the transition of the invested companies towards models that have a lower impact on nature.

- ➔ Since 2023, they have been in dialogue with portfolio companies in at least **two sectors per year**, for which the contribution to one or more pressure factors is material.

Given the international impact of deforestation and the conversion of ecosystems, and the consequences on biodiversity, water and climate, La Banque Postale Group's entities are in dialogue **with the large companies they finance or in which they invest, for which the risks of deforestation and conversion are material**, in order to:

- ➔ Encourage them to produce, sell or use certified agricultural commodities (e.g. RTRS for soybeans, Fairtrade or Rainforest Alliance for coffee and cocoa, FSC or PEFC for timber) or certified metals (Initiative for Responsible Mining Assurance or IRMA, Fairmined, Fairtrade Gold, Towards Sustainable Mining or TSM, Extractive Industries Transparency Initiative or EITI, and more generally ISO 14001);
- ➔ Encourage them to adopt "zero deforestation and conversion" policies in their value chains, when they involve the various raw materials listed below :
 - Palm oil,
 - Cocoa,
 - Coffee,
 - Soybeans,
 - Beef,
 - Rubber,
 - Wood (in line with the commitments to sustainable forestry),
 - Processed products made from these raw materials.

La Banque Postale Group monitors controversies regarding non-compliance **with CITES provisions** and considers them to be serious controversies.

Exclusions

La Banque Postale Group excludes¹⁵ new financing and new investments in the following activities because of their actual or potential negative impacts on biodiversity:

- ➔ Companies that do not have a robust policy to combat deforestation and ecosystem conversion and that produce and trade agricultural commodities (are targeted: cocoa, coffee, soybeans, beef, rubber, palm oil, wood and paper pulp);
- ➔ Companies for which 20% of turnover comes from the production and/or sale of pesticides;
- ➔ Companies operating in deep-sea/seabed mining and deep-sea mining projects until scientific research sheds more light on the consequences of such activities on deep-sea ecosystems and on the cost-benefit analysis (socio-economic and environmental) compared to mines on land¹⁶.

Commitments relating to internal operations

¹⁴ CNP Assurances and LBP AM.

¹⁵ Subject to data availability.

¹⁶This moratorium is based on the precautionary principle (French constitutional law and European law). The French Government has repeatedly expressed its opposition to the exploration and exploitation of mining areas on the seabed on the high seas, *i.e.* beyond the exclusive economic zone (EEZ), 200 nautical miles from the coast (approximately 370 kilometres), in view of their multiple impacts (on marine biodiversity and the climate). For further information: <https://www.mnhn.fr/fr/le-deep-sea-mining-un-danger-pour-l-ocean-profond>.

The purchases of the Group's entities are an important lever for the transformative change in the practices of the public institution and each of its entities.

The entities undertake, as part of their internal operations, to :

- ➔ Aim for zero pesticides in the management of their green spaces
- ➔ Move towards the elimination of synthetic fertilisers and unsustainable cleaning products
- ➔ Comply with a target of zero use of non-recyclable plastic when this is material for service providers and alternative solutions exist on the market that do not cause too significant an impact on biodiversity
- ➔ Not participate in the overexploitation of species, both terrestrial and marine, by offering, as part of their collective catering services, labelled products or products from responsible fishing, aquaculture and agroecology. This commitment is reflected in the renewal of collective catering service contracts and can be translated into support for regenerative and organic agriculture
- ➔ More specifically, reduce its impact on the overexploitation of forest ecosystems by including purchasing criteria, also indicating a preference for certain labels (e.g. FSC), and by maintaining a dialogue with its suppliers in sectors potentially affected by deforestation and conversion. Thus, the entities undertake, as part of their internal operations, to reduce any risk of deforestation in their supply chains
- ➔ Move towards the exclusive use of wood, paper and cardboard from sustainably managed forests and/or from recycling channels
- ➔ Promote soft and/or sustainable mobility for commuting and business travel, thus contributing to the reduction of air and noise pollution

5.3. Increasing the positive impacts on biodiversity

In December 2024, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) published a global¹⁷ report addressing the complex links between biodiversity, water, food, health and climate change, with these interconnected issues forming the "Nexus".

The report also assesses the cost of inaction and lack of a common approach to the various crises facing humanity, urging actors and institutions to address all challenges in a decompartmentalised manner. IPBES has estimated the annual financing gap to meet the global resource needs for biodiversity at up to \$1 trillion, while the Parties to the Convention on Biological Diversity have agreed, in the Kunming-Montreal Global Framework, to mobilise at least \$200 billion annually by 2030 to implement the strategies and action plans for biological diversity.

La Banque Postale Group contributes to this international goal by **directing dedicated financial flows to biodiversity** and by **gradually developing activities and financing/investments with "positive impacts"**.

Supporting companies in their transition in terms of integrating biodiversity-related issues

La Banque Postale Group develops and deploys actions aimed at supporting companies in their transformative change process and/or at supporting companies with a nature-positive business model.

These actions involve, for example:

A "Biodiversity Objective" market fund

CNP Assurances participated in the "Biodiversity Objectives" market initiative with other institutional investors in October 2024. With more than €100 million, this fund, managed by the asset management company Mirova, primarily targets small- and mid-caps, mainly European, which are developing solutions for the protection of biodiversity, and other larger companies that are transitioning to a sustainable business model in terms of biodiversity.

¹⁷ [Media Release: IPBES Nexus Assessment | IPBES Secretariat.](#)

LBP AM Tocqueville Biodiversity SRI Fund

In December 2022, LBP AM launched the Tocqueville Biodiversity SRI fund, which finances companies developing solutions for the preservation of biodiversity and natural capital in four high-stakes areas: sustainable agriculture, sustainable food, the circular economy, and green buildings. Fund supported by CNP Assurances in the amount of €120 million.

Contributing to the development of innovative financing tools for biodiversity

Mobilising long-term financing *via* external partnerships

La Banque Postale Group mobilises **long-term financing for and investments in** external partnerships dedicated to the development of “nature-based solutions” (e.g. CDC Biodiversité’s Nature 2050) or innovative solutions (WWF France’s Nature Impact Fund).

5.4. Supporting change

La Banque Postale Group promotes biodiversity by participating in research efforts, training employees, increasing the awareness of its stakeholders, and increasing the number of ambitious partnerships and collaborations.

Contributing to research

Understanding the multiple interactions between and within living organisms requires supporting scientific research. La Banque Postale Group contributes to research efforts by supporting research projects.

In 2025, LBP AM supported an applied research project led by the NGO Pure Ocean, on one of the following major themes: marine pollution, protection of biodiversity and restoration of ecosystems, resilience of marine ecosystems and the people who depend on them, improvement of knowledge of the ocean system.

Awareness-raising and training on biodiversity issues

La Banque Postale Group deploys skill development actions to strengthen employees’ understanding of, support for, and actions to promote biodiversity. They aim in particular to raise awareness of the interactions between climate and biodiversity, the materiality issues of the theme, the commitments made to reduce the impact of financing/investments on biodiversity, the biodiversity strategies implemented and the internal tools developed.

Several types of training are available:

- The Climate Fresk offered to all employees;
- A biodiversity e-learning programme available since 2023;
- Face-to-face training specific to the financial professions;
- “Training” conferences, organised around the biodiversity themes covered by the Company.

Active participation in market initiatives

La Banque Postale Group is aware of the need for reference frameworks and tools for institutions to reduce their impact on biodiversity, and of the difficulty of implementing them. It is also convinced of the need for cooperation between all stakeholders to effectively reduce the impacts on biodiversity and achieve the objectives of the Paris Agreement and the Kunming-Montreal Agreement.

Since several years, La Banque Postale Group actively participates **in market discussions and has joined various benchmark initiatives**:

Finance for Biodiversity Pledge: In 2021, La Banque Postale Group signed the Finance for Biodiversity Pledge. Through this international initiative, the Group is committed to sharing the knowledge it has acquired with other investors, measuring its impact on biodiversity, setting targets to reduce this impact, engaging in dialogue with companies involved in the subject of biodiversity, and publicly reporting its actions.

The Principles for Responsible Banking (PRB): By signing the Principles for Responsible Banking (PRB) in 2019, La Banque Postale committed to aligning its strategy with international and national reference frameworks, in particular the Sustainable Development Goals and the Paris Agreement for the climate. Asset management is also affected by these frameworks. This signature signals support for a responsible banking sector, a global initiative launched by the United Nations Environment Programme Finance Initiative (UNEP FI). This is the transposition to the banking sector of the UNPRIs for asset management players, signed by the Bank in 2009.

Principles for Responsible Investment (PRI): By signing the PRI, CNP Assurances and LBP AM committed themselves to integrating environmental, social and governance (ESG) issues into the management of their portfolios.

Nature Action 100 Coalition: In 2023, LBP AM and CNP Assurances joined the Nature Action 100 Coalition, which brings together 190 institutional investors (asset managers, insurers, pension funds) to engage in dialogue with 100 key companies in the eight sectors that have the greatest impact on nature and to encourage them to reduce their impact on biodiversity: pharmaceutical industry, chemicals, personal and household goods, consumer goods, food, distribution, forestry, metallurgical industry and mining.

The Institute for Sustainable Finance (Institut de la finance durable - IFD): Biodiversity and natural capital were among IFD's six priorities for 2023. The IFD wishes to promote an increase in the skills of biodiversity financing players and share information on initiatives in favour of living organisms, in which the members of the working group are involved.

“Roquelaure Entreprises et Biodiversity” of the French Ministry for the Environmental Transition: As part of the implementation of the national biodiversity strategy, adopted at the end of 2023, the French Ministry for the Environmental Transition wished to set up eight working groups: agrifood, building/construction, cosmetics, energy, materials, textiles, financing and governance. La Banque Postale is part of the working group dedicated to financing.

FAIRR: LBP AM participates in the “[Sustainable Aquaculture](#)” initiative led by FAIRR. This campaign aims to identify the biodiversity risk in salmon aquaculture activities, in particular with regard to the production and supply chain of salmon feed. Salmon feed requires a high concentration of protein, which is usually obtained from fishmeal, fish oil (wild fish) and plant proteins (especially soybeans). LBP AM encourages the major salmon producers in which it is invested to: 1) Conduct a risk analysis related to the source of the ingredients used to feed the fish, 2) Improve the use and treatment of waste (unused parts of the fish), and 3) Develop strategies to use alternative nutrition ingredients (such as algae, insects...).

The Circular Finance coalition organised by Circul'R: a think tank and action group that aims to develop products and services to finance and guarantee the circular transition.

6. General principles regarding water

6.1. Understanding impacts and risks

La Banque Postale Group first wishes to **identify its negative impacts on freshwater resources and natural ecosystems** and/or the **dependence of its activities on freshwater ecosystem services**, with a view to:

- ➔ Measure its water-related risks and manage them as best as possible;
- ➔ Preserve freshwater and humid ecosystems.

The Group:

- ➔ **Creates a water footprint¹⁸** of its internal functioning;
- ➔ **Carries out an assessment of the dependence on water resources** of its financing/investment portfolios in order to identify sectors where water resources are material.

6.2. Engaging in a virtuous approach to water sobriety

To participate in the national effort to **reduce water consumption by 10%** while meeting the challenges of increasing water scarcity, La Banque Postale Group is supporting local authorities, economic players and citizens in a virtuous approach to water sobriety.

The Group undertakes to:

- ➔ **Translate** the general objective of water sobriety **into the ESG analysis criteria of its investments**, and take into account the degree of water stress of the area where its investments are located, within the limits of the tools and data available;
- ➔ **Deploy financing tools dedicated to more economical management of water resources.** La Banque Postale, in partnership with SFIL¹⁹, is already rolling out a specific water-themed offer for local authorities and their groupings, the “green loan”, among which the subject of “sustainable water management and sanitation” is partly dedicated to the management of the small water cycle.

The Group's²⁰ asset managers and asset owners are beginning to:

- ➔ **Engage in shareholder dialogue with its counterparties for whom the water issue** (consumption and withdrawal component) **is material**, in order to encourage them to:
 - Assess their impacts and dependencies on water-related issues;
 - Disclose this information and in particular their direct and indirect water consumption;
 - Define policies and action plans to reduce their impacts and the risks associated with their water consumption in the short, medium and long term, in line with the SBTN Freshwater²¹ approach or other such frameworks.

6.3. Preserving quality of water and infrastructure

¹⁸ The water footprint is understood to be the direct water consumption in m³ and/or the level of withdrawals in m³.

¹⁹ SFIL is a public development bank subsidiary of Caisse des Dépôts - the leading financier of local authorities and healthcare facilities.

²⁰ CNP Assurances and LBP AM.

²¹ <https://sciencebasedtargetsnetwork.org/our-mission/issue-hubs/water/>.

With the aim of preserving aquatic and wetland environments, the Group is particularly committed to avoiding and then reducing its impact on the ecosystems contributing to the water cycle, favouring nature-based solutions, and contributing to the renaturation and restoration of these ecosystems.

To this end, the Group has set itself the following objectives:

- ➔ Fight against the pollution of aquatic environments;
- ➔ Ensure the proper functioning of the large water cycle;
- ➔ Avoid damaging wetlands.

The Group:

- ➔ **Excludes** any financing or investment in **companies for which more than 20% of turnover comes from the manufacture or sale of pesticides**.
- ➔ **Strengthens, for asset managers and asset owners²², shareholder dialogue** with invested companies for which the issue of water pollution is material, in order to encourage them to:
 - Regularly assess and disclose their impacts on the quality of groundwater and surface water;
 - Define action plans to reduce water pollution, particularly in sensitive regions (e.g. sensitive ecosystems, drinking water catchment areas), and the disclosure of tracking indicators to monitor the achievement of these objectives.
 - In this context, particular attention will be paid to the following sources of aquatic pollution: PFAS²³, pesticides and plastics,
 - The Group's²⁴ asset managers invite the companies that produce or make significant use of any type of plastic to define policies and action plans to reduce them. They engage with companies in sectors that produce or use PFAS to disclose their use. Structured and recognised frameworks in terms of water pollution reduction will be preferred (in particular SBTN Freshwater).
- ➔ **Deploys tools to improve the quality of water resources**. Since 2019, La Banque Postale, in partnership with SFIL²⁵, has been offering a dedicated "green loan" for local authorities and their entities, which can finance, under the theme "Sustainable management of water and sanitation", the management of large water cycles (e.g. financing of project leaders for rainwater management or GEMAPI projects, including those dedicated to the protection and restoration of sites, aquatic ecosystems and wetlands).
- ➔ **Incorporates the challenges of reducing pollution**, particularly plastic²⁶, in the context of **future purchase contracts**. The Group's entities discuss with the suppliers whose pollution issues are the most material, with the aim of reducing their use of pollutants and raising their awareness of the issues raised by their activities near or in wetlands.

7. Operational implementation of this policy

La Banque Postale Group is committed to implementing this policy within the framework of its business activities. Operational and awareness-raising tools have been put in place to help employees implement this policy.

²² CNP Assurances and LBP AM.

²³ PFAS for perfluorinated and polyfluorinated alkyls, or eternal pollutants.

²⁴ CNP Assurances and LBP AM.

²⁵ SFIL is a public development bank subsidiary of Caisse des Dépôts - the leading financier of local authorities and healthcare facilities.

²⁶ Excluding CNP Assurances.

Information relating to the exclusion criteria and cases of controversy described above will be obtained from public information sources, data suppliers and counterparties.

Before entering into a relationship with a counterparty or before signing a new financing or investment agreement, La Banque Postale Group undertakes to apply this policy.

8. Appendices

8.1. Glossary

“Near”

It is not possible to define a standard kilometre distance corresponding to the term “near” used in ESRS E4, as this distance depends on the sites and the particularities of the ecosystem, as well as on the activities involved. The characterisation as being “near” is defined on the basis of an assessment of the state of biodiversity in a buffer zone (the scope of which is estimated on a case-by-case basis depending on the ecosystem concerned and the type of activity).

Artificialisation

Artificialisation is defined by Article 192 of the French Climate and Resilience law as the lasting alteration of all or part of a soil's ecological functions, in particular its biological, water and climatic functions, as well as its agronomic potential through its occupation or use. Based on this definition²⁷, this policy is based on a definition of artificialisation as an action modifying the soil to varying degrees, on three levels: chemical (imbalance in the concentrations of constituents), physical (compaction, sealing) and biological (loss of biodiversity). These changes alter the functioning of soils and therefore the ecosystem services they provide to us. An artificialised surface is therefore defined as a surface removed from its natural, agricultural or forest state by human intervention that can be measured in three dimensions, in square metres: sealed surface; natural, agricultural or forest surface consumed; surface area lost to urban sprawl.

Good condition: the condition in which the key features of a habitat type, particularly its structure and functions, as well as its typical species or species composition, reflect the high level of ecological

²⁷ As a reminder, Decree no. 2023-1096 of 27 November 2023 on the assessment and monitoring of land artificialisation proposes a nomenclature of artificialisation and specifies that surfaces with soils that are either impervious due to the building or a coating, or stabilised and compacted, or made of composite materials, are classified as artificialised surfaces. Similarly, vegetated herbaceous areas used for residential purposes, secondary or tertiary production, or infrastructures are considered to be artificialised. The decree clarifies that areas falling into these categories, which are under construction or abandoned, are also considered as being artificialised. Conversely, areas that are either natural, bare or covered by water, or vegetated, constituting a natural habitat or used for cultivation, including urban agriculture areas and wooded or shrubby areas in urban areas, are qualified as being non-artificialised. The decree confirms that areas used for agricultural cultivation, and which are uncultivated, are indeed qualified as being non-artificialised. It also dissociates areas for agricultural use from those planted for forestry use in order to measure these types of areas more precisely. Vegetated areas used as parks or public gardens, regardless of the type of cover (wooded or herbaceous), can be considered as being non-artificialised, thus enhancing these natural spaces in the city. The same will apply to vegetated areas on which photovoltaic panel installations will be installed that comply with technical conditions guaranteeing that they do not durably affect the ecological functions of the soil as well as its agronomic potential. Lastly, the reference thresholds for surfaces to be qualified are provided (50 m² for buildings and 2,500 m² for other surface categories; 5 metres wide for linear infrastructures and at least 25% afforestation of a vegetated area so that it is not merely considered herbaceous).

integrity, stability and resilience necessary to sustain it over the long-term and contribute to its long-term maintenance, thus achieving or maintaining a favourable conservation status for a habitat.

Conversion

Ecosystem conversion is defined as any change from a natural ecosystem to another land use or a profound change in the species composition, structure or function of a natural ecosystem. Deforestation is one form of conversion (conversion of natural forests). This includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's species composition, structure or function.

Deforestation

Deforestation is the loss of natural forest resulting from: (i) conversion to agriculture or other non-forest use of land; (ii) conversion to a tree plantation; (iii) severe and lasting degradation.

The definition of deforestation, taken from the Accountability Framework, means "gross deforestation" of natural forests where "gross" is used in the sense of the "total; aggregate; without deduction for reforestation or other compensation".

De-artificialisation

The de-artificialisation or renaturation of a soil can be defined as any operation to restore or improve the functionality of a soil, making it "non-artificialised". The challenges of deartificialisation and the methods implemented depend on the intensity and character of the artificialisation (from brownfield sites to urban family gardens), and the objectives sought. Today, de-artificialisation projects often aim to improve biodiversity, in particular by restoring ecological continuity *via* the green and blue belt network, or even the brown belt. In all cases, it is the diagnosis of the state of the soil that makes it possible to guide the processes, whether with the aim of decontaminating the soil, unsealing it or requalifying it. As for the methods, they are very varied: from natural attenuation when the site is simply left to nature (a long process requiring a few decades) to complex "refunctionalisation" by means of soil reconstitution, phytomanagement, inoculation with mycorrhizae and microorganisms, etc. The faster this regeneration must be, the more expensive it is. The choice of method therefore depends on the development strategy and the land pressure.

Sustainable forest management

Sustainable forest management is multifunctional management aimed at ensuring forestry production while preserving the ecological, economic and social functions of forests. This management is governed, for example, by regularly revised technical guidelines and an internal sustainable management manual certified ISO 9001 since 2003.

Global Biodiversity Framework (GBF)

Kunming-Montreal Global Biodiversity Framework 2022-2030 (also known as the Biodiversity Plan) setting out 4 major objectives and 23 major targets for 2030 and 2050.

Mean species abundance (MSA)

MSA is the mean abundance of species. It is a metric expressed as a percentage characterising the integrity of ecosystems. The MSA values range from 0% to 100%, with 100% representing an intact, undisturbed ecosystem.

"Small water cycle"

Refers to the path that water takes from the catchment point in a river or groundwater table to its discharge into the natural environment. It includes the drinking water circuit and the wastewater treatment circuit. The "large cycle" is the natural cycle of water, representing the flows between the

large reservoirs of liquid, solid or gaseous water on earth: oceans, atmosphere, lakes, rivers, groundwater, glaciers. The “engine” of this cycle is solar energy which, by promoting the evaporation of water, drives all other exchanges. The large cycle includes several stages, from evaporation to infiltration into the subsoil, including precipitation and runoff.

Eternal pollutants (PFAS)

Per- and polyfluoroalkyl substances, collectively referred to as PFAS, are chemical substances that mainly share one characteristic: that of being very persistent in the environment due to the presence of carbon-fluorine bonds in a more or less long carbon chain. The PFAS of greatest concern are listed by the French Agency for Food, Environmental and Occupational Health & Safety (Agence nationale de sécurité sanitaire de l'alimentation, de l'environnement et du travail - ANSES), which has developed and is currently refining a method for prioritising PFAS. PFOS (perfluorooctane sulfonate) and PFOA (perfluorooctanoic acid) are now considered to be of great concern, internationally and nationally.

Potentially disappeared fraction (PDF)

The PDF is an indicator that reflects the potential extinction of species, within a specific time frame, associated with resource use or emissions, that result in habitat loss or degradation. The PDF quantifies the potential for extinction of species rather than the exact number of extinct species. This indicator warns of the potential loss of species due to pressure, such as land use, eutrophication, climate change or other impact factors. It does not measure final extinction, as changes in a footprint are usually small compared to the extinction factors that occur globally. This fraction can be expressed per year (PDF.yr), per hectare for a terrestrial environment and per cubic metre for an aquatic environment

Science-Based Targets for Nature (SBTN)

The SBTN approach provides a methodological framework for setting targets for reducing impacts on biodiversity and water. This approach is supported by a consortium of actors gathered in the Global Commons Alliance.

Nature-Based Solutions (NBS)

The Group uses the definition provided by the International Union for Conservation of Nature (IUCN) and defines NBS as “actions that rely on ecosystems to meet the challenges posed by the global changes to our societies such as the fight against climate change, the management of natural risks, health, water supply and food security”. Indeed, preserved or restored ecosystems, which are resilient, functional and diversified, support a great deal of biodiversity and thus provide many ecosystem services to our societies. NBS contribute to the objectives of mitigating and adapting to climate change.

Taskforce on Nature-related Financial Disclosures (TNFD)

The TNFD is a private initiative launched in 2021, which aims to promote financial transparency with regard to risks and opportunities related to biodiversity and companies' dependence on nature. The TNFD is similar to the Taskforce on Climate-related Financial Disclosures (TCFD), which focuses on climate risks. The TNFD was set up at the initiative of the Financial Stability Board, which brings together institutional players from the world of banking and finance, to develop a framework enabling industry players to communicate the financial risks and opportunities related to nature, biodiversity and ecosystems. It published its recommendations on nature- and biodiversity-related reporting for the first time in September 2023.

Wetland

According to the French Environment Code, wetlands are “land, whether exploited or not, periodically flooded or saturated with fresh, salt or brackish water, permanently or temporarily, or

whose vegetation, when it exists, is dominated by hygrophilous plants for at least part of the year". (Article L. 211-1 of the French Environment Code).

The amended decree of 24 June 2008 completes the definition given by the law by providing precise criteria for delimitation. A wetland has either hygrophilic vegetation, or soil morphology linked to the prolonged presence of water, or both. Several groups stand out among these environments: marine areas (rocky banks, coral reefs, etc.); estuarine areas (deltas, swamps where mangroves can be found, marshes, etc.); lacustrine areas (near lakes); riparian areas (bordering rivers, streams, rivulets); palustrine areas (marshes, peat bogs, swamps, etc.); artificial wetlands (water storage areas, gravel pits, canals, agricultural ponds, etc.). This definition is not extremely clear and is currently the subject of discussions between the Ministry of Ecology and Agriculture in the context of the application of the CAP²⁸.

Water-stressed areas

According to the Water Information Centre, water stress is defined as a critical situation that arises when the available water resources are lower than the demand for water.

Generally speaking, water stress is mainly the result of both a geographical and a temporal imbalance. The term "water stress" refers in particular, in certain geographical areas and for a certain period, to:

- A demand for water that exceeds the quantity of water available;
- Water quality that requires limiting its use (e.g. non-potable water, brackish water, etc.)

Sensitive areas

A biodiversity-sensitive area can be defined as an area with a high concentration of biodiversity, unique species or rare ecosystems that are particularly vulnerable to the effects of human activity. These areas may include natural habitats such as forests, wetlands and coral reefs, as well as areas of high species richness or endemism.

At the European level (CSRD), sensitive areas are areas presenting significant nature-related issues, involving a specific risk for the activities present in this area. Several criteria are used to identify these sensitive areas: the presence of endangered species; the presence of protected areas; the integrity of ecosystems; the level of water stress; the presence of key biodiversity areas; the presence of critical habitat.

Thus, within the meaning of the European institutions and in particular the SFDR, the sensitive areas for biodiversity are the Natura 2000 network of protected areas, the UNESCO World Heritage sites and key biodiversity areas, as well as other protected areas²⁹, as defined in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139³⁰.

The areas on the red and green lists of the International Union for Conservation of Nature (IUCN) could logically be included in this scope.

The Group therefore uses the more precise definition of the TNFD, which defines sensitive areas as:

²⁸ Here is a mapping of wetlands in mainland and overseas France provided by UMS-Patrinat (MNHN/OFB): <https://inpn.mnhn.fr/programme/cartographie-nationale-milieux-humides>. Wetlands are protected internationally by the 1971 Ramsar Convention. A map of these areas is available on the convention website: <https://rsis Ramsar.org/?pagetab=>. Note that the organisation lists at least 53 wetlands of international importance in mainland France, which represent a surface of more than 3 million hectares.

²⁹ These include protected areas within the National Strategy for Protected Areas (https://www.ecologie.gouv.fr/sites/default/files/DP_Biotope_Ministere_strat-aires-protgees_210111_5_GSA.pdf), i.e. geographical areas in which the pressures generated by human activities likely to compromise the conservation of ecological issues in this area are removed or significantly limited, in a lasting manner, through the implementation of land protection or appropriate regulations, combined with effective control of the activities concerned.

³⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R2139>.

- ➔ Important areas for biodiversity: protected areas, key biodiversity areas, important areas for species such as threatened, congregating, migratory or limited range or endemic species, rare or endangered ecosystems, areas important for ecological connectivity;
- ➔ Ecosystems with high ecological integrity;
- ➔ Areas of rapid decline in ecosystem integrity;
- ➔ Areas at high risk of water stress;
- ➔ Important areas for the provision of ecosystem services that include benefits for local populations. |