



Green Bond annual allocation & impact report 2023

December 2024



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Introduction

La Banque Postale is a civic-minded bank. Driven by its 2021-2030 strategic plan and its public service mission on banking accessibility, it aims to make a positive contribution to society.

La Banque Postale reaffirmed its commitment to the just transition, i.e. an environmental transition that is socially acceptable to all, in its corporate purpose, published in June 2021.

In February 2022, La Banque Postale entered a new phase of its transformation by becoming a mission-led company. Its environmental and social objectives are now central to its governance.

Since the publication of its Green, Social and Sustainability Bond Framework in 2019, La Banque Postale's green bonds (40 covered, senior preferred and non-preferred bonds for a total of € 2,205m issued) have supported 25 215 projects. All the proceeds from these green bonds are managed and allocated to projects targeted by the Green, Social and Sustainability Bond Framework.

This report provides details of the green bonds issued by La Banque Postale in 2019, 2021, 2022 and 2023, as well as the composition and amount of the underlying loan portfolio. La Banque Postale's Green, Social and Sustainability Bond Framework complies with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG) published by the International Capital Market Association (ICMA) in 2018. Vigeo Eiris, a subsidiary of Moody's ESG Solutions rating agency, provided a second opinion that La Banque Postale's Green, Social and Sustainability Bond Framework is fully aligned with the ICMA recommendations mentioned above. KPMG SA is the independent third party that verifies this Green Bond Impact Report. KPMG SA's assurance report is provided at the end of this document.

Excerpt from the 2019 Green, Social and Sustainability Bond Framework - Eligible categories for this report ¹



Renewable energy: DG 7 Affordable and Clean Energy, SDG 13 Climate Action



Low carbon buildings: SDG 7 Affordable and Clean Energy, SDG 9 Industry Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, SDG 13 Climate Action



Sustainable mobility: SDG 3 Good Health and Well-being, SDG 11 Sustainable Cities and Communities, SDG 13 Climate Action

1. Projects refinanced by green bonds fall into one of three eligible categories - renewable energy, green buildings, and clean transport – and contribute to the United Nations Sustainable Development Goals

Key figures of La Banque Postale's Green Bonds' impact



Total nominal amounts of all the distributed bonds

2 205 919 000€*

*of which 190 million euros were issued in 2023



Total outstanding amounts of all the bonds

2 093 741 000€



Number of bonds

40



Surfaces refinanced

1 006 377 m²



Avoided emissions

332 485 tCO₂eq

Use of proceeds	Renewable energy Solar / Wind onshore / Wind offshore	Green buildings Apartments / Houses	Mobilité durable Wagons / Locomotives / Swap-bodies
Number of loans	96	25 112	7*

*7 loans that refer to 4 projects

Green Bonds issued

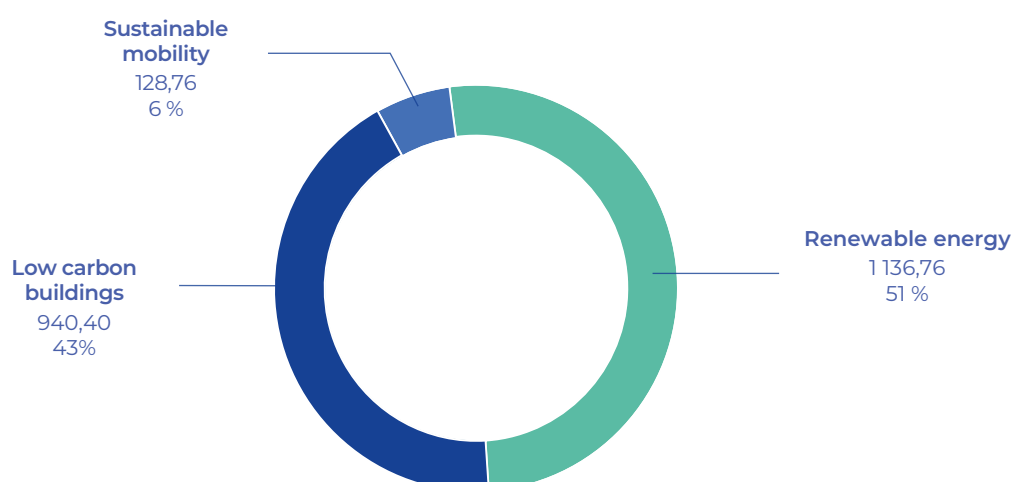
Green bonds issued in 2023

Instrument type	ISIN	Issue date	Tenor (years)	Use of Proceeds	Nominal amount distributed (€)	Outstanding amount (€)	% allocation
Senior Non Preferred	FR001400GQ99	23/03/2023	10	Green loans ²	1 900 000	1 900 000	100%
Senior Preferred	FR001400E9R4	16/01/2023	6	Green loans ²	180 500 000	180 500 000	100%
Senior Preferred	FR001400GQ81	03/04/2023	5	Green loans ²	1 000 000	1 000 000	100%
Senior Preferred	FR001400GUH9	03/04/2023	2	Green loans ²	2 000 000	2 000 000	100%
Senior Preferred	FR001400ITL9	26/06/2023	3	Green loans ²	5 000 000	5 000 000	100%
TOTAL					190 400 000	190 400 000	

Total green bonds issued

Year	Number of emissions	Nominal amount distributed	Outstanding amount
	40	2 205 919 000 €	2 093 741 000 €
2019	1	750 000 000	750 000 000
2021	6	177 271 000	135 158 000
2022	28	1 088 248 000	1 018 183 000
2023	5	190 400 000	190 400 000

Total green bonds issued by theme (m€)



2. Green Loans refer to the Eligible Green Loan categories as defined in La Banque Postale's Green, Social & Sustainability Bond Framework.

Allocation report

Global Underlying Portfolio 31/12/2023

Project Category	Number of loans	Amount (m€)
Renewable Energy		
Solar	54	741,82
Wind Onshore	33	541,26
Wind Offshore	9	275,49
Sustainable mobility		
Trains/Locomotives/Wagons	7 ³	135,20
Low carbon buildings		
Apartments	14 167	1839,36
Houses	10 945	1584,85
TOTAL	25 215	5 117,99

3. 7 loans corresponding to 4 projects (Sustainable mobility)

Impact Report

Global underlying portfolio impact

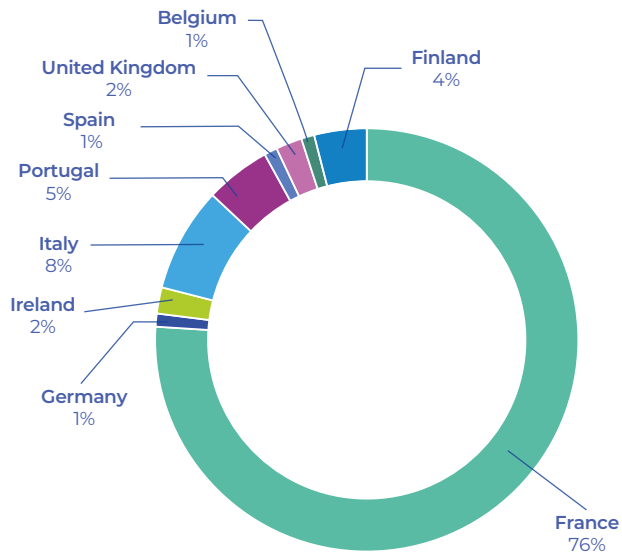
Project category	Number of projects/loans	Allocated amount (m€)	Breakdown of the global underlying portfolio (residual amounts)	Induced emissions (tCO ₂ eq/y)	Avoided emissions (tCO ₂ eq/y)	Carbon intensity of avoided emissions (tCO ₂ eq/m€)
Renewable energy						
Solar	54	741,82	14%	NA	NA	NA
Wind Onshore	33	541,26	11%	NA	NA	NA
Wind Offshore	9	275,49	5%	NA	NA	NA
Sustainable mobility						
Trains/Locomotives/Wagons	7	135,20	3%	175 342	317 542	2348,64
Low carbon buildings						
Apartments	14 167	1 839,36	36%	3 733	6 056	3,29
Houses	10 945	1 584,85	31%	5 478	8 887	5,61
TOTAL	25 215	5 117,99		184 552	332 485	

NA* : not available (please refer to the Methodological notes for more information)

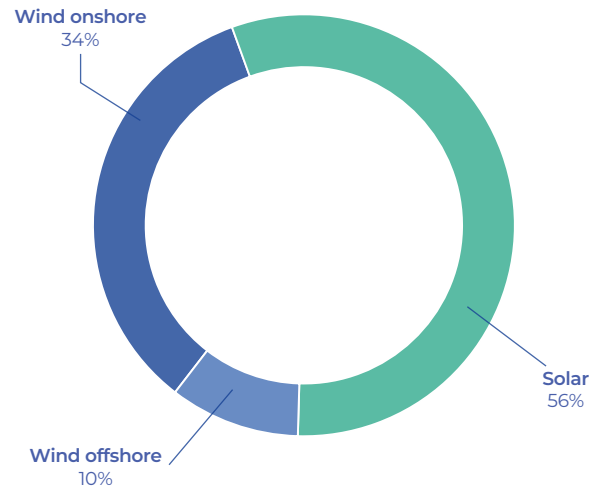
Focus on renewable energy

Breakdown of the number of projects

Per country



Per energy type



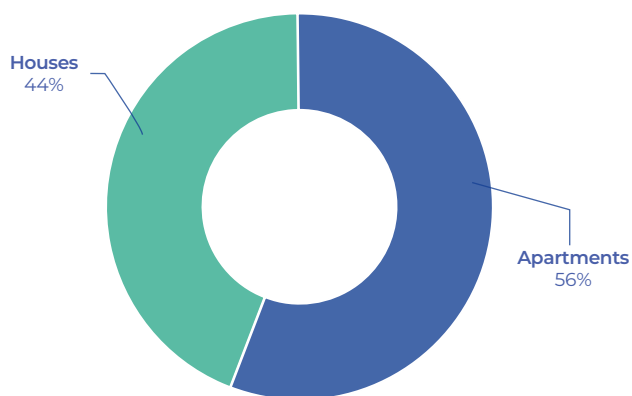
Focus on low carbon buildings

Impact of La Banque Postale's low carbon buildings portfolio allocated

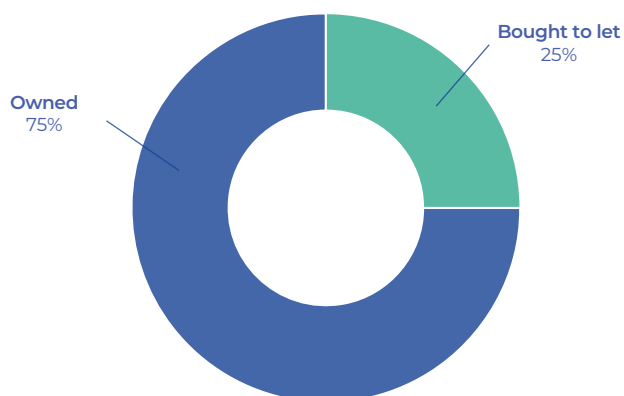
Project category	Allocated amount (m€)	Prorata* induced emissions (tCO ₂ eq/y)	Prorata* avoided emissions (tCO ₂ eq/y)
Low carbon buildings (25 112 loans)			
Apartments	1 839,36	1 025	1 663
Houses	1 584,85	1 504	2 441
TOTAL	3424,21	2 529	4 104

*The pro rata amount is calculated based on the green bond outstanding amount. Please refer to Methodological Notes for more information.

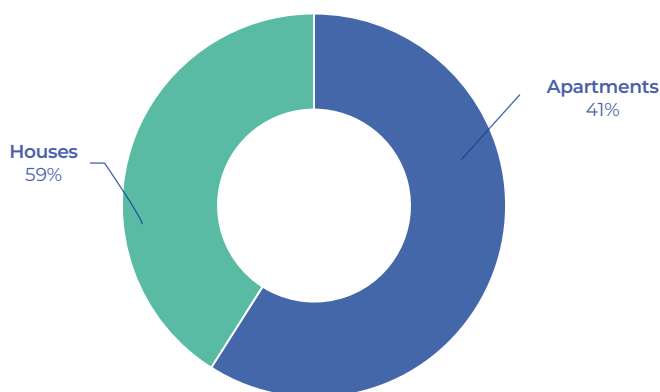
Types of buildings



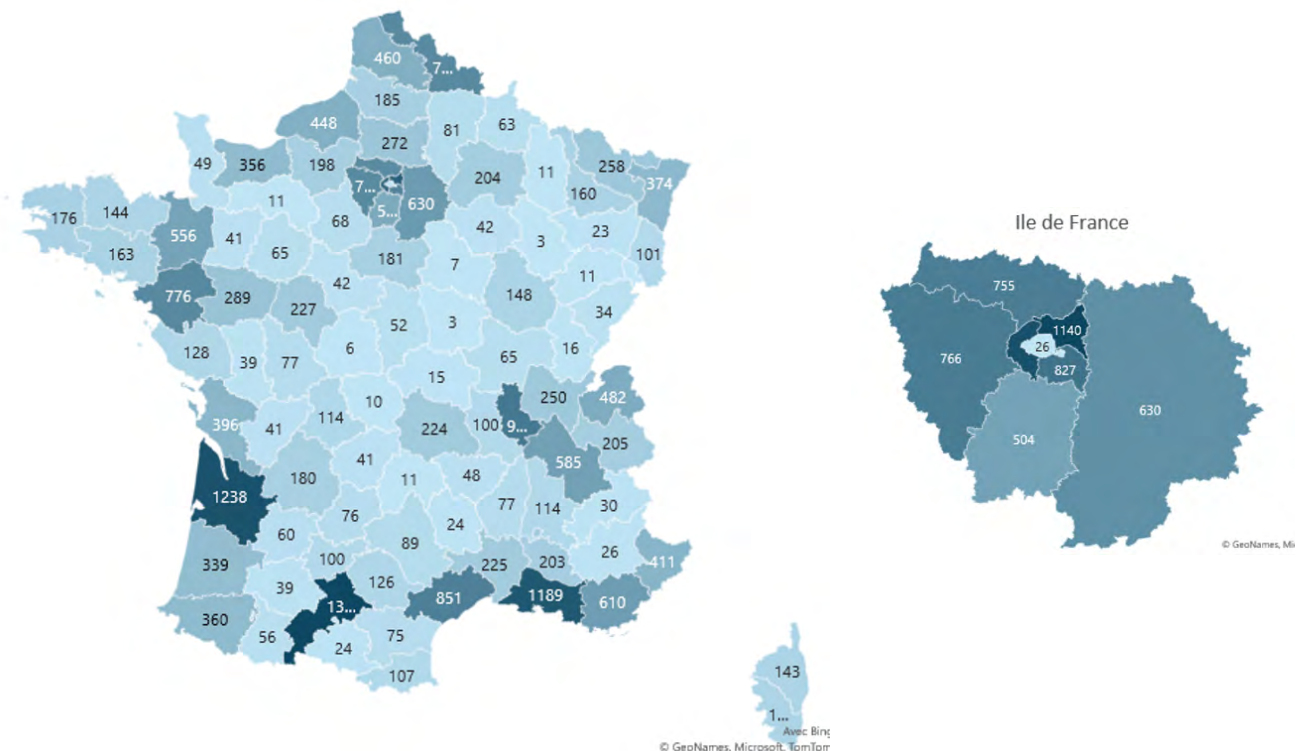
Uses of the buildings



Surfaces refinanced (m²)

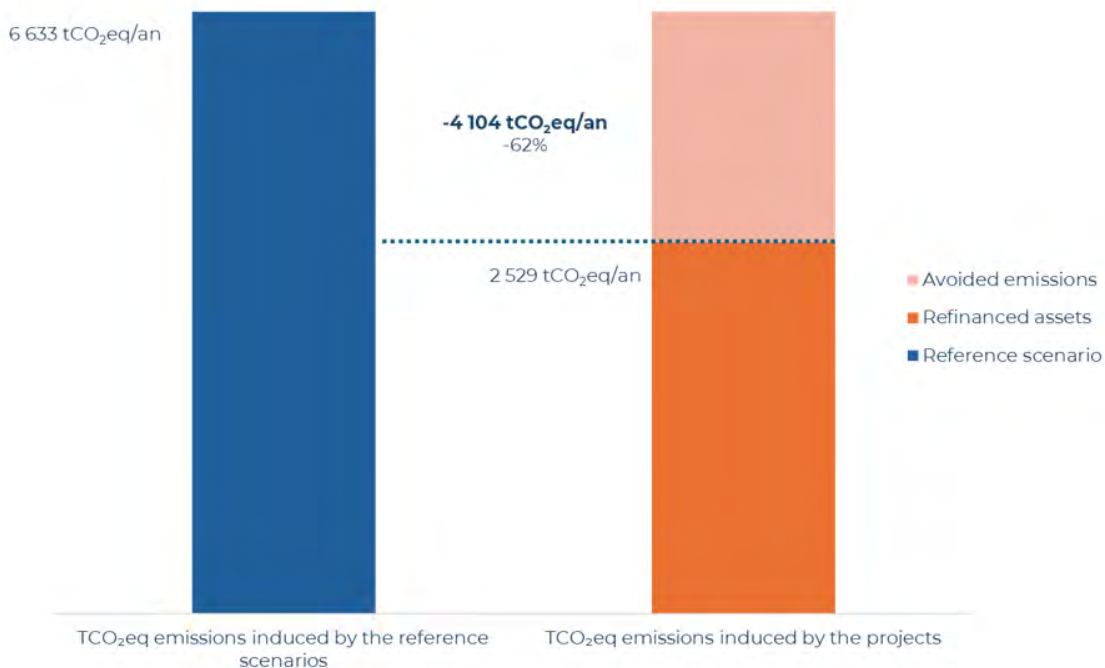


Number of loans financed per department



The bonds are also financing 39 loans in Guadeloupe, 34 in Martinique, 82 in Guyane and 176 in La Réunion.

Comparison between the TCO₂eq induced by the reference scenario and the projects financed by La Banque Postale



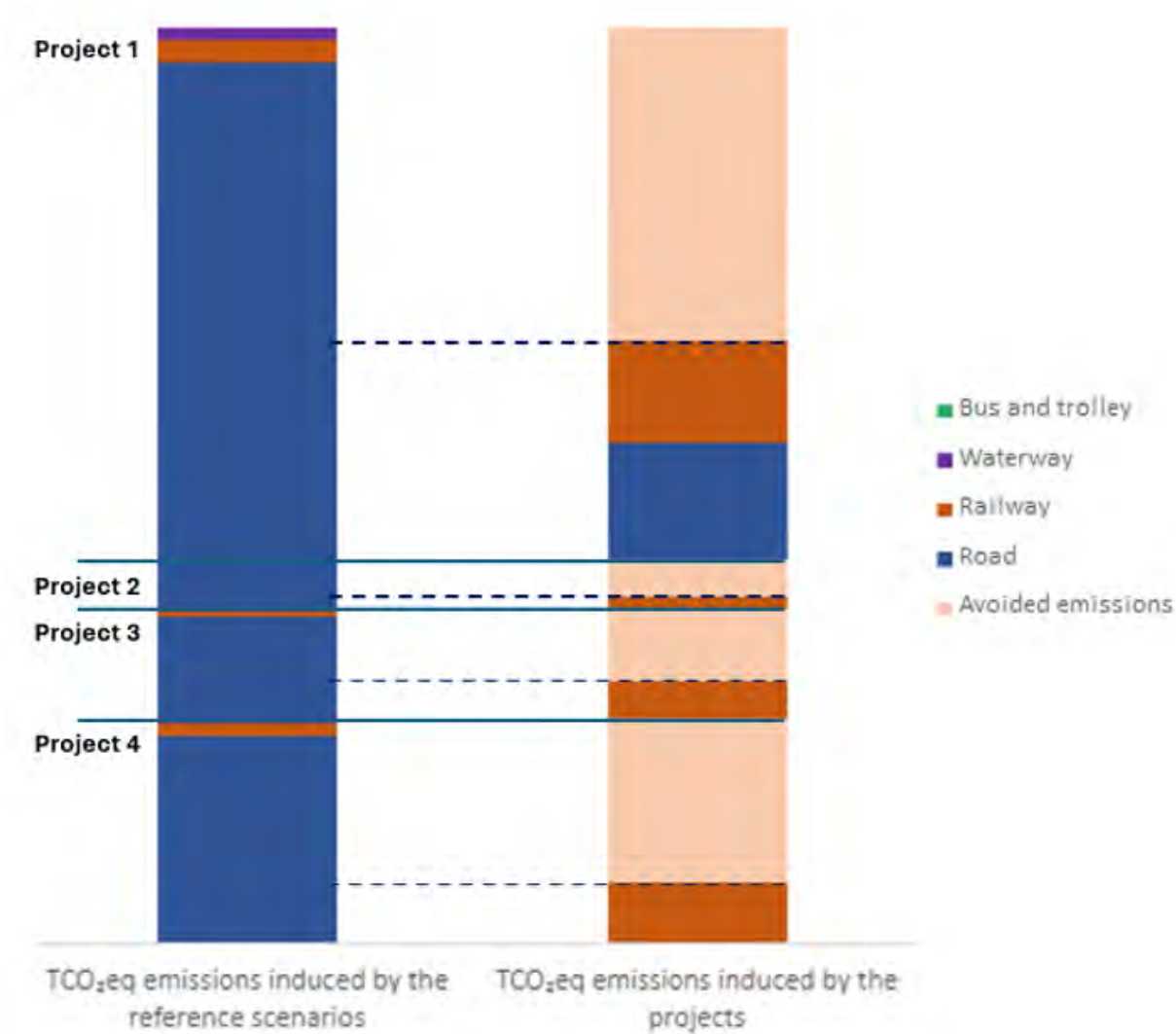
Focus on sustainable mobility

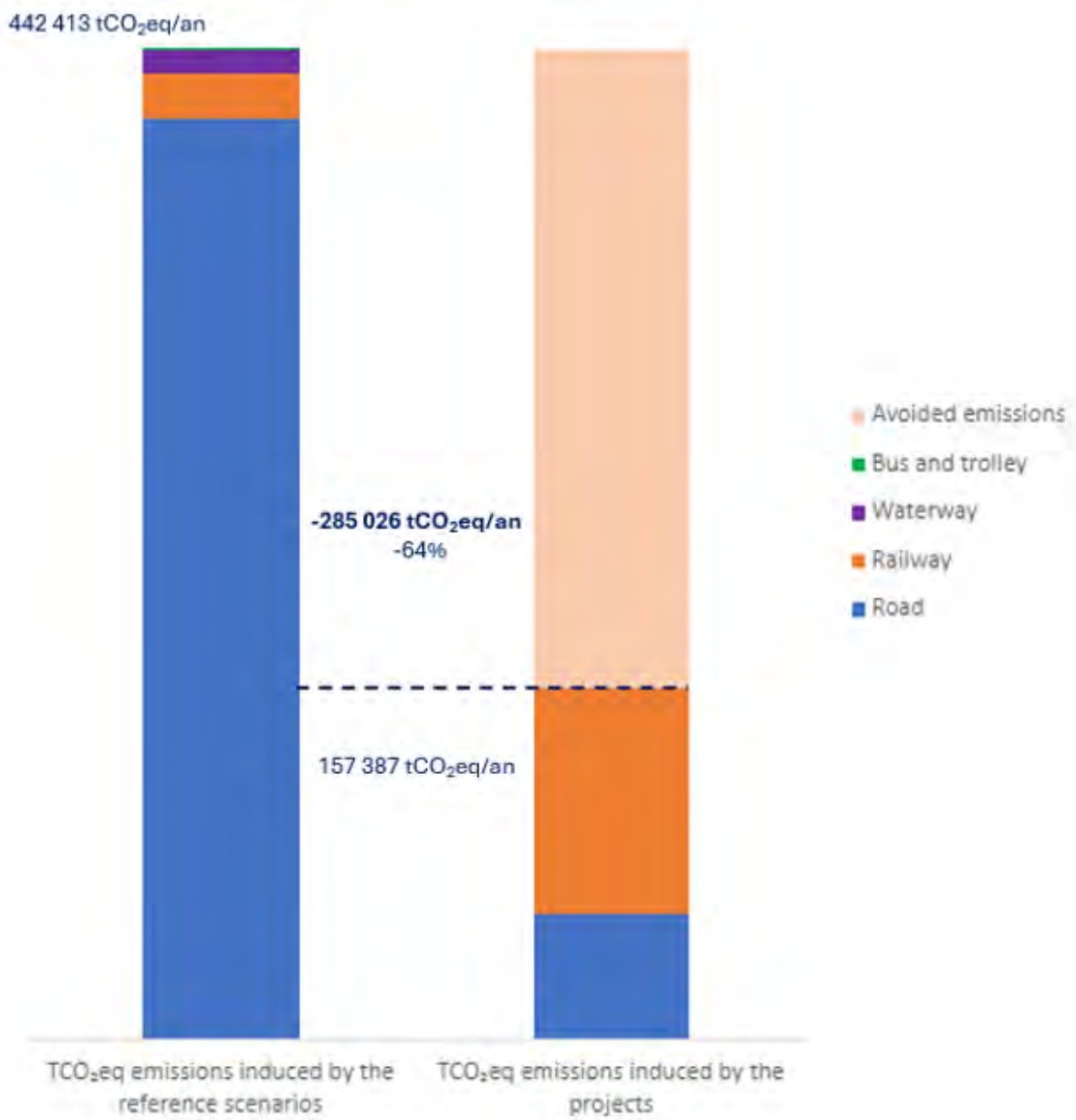
Impact of La Banque Postale's sustainable mobility portfolio allocated

Project category	Allocated amount (m€)	Prorata* induced emissions (tCO ₂ eq/y)	Prorata* avoided emissions (tCO ₂ eq/y)
Sustainable mobility (7 loans)			
Trains/locomotives/wagon	135,20	157 387	285 026
TOTAL	135,20	157 387	285 026

*The prorata amount is calculated based on the green bond outstanding amount. Please refer to Methodological Notes for more information

Comparison between the TCO₂eq induced by the reference scenario and the projects financed by La Banque Postale







All the impact calculations have been prorated on the total green bonds issued residual amount. The formula used was: Residual amount of the total green bond emissions (per asset type) / global underlying portfolio of the asset.

Methodology used for renewable energy

Due to an evolution of our impact methodology and some IT systems, La Banque Postale considers that data quality is not sufficient to provide impact calculation on renewable energies.

Regarding project allocation, it is detailed by type of energy and by country. In the case of mixed projects (mix of energy categories), the energy corresponding to the highest installed production capacity is selected.

Methodology used for sustainable mobility

The calculation of tCO₂eq emissions avoided by the financing of clean mobility (freight and passenger) by La Banque Postale was conducted based on a methodology developed by the cabinet Utopies. The methodology used is as follows:

- The CO₂eq emissions avoided are the result of the difference between the emissions induced by a baseline scenario representing the distribution of transport modes in Europe, and those induced by the so-called "real" scenarios representing each of the projects.
- The calculation of the emissions generated by each scenario includes the distances travelled and the tons transported over the total lifetime of the modes of transport. These data are then multiplied by the emissions factors (source: ADEME) for each type of transport.
- The emissions are then weighted according to the share of LBP's financing in each project in order to calculate the Bank's contribution to the emissions avoided.
- The results of the impact calculations are expressed in tCO₂eq/year avoided (carbon impact) and in tCO₂eq/m€/year (carbon intensity). It is important to note that the projects concern both the expansion or renewal of fleets and the refinancing of existing assets. The funding is therefore not solely aimed at increasing the share of rail in European transport.

Limits of the methodology

- The analysis excludes emissions linked to maintenance, end-of-life equipment, and infrastructure.
- Due to a lack of available data, passenger transport (in the baseline scenarios) excludes air and inland waterway transport. For the same reason, domestic freight transport excludes air transport.
- The calculation of avoided emissions does not include the potential impact of the development of rail transport on the evolution of rail transport market shares and on train occupancy rates.
- The projects financed consist partly of refinancing existing assets. The results reflect the avoided emissions associated with the preservation and extension of the asset base financed by La Banque Postale.
- The mobility projects are not comparable as they do not finance the same equipment, La Banque Postale's share varies from project to project, and they do not finance the same markets (freight and/or passenger).
- Data used in emissions avoided calculation like market data, emission factors, statistics on distances travelled or tons transported, etc. are updated submitted to availability.

Comparison between the 2022 and 2023 methodologies

- No changes in assumptions, emissions factors have not been updated since last year so we assume each project induced the same amount of emission

Methodology used for low carbon buildings

The impact indicator provided is tCO₂eq. Here we have only considered the emissions generated by the use of the buildings, not its construction.

The calculation of avoided emissions is as follows:

Avoided emissions = tCO₂eqq/year reference scenario – tCO₂eq/year of refinanced assets (based on La Banque Postale trajectory operationalisation tool).

- GHG emissions of the reference scenario (equivalent to the green portfolio): reference carbon intensity (ADEME: 24kgCO₂/m²/year) x surface area of assets financed (La Banque Postale share as of 2023/12/31).
- GHG emissions for the portfolio: median GHG intensity (kgCO₂eq/m²/year) taken from the internal operationalisation tool for the residential property trajectory x surface area of the properties financed

The impact is then prorated to the level of green emissions using the prorating factor (nominal of the green bond / global portfolio outstanding) applied to the portfolio's avoided CO₂eq emissions.

Worth knowing:

- La Banque Postale's financing share:
 - In the case of a financing agreement without overfinancing, La Banque Postale's share at loan level is calculated as follows: Outstanding capital of the loan / Property value at grant.
 - In the case of a financing agreement with overfinancing, as the property is considered 100% financed by La Banque Postale, La Banque Postale's share at loan level is calculated as follows: Outstanding capital of the loan / outstanding of the financing agreement. .
 - The result is then multiplied by the surface area financed.
 - Only La Banque Postale's share of financing is considered.
- The reference carbon intensity is 24kgCO₂/m²/year: it comes from the ADEME's statistical tool (updated on 2024/04/08). This reference is calculated from an average of the Energy Performance Certificate (EPC) of houses and flats built in 2023 in France. It is therefore an average of the carbon intensity of the French housing stock (all types of housing combined).

The total surface area of the properties financed in the Low carbon buildings portfolio mainly comes from the bank's information system. A minor proportion is estimated based on the acquisition value of the property and an average price per m² calculated according to the type of property financed (house or flat) and its age.

When not available in the information system, La Banque Postale can use proxy to determine the Energy Performance Diagnostics (EPD) category or the carbon intensity of the buildings financed.

Comparison between the 2022 and 2023 methodologies

The ADEME reference average has changed between 2022 and 2023 from 25kgCO₂/m²/year to 24kgCO₂/m²/year.



■ Low carbon buildings

Offer a range of options for reducing the ecological impact of buildings. Low carbon building is not a specific construction method, but a set of techniques, materials, and technologies that, when properly integrated into a building, help to enhance its environmental performance. In its ideal incarnation, green construction optimises energy efficiency, limits water consumption, makes maximum use of recycled, recyclable, and non-toxic materials, and generates as little waste as possible during construction and occupation.

■ Renewable energy

Energies generated from natural sources that are renewed at a faster rate than they are consumed.

■ TCO₂eq avoided

Emissions avoided when a product is used as a substitute for other goods or services fulfilling the same functions but with a lower carbon intensity.



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La Banque Postale

Report of one of the Statutory Auditor on the verification of a selection of information disclosed in the “Green Bond 2023 Allocation & Impact Report” related to the Green Bonds issuances of 2023 by La Banque Postale

Year ended December 31th 2023
La Banque Postale
115 rue de Sèvres, 75275 Paris Cedex 06

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A French company, member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a Private English company limited by guarantee.

Public limited company with board of directors
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CS 60055
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
775 726 417 RCS Nanterre



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La Banque Postale

115 rue de Sèvres, 75275 Paris Cedex 06

Report of one of the Statutory Auditor on the verification of a selection of information disclosed in the “Green Bond 2023 Allocation & Impact Report” related to the Green Bonds issuances of 2023 by La Banque Postale

Year ended December 31th 2023

To the Directors of La Banque Postale,

In our capacity as Statutory Auditor your company (hereinafter the “entity”), and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the “Information”) presented in the “Green Bond 2023 Allocation & Impact Report” (hereinafter the “Report”), available on the company’s website:

- the allocation, as of December 31th, 2023, of funds raised by the entity through the Green Bonds issued in 2023 (“the Issuing”) contained in the Report,
- the projects financed by the Issuing and identified as eligible by the entity (“Eligible Projects”),
- the carbon impact indicators regarding the eligible projects.

The Information has been prepared in the context of the “Green, Social & Sustainability Bond Framework” (hereinafter the “Framework”) defined by the entity, available on the entity’s website¹.

Conclusion

Based on the procedures we performed, as described under the "Nature and scope of procedures" paragraph, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework available on the entity’s website.

¹ <https://www.labanquepostale.com/legroupe/investisseurs/dette.obligationsvertes.html>



Comments

Without modifying our conclusion, we have the following comments :

- The procedures and methods for collecting, monitoring, and controlling the data disclosed in the allocation and impact report need to be improved in terms of robustness;
- As stated in the “methodological note” of the Report relative to the category renewable energy, due to an evolution of their impact methodology and some IT systems, La Banque Postale considers that data quality is not sufficient to provide impact calculation on renewable energies. We draw attention to the fact that as for the impact indicator, expressed as greenhouse gas emissions avoided, the process of updating data relating to (i) the assets' installed capacity and (ii) La Banque Postale's share of ownership, both datasets contributing to the calculation of the indicator, must be strengthened, in particular with in cases of (i) sale or syndication of financing lines (changes in La Banque Postale's financial commitment), and (ii) sales of assets (changes in the installed capacity financed by the project).

Preparation of the Information

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Framework.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- selecting the Eligible Projects regarding the eligible criteria,
- preparing the Information in accordance with the Framework,
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on the fact that the Information is free from material misstatement, whether due to fraud or error, and has been prepared, in all material respects, in accordance with the Framework.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to:

- Challenge the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework,

La Banque Postale

Report of one of the Statutory Auditor on the verification of a selection of information disclosed in the “Green Bond 2023 Allocation & Impact Report” related to the Green Bonds issuances of 2023 by La Banque Postale Year ended December 31st 2023



- Form an opinion on the effective use of the funds allocated to the Eligible Projects after such funds were allocated.

Applicable professional guidance

We performed the limited assurance engagement in accordance with the international standard ISAE 3000 (revised)² and with the international standard ISAE 3410³.

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work was carried out by an independent and multidisciplinary team including specialists in sustainable development and corporate social responsibility.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

To assess this risk, we took into account the entity's internal controls on the preparation of the Information in order to design appropriate assurance procedures, and not with the purpose of expressing a conclusion as to the effectiveness of the entity's internal control system.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We identified and conducted several interviews with the persons responsible for the collect of the Information, with the Directions in charge of overseeing the collect of the Information and, where appropriate, with those responsible for internal control and risk management procedures,
- We assessed the suitability of the procedures used by the entity to report the Information with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified the existence of internal control and risk management procedures implemented by the entity,
- We verified the consistency of the Information with the accounting records and underlying data,
- We reviewed the processes used for data collection, aggregation, processing, monitoring and control, in particular the procedures relating to the allocation of funds as of December 31st 2023,

² ISAE 3000 (Revised) - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

³ ISAE 3410 – *Assurance Engagements on Greenhouse Gas Statements*

La Banque Postale

Report of one of the Statutory Auditor on the verification of a selection of information disclosed in the “Green Bond 2023 Allocation & Impact Report” related to the Green Bonds issuances of 2023 by La Banque Postale
Year ended December 31th 2023

- On the basis of a representative sample of projects, namely financed and refinanced loans:
 - verify the eligibility of these projects with regard to the eligibility criteria defined in the Framework,
 - verify the concordance of the amounts of the projects as of December 31st 2023, with the accounts and the data underlying the accounts,
- verify that the amount of funds allocated to projects is less than or equal to the amount of these projects as of December 31st 2023.
- verifying that the methods for measuring the impact indicators related to the selected eligible projects, as summarized in the methodological note, presented in the “Methodology appendix” section of the Annual report, have been properly applied, without calling them into question, by reconciling:
 - input data in the spreadsheets prepared by the Group with regards to the selected projects to which the proceeds have been allocated for fiscal year 2023, by category of eligible projects;
 - other source documents that we deemed necessary for the calculations;
 - the results of the spreadsheets related to the impact indicators.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

Paris la Défense, December 24th 2024

KPMG S.A.



Xavier De Coninck
Partner



Brice Javaux
ESG Expert

Appendix: Extracts from the *Green Bonds Annual allocation & impact report 2023*

Allocation report

Global Underlying Portfolio 31/12/2023

Project Category	Number of loans	Amount (m€)
Renewable Energy		
Solar	54	741,82
Wind Onshore	33	541,26
Wind Offshore	9	275,49
Sustainable mobility		
Trains/Locomotives/Wagons	7 ⁵	135,20
Low carbon buildings		
Apartments	14 167	1839,36
Houses	10 945	1584,85
TOTAL	25 215	5 117,99

Global underlying portfolio impact

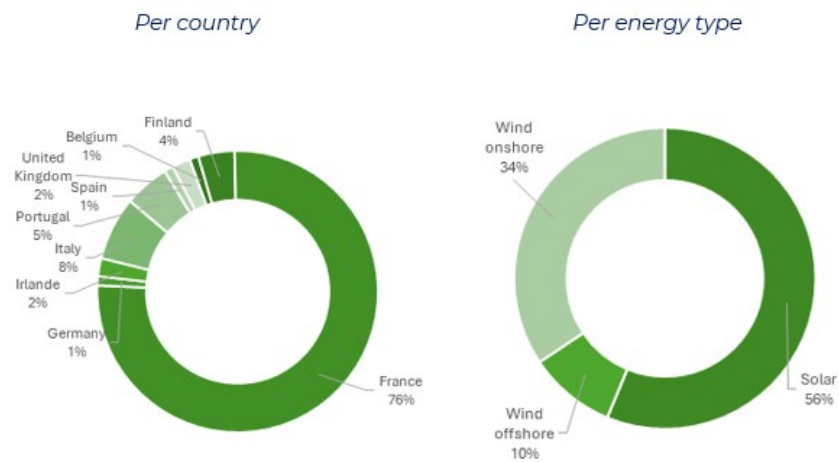
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Renewable energy						
Solar	54	741,82	14%	NA	NA	NA
Wind Onshore	33	541,26	11%	NA	NA	NA
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TOTAL	25 215	5 117,99		184 552	332 485	

NA⁵: not available (please refer to the Methodological notes for more information)

▲ Impact Report

Focus on renewable energy

Breakdown of the number of projects



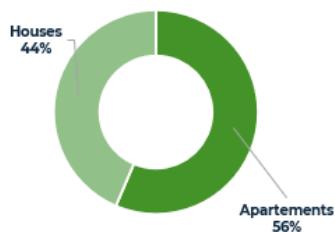
Focus on low carbon buildings

Impact of La Banque Postale's low carbon buildings portfolio allocated

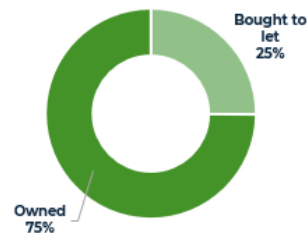
Project category	Allocated amount (m€)	Prorata* induced emissions (tCO ₂ eq/y)	Prorata* avoided emissions (tCO ₂ eq/y)
Low carbon buildings (25 112 loans)			
Appartements	1 839,36	1 025	1 663
Houses	1 584,85	1 504	2 441
TOTAL	3 424,21	2 529	4 104

* The pro rata amount is calculated based on the green bond outstanding amount. Please refer to Methodological Notes for more information.

Types of buildings



Uses of the buildings



Focus on sustainable mobility

Impact of La Banque Postale's sustainable mobility portfolio allocated

Project category	Allocated amount (m€)	Prorata* induced emissions (tCO ₂ eq/y)	Prorata* avoided emissions (tCO ₂ eq/y)
Sustainable mobility (7 loans)			
Trains/locomotives/wagon	135,20	157 387	285 026
TOTAL	135,20	157 387	285 026

* The pro rata amount is calculated based on the green bond outstanding amount. Please refer to Methodological Notes for more information.



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