



# GREEN BOND REPORT

Allocation and impact report  
December 2020

“ **The Green Bond issue forms part of a more comprehensive commitment to sustainable and responsible development.** In 2020, Vigeo Eiris recognised La Poste’s commitments and practical actions by awarding the Group its best ever rating. This rating is a great honour for us, and offers us encouragement to keep fighting for a more sustainable world. As La Poste employees, we are well aware that the earth is our shared address... ”

**Philippe Wahl**  
Chairman and Chief executive  
Officer of Le Groupe La Poste

## HIGHLIGHTS



**€500 million**

raised by La Poste  
Green Bond issue



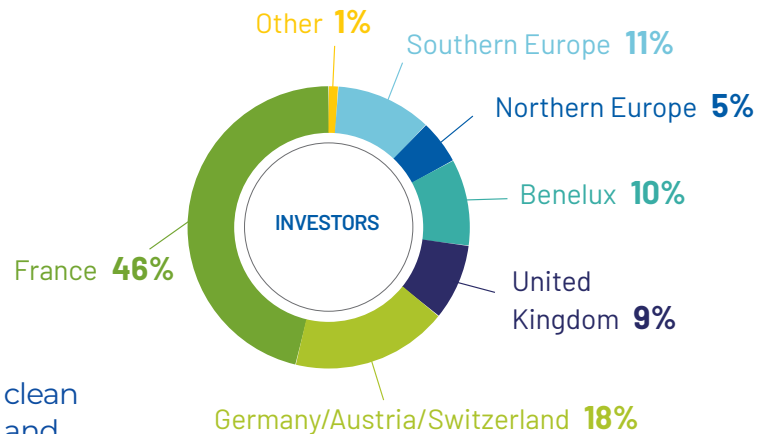
**104** investors  
of which **87%**  
are green investors<sup>1</sup>



**11** green projects financed for clean  
transportation, green buildings and  
renewable energy



**14,232**  
metric tonnes of CO<sub>2</sub> avoided<sup>2</sup>



## Le Groupe La Poste non financial ratings

**vigeo eiris**

**N°1** in the world,  
all sectors combined

Score :  
75/100 in feb. 2020  
(72/100 in sept. 2017)

**ISS ESG**

**1<sup>st</sup> decile** in the transport  
and logistics sector

Score :  
C+ Prime in nov. 2019  
(C+ in nov. 2017)

**SUSTAINALYTICS**

**Médium risk** Air Freight  
and Logistics

Score :  
20,1 in nov. 2019  
(74 in janv. 2018)

**CDP**  
DRIVING SUSTAINABLE ECONOMIES

**Leadership band**  
Intermodal transport  
& logistics

Score :  
A-CPD climate change in  
janv.2020(A in janv. 2019)

**ecovadis**

**Platinum medal**  
As a supplier Top 1%  
of 17,000 companies

Score :  
78/100 in dec. 2019  
(78/100 in sept. 2018)

**International Post Corporation**

**N°1** of the world's major  
postal operators

Score : 72,8/100 in oct. 2020  
(95,8/100 in sept. 2019) out of 19  
participating worldwide postal  
services

<sup>1</sup> Green Investors = Investors holding green funds or specific SRIs governed by strict green mandates, members of the UNPRI (United Nations-supported Principles for Responsible Investment), members of various investment initiatives for environmental transitions, Green Bond Principles and of the CDP; or investors complying with or committed to specific SRI initiatives.

<sup>2</sup> Annual totals compared to the reference scenarios.

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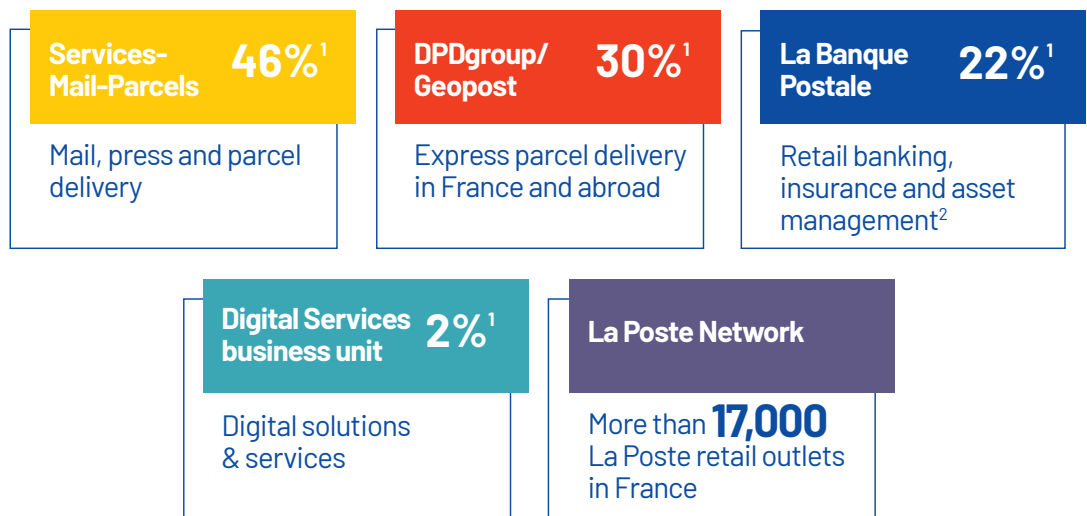


# 1 LE GROUPE LA POSTE'S SOCIETAL COMMITMENT

## Group profile

Le Groupe La Poste is a major multi-activity services group, with an operating revenue of €26.0 billion and an operating profit of €889 million in 2019.

The Group has more than 249,000 employees, and is organised around 5 business units:



# 21.6


billion items delivered per year worldwide (letters, advertising media, parcels and express deliveries)

# 30%

of the operating revenue generated abroad

Le Groupe La Poste is a public sector company owned by Caisse des Dépôts (66%) and the French State (34%). It contributes to the development of **policies in the public interest**, which is a crucial facet of its identity.

La Poste's societal commitment is embedded into its culture and history. Through this commitment it maintains and improves links with society, primarily via its **four public service missions**:

-  the universal postal service,
-  transport and press delivery,
-  contributing to regional planning and development,
-  banking accessibility.

As part of its strategic plan, the Group is committed to taking action for a more sustainable world. In addition to **rapid environmental transition**, the aims of its initiatives also include maintaining social and regional cohesion and the advent of ethical and responsible digital services.

<sup>1</sup> Share of Le Groupe La Poste's 2019 operating revenue.

<sup>2</sup> La Banque Postale holds 62.8% of the CNP Assurances Group.

## La Poste, promoting a rapid environmental transition

The Group faces considerable environmental and societal challenges. These challenges bring risks, but are also a source of development and transformation opportunities for Le Groupe La Poste.

### **The Green Bond issue forms part of the Group's societal commitment, which is based on a three-pronged approach:**

- Take responsible and exemplary corporate action, and provide employees with the tools to ensure that the Group's transitions are a success (energy efficiency, soft mobility, reasonable resource consumption and responsible digital services);
- Support customer transitions with services, solutions and financing terms which are aligned with customer projects;
- Support initiatives, and provide group and regional commitment to enacting change in our society.

The health crisis and the lockdown have provided a steep learning curve. Faced with an unprecedented growth in parcel deliveries and greater public concern for environmental issues, Le Groupe La Poste has continued to fulfil its public service missions and offer innovative solutions to exceptional challenges.

It has actively pursued its environmental policy, which is based on:

- Designing products and services with a reduced carbon footprint,
- Managing and reducing all Group emissions,
- Voluntary offsetting of all the Group's residual emissions.

As a player in the logistics chain and in the financing of the economy, Le Groupe La Poste has actively continued its transformation process to a responsible company based on sustainable products and services. Given how important these issues are for the planet, Le Groupe La Poste has set ambitious CSR objectives, and has contributed to 14 of the 17 Sustainable Development Goals (SDGs) set out by United Nations member states.

The table below summarises the main action plans for the 6 SDGs closely linked to this first Green Bond.

## SDGs

## Main Le Groupe La Poste action plans



### Promote healthy living and well-being for all:

— All energy renovation investments will be channelled into boosting Quality of Life at Work for employees and maintaining the integrity of the Group's services.



### Ensure access to affordable, reliable, sustainable and modern energy:

- Supply the entire real estate portfolio managed by Poste Immo with 100% renewable energy,
- Develop renewable energy supply (with a focus on solar: 46 solar power plants<sup>3</sup> and 4 self-sufficiency projects deployed on Group sites),
- Renewable energy financing (green loans and developing SRI management).



### Promote inclusive and sustainable economic growth and full employment:

- As one of France's biggest employers, Le Groupe La Poste is particularly attentive to the sustainability of its jobs, the many jobs supported by its purchasing activities and of health and safety in the workplace,
- La Poste has ensured that skills and professional development for all its employees form a major component of its strategic plan. This component comprises ambitious training commitments ( 80% of employees trained in 2019).



### Build resilient infrastructure, promote sustainable industrialisation and foster innovation:

The Group has set the following objectives for its comprehensive real estate portfolio:

- HQE/BREEAM certification of new buildings,
- "HQE Exploitation" (Operations) certification
- Rollout of an ISO 50001-certified Energy Management System (initial target of 196 AFNOR-certified buildings in 2020).

<sup>3</sup> Which electrical production is meant to be sold to third-parties.

## SDGs

## Main Le Groupe La Poste action plans



▶ **Work to decarbonise future towns and cities, bringing forward the advent of new city and human settlement models which are inclusive, safe, resilient and sustainable,**

especially by:

- Rolling out Urby – La Poste’s own urban logistics brand – to an initial target of 22 French urban areas,
- Transition to a green delivery fleet (the Group is the leader in this field with about 16,000 electric vehicles),
- Commitment to decarbonised delivery in Europe’s main cities and urban areas (DPD-group).



▶ **Make ambitious commitments to address the challenges posed by climate change and its impacts:**

- A fully carbon-neutral Group from 2019 onwards,
- A new SBTi-certified La Poste trajectory for 2025 which aims to reduce emissions by 30% over scopes 1, 2 and 3, with two sub-objectives:
  - ▶ 51% for scopes 1 and 2 (internal fleet of vehicles and buildings),  
**Objective in line with a 1.5°C warming scenario;**
  - ▶ 14% for scope 3 (primarily sub-contracted transport),  
**Objective in line with a 2°C warming scenario.**

## 2 DETAILS OF THE BOND ISSUE

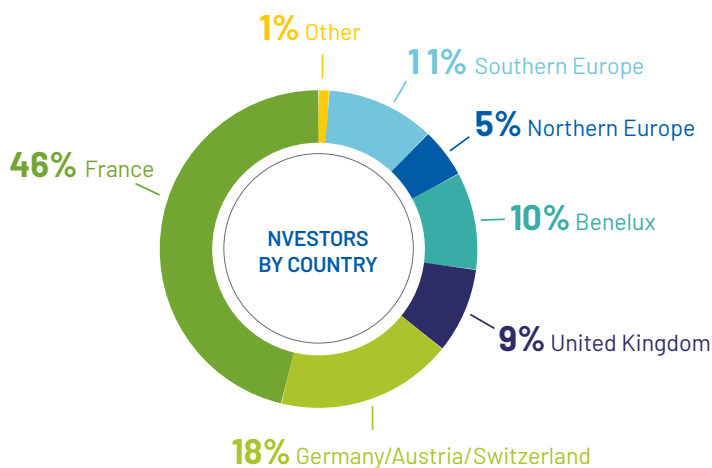
La Poste successfully issued its first Green Bond in November 2018, confirming the added value of its name for the green projects it supports.

The issue was oversubscribed by more than four times, with over 100 investors (of which nearly 90% are green investors<sup>4</sup>).

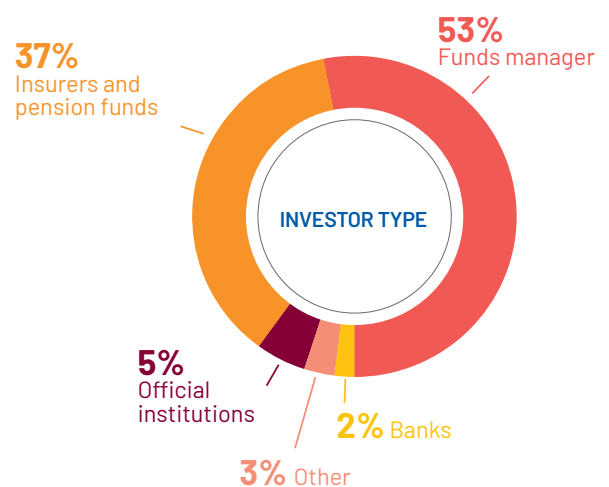
The Final Terms of the Green Bond can be consulted at the Le Groupe La Poste institutional website: <https://www.groupelaposte.com/en/financial-debt>.

AMOUNT	€500 MILLION
MATURITY	10 YEARS
ISSUE DATE	23 NOVEMBER 2018
COUPON	1.45%
JOINT BOOKRUNNERS	CACIB, NATIXIS, DEUTSCHE BANK, ING, SOCIETE GENERALE
LISTING MARKET	EURONEXT, PARIS
ISIN CODE	FR0013384567
RATING	A (STABLE) S&P A+ (NEGATIVE) FITCH RATINGS
DOCUMENTATION	EMTN PROGRAMME

International investors make up more than half of the bond subscriptions



Most of the funds have been provided by pension fund managers and insurers



<sup>4</sup> Green Investors = Investors holding green funds or specific SRIs governed by strict green mandates, members of the UNPRI (United Nations-supported Principles for Responsible Investment), members of various investment initiatives for environmental transitions, Green Bond Principles and of the CDP; or investors complying with or committed to specific SRI initiatives.

# 3 SUMMARY OF THE GREEN BOND FRAMEWORK

The Framework is drafted based on the **Green Bond Principles** (GBP) published by the **International Capital Markets Association** (ICMA) in 2018, which comprises four core components:



The Framework and the Second-Party Opinion are both available at Le Groupe La Poste's institutional website: <https://www.groupelaposte.com/en/financial-debt>.



The non-financial ratings agency Sustainalytics issued an independent Second-Party Opinion on the Framework on 31 October 2018:

**“Le Groupe La Poste’s Framework is credible and impactful. It is aligned with ICMA’s Green Bonds Principles 2018”**

## Three investment categories

### Project categories

### Eligibility criteria



▶ **Electric vehicles** (two, three and four-wheel vehicles) and any infrastructure promoting the use of low-carbon transport solutions, ie **electric battery rental**



▶ **Green buildings in the service sector:** New constructions and/or renovation of existing buildings located in France or in Europe with the following labels:

- BBC Effinergie +
- HQE Excellent or above
- BREEAM Very Good or above
- LEED Gold or above

▶ **Buildings in the industrial sector:** New constructions and/or renovation of existing buildings for which the Energy Performance Certificate (EPC) meets the following minimum levels:

- France (B),
- Netherlands (A+),
- United Kingdom (B)
- Belgium (E70 or better)



▶ On-site **solar photovoltaic power generation equipment**

### Dedicated governance: Green Bond Committee

The Green Bond Committee meets on a semi-annual basis and is composed of representatives from the Finance and Development Department, the Societal Commitment Department, and the business units and subsidiaries which own the assets (GeoPost, Vehiposte, Poste Immo, and Services-Mail-Parcels).

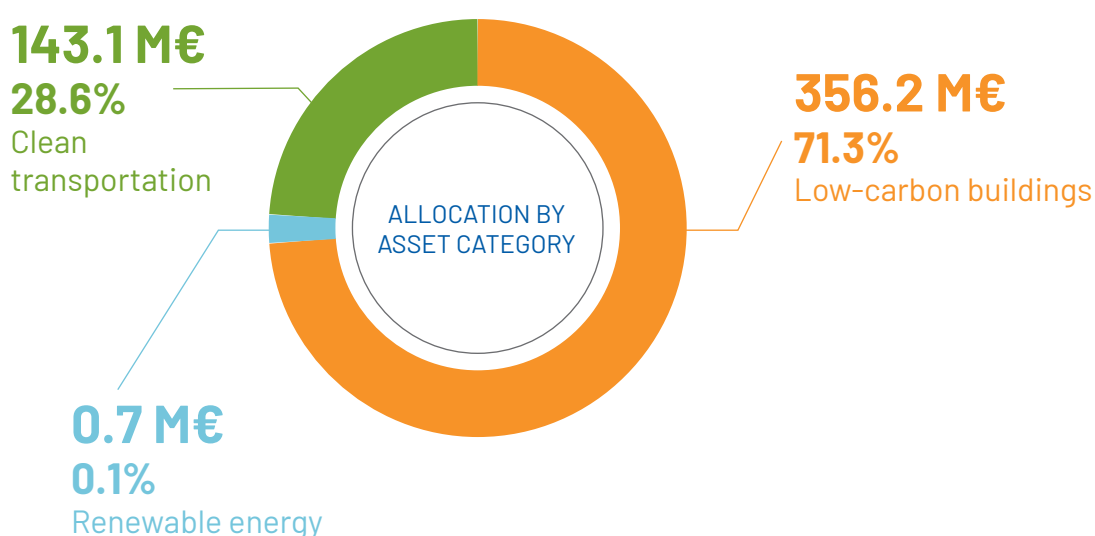
Its purpose is to make decisions on asset eligibility based on the eligibility criteria set out in the Framework. It also decides, as and when required, which new eligible assets should replace end-of-life assets financed by Green Bond funds.

## 4 FULL ALLOCATION OF THE FUNDS RAISED


In accordance with the commitments set out by the Green Bond Framework, Le Groupe La Poste has set out its second fund allocation report by asset category and by project.

**By the end of October 2020, all of the €500 million in funds raised by the Green Bond issue had been allocated.**


€308 million had been channelled into refinancing projects, and €192 million into financing projects.




### Clean transportation

	Name	Financed amount (in €m)		Total Amount (in €m)	Technical specifications
		From 01/2017 to 06/2019	From 07/2019 to 10/2020		
ELECTRIC VEHICLES (EV) INCL. LOW-GHG-EMISSION VEHICLES	3W/4W electric	98.2	19.4	117.7	<ul style="list-style-type: none"> <li>· STABYS (LIGIER): 3W electric</li> <li>· QUADEOS : 4W Light electric</li> <li>· Renault Master ZE: 4W electric</li> <li>· Renault Kangoo ZE: 4W electric</li> </ul>
BATTERY RENTAL FOR EV	Battery rental for 3W and 4W	16.6	8.7	25.4	Battery technology: <ul style="list-style-type: none"> <li>· Renault ZE Kangoo: Lithium-ion 33 kWe since mid-2018; 22 kWe previously</li> <li>· Renault ZE MASTER: Lithium-ion 33 kWe</li> <li>· Stabys: Lithium LiFePO4 3.8 kWe</li> <li>· Quadeos: Lithium-ion 9.4 kWe</li> </ul>
<b>TOTAL</b>		<b>114.9</b>	<b>28.2</b>	<b>143.1</b>	

## Low-carbon buildings

	Name	Financed amount (in €m)		Total Amount (in €m)	Technical specifications: Building certifications
		From 01/2017 to 06/2019	From 07/2019 to 10/2020		
GREEN BUILDINGS IN THE SERVICE SECTOR	La Poste du Louvre (France, Paris)	84.6	48.7	133.3	. HQE: Excellent . BREEAM: Very Good . LEED: Gold
	Village La Poste (France, Marseille region)	24.4	8.5	32.9	. HQE: Excellent . BREEAM: Very Good . Effinergie: Renovation . BDM: Gold
	Village La Poste (France, Lyon region, Lyon Postal Centre)	2.1	4.1	6.2	. HQE: Excellent . HQE BD: Very efficient . BREEAM: Very Good . Label HPE: Renovation
	Musée La Poste (France, Paris)	11.9	3.9	15.8	. HQE: Excellent . Effinergie: Renovation
	Lemnys II (France, Paris)	96.9	8.1	104.9	. HQE: Exceptional . BREEAM: Excellent . BEPOS EFFINERGIE 2013
BUILDINGS IN THE INDUSTRIAL SECTOR	Le Coudray - Monceaux storage-hub (France, Essonne Region)	26.8	11.6	38.4	. DPD FRA: level B for energy efficiency (Energy label) and level A for GHG reduction (Climate label)
	Best storage-hub (Netherlands, Eindhoven)	23.3	1.4	24.7	. DPD NL: level A+ for energy efficiency (office premises)
<b>TOTAL</b>		<b>270.0</b>	<b>86.3</b>	<b>356.2</b>	

## Renewable energy

	Name	Financed amount (in €m)		Total Amount (in €m)	Technical specifications
		From 01/2017 to 06/2019	From 07/2019 to 10/2020		
RENEWABLE ENERGY	PV solar plant Lemnys II (France, Paris)	0.64	0	0.64	. Installed capacity: 243 kWp
	Solar plant (France, Magny les Hameaux)	0.05	0	0.05	. Installed capacity: 6 kWp
<b>TOTAL</b>		<b>0.7</b>	<b>0</b>	<b>0.7</b>	

KPMG has been entrusted with verifying the funds allocation against the eligibility criteria, acting as an Independent Third Party (ITP). KPMG's report is included in section 6.

## Focus on 3 flagship projects



### Village La Poste - Marseille



**Recharging terminals**  
for electric bikes  
and electric scooters

**52 sq. m**  
bike park



**Biodiversity:** Plan to create **235 sq. m** of green space  
with eco-friendly maintenance

#### Building specifications

Delivery in **Q3 2020** | Surface area of **12,190 sq. m**

**10,500 sq. m** of space will be returned, due to the gathering of 410 Group employees on this unique site (9,400 sq. m owned and 1,100 sq. m rented)

More than **5%** of the surface area will be dedicated to **co-working spaces open to third parties**

#### Energy performance:

- Insulation of the outer shell: Woodwork with solar protection
- Condensing boilers
- 100% LED lighting



Provence-Alpes-Côte d'Azur Region

### Le Coudray-Montceaux - DPD France Hub



**100% LED lighting** | **Rain water collection ponds**

**Green space maintenance**  
— Eco-grazing and beehives



#### Building specifications

Delivery **October 2020**

Warehouse surface area **21,657 sq. m** | Offices surface area **3,174 sq. m**

Nearest airport **Orly**  
Motorway **A6**

**114** unloading doors  
**76** loading docks  
**25,000** parcels processed per hour



South-East Paris - Greater Paris Region (Ile-de-France)

## Master Renault ZE vehicles



### Vehicle specifications

#### Fleet:

**75** units at the end of October 2020

Average distance covered per round

**40 km**

Load capacity

**10 m<sup>3</sup>**



# 5 IMPACTS

## Methodology

Le Groupe La Poste has commissioned the consultancy firm Carbone 4 to assess the **carbon impact** of the financed projects.

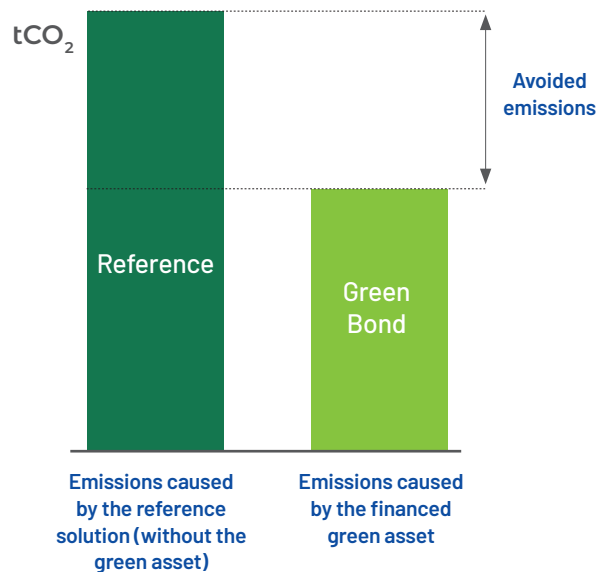
The methodology used is based on the international GHG Protocol, developed by the World Resources Institute and the World Business Council for Sustainable Development. Its purpose is to best reflect the carbon impact of the financed assets by analysing their life cycle.

In order to estimate the avoided emissions in metric tonnes of CO<sub>2</sub> equivalent over a year, a comparison is made between:

- the emissions caused by projects financed by the Green Bond, and
- the emissions caused in a realistic reference situation in which these projects had not been carried out.

Unless otherwise specified, the emission factors used have been taken from ADEME's Base Carbone®.

**Emissions avoided by the Green Bond:**  
Difference between the emissions caused by the reference situation and by the financed green assets





**The avoided emissions linked to renovation projects are calculated based on a comparison of the situation before and after the project:**

- The emissions linked to the building’s energy consumption (i.e. use) are compared before and after the renovation;
- The emissions linked to the construction of renovation components are assessed following an asset life cycle-based approach.

The data and sources for fitting out and renovation installations are taken from the INIES database.

This database makes it possible to assess the environmental performance of buildings over their life cycle, by gathering Environmental and Health Declaration Forms (*Fiches de Déclarations Environnementales et Sanitaires – FDES*) for building products, and Environmental Product Profiles (*Profils Environnementaux Produits – PEP*) for building fittings and equipment, together with the default values and contractual service data provided by the French State.

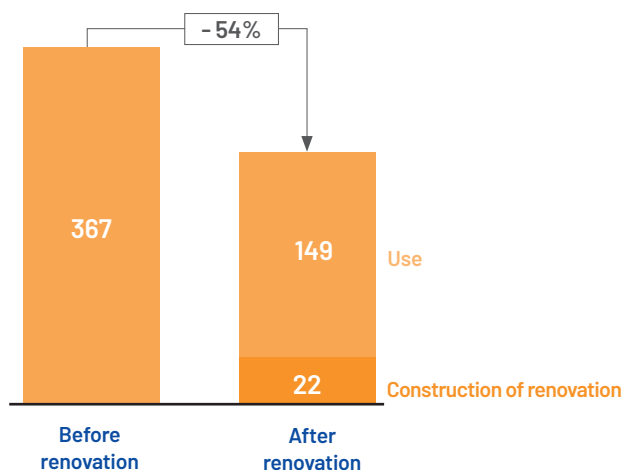
Following this analysis, an adjustment factor is applied to the results, to take into account the fact that only one section of the building is effectively replacing the existing building, and thereby reducing emissions. As the other section of the building is deemed part of the existing building stock, no avoided emission is linked to it.

**The same method is applied to new logistics buildings.** Only the reference values differ:

- The emissions linked to the financed building’s energy consumption are compared to the average for French logistics building (source: OID).
- For building construction, logistics sector ratios were used (source: ADEME).

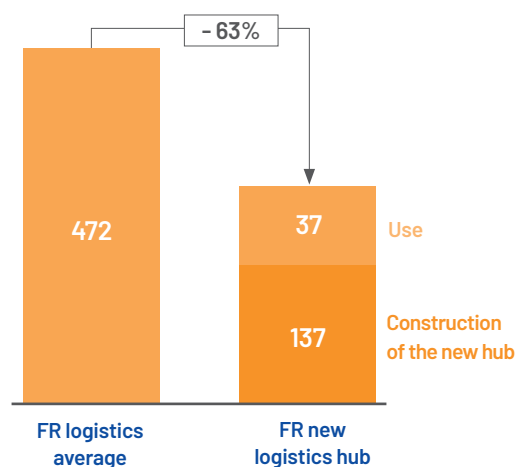
**Method applied to a Le Groupe La Poste renovated service-sector building:**

Carbon footprint of the renovated VLP service-sector building in Marseille before and after renovation (in tCO<sub>2</sub>eq/yr)




**Method applied to a new Le Groupe La Poste logistics building (before applying the adjustment factor):**

Carbon footprint of a new hub located in France (Le Coudray-Montceaux) compared to the average for logistics building stock (in tCO<sub>2</sub>eq/yr)



## Aggregated results

	Climate indicators	At end 10/2020	
		Cumulative floor area	Values
GREEN BUILDINGS IN THE SERVICE SECTOR	Percentage improvement of the carbon performance of the assets compared to the reference scenario	77,822 sq.m	55%
	Total avoided CO <sub>2</sub> emissions per year linked to building energy performance, compared to the reference scenario		1,053 tCO <sub>2</sub> eq/yr
	Total avoided CO <sub>2</sub> emissions per year linked to building energy performance, compared to the reference scenario, or every €1 million invested		4 tCO <sub>2</sub> eq/yr/€M
LOGISTICS BUILDINGS	Percentage improvement of the carbon performance of the assets compared to the reference scenario	50,559 sq.m	48%
	Total avoided CO <sub>2</sub> emissions per year linked to building energy performance, compared to the reference scenario		292 tCO <sub>2</sub> eq/yr
	Total avoided CO <sub>2</sub> emissions per year linked to building energy performance, compared to the reference scenario, for every €1 million invested		5 tCO <sub>2</sub> eq/yr/€M



**The carbon impact of the financed vehicles and batteries is calculated over the entirety of their useful life, from manufacture to end of life, and is based on one year of use.**

In order to compare the emissions from the use of 3- or 4-wheel electric vehicles financed by the Green Bond to those of the replaced internal combustion vehicle, the following assumptions have been made:

- That every financed (3- or 4-wheel) electric vehicle replaces a 4-wheel diesel vehicle in La Poste's vehicle fleet
- That every kilometre travelled by an electric vehicle directly replaces a kilometre travelled by its internal combustion counterpart. Therefore, the transition to electric vehicles does not result in any increase or reduction in the kilometres travelled.

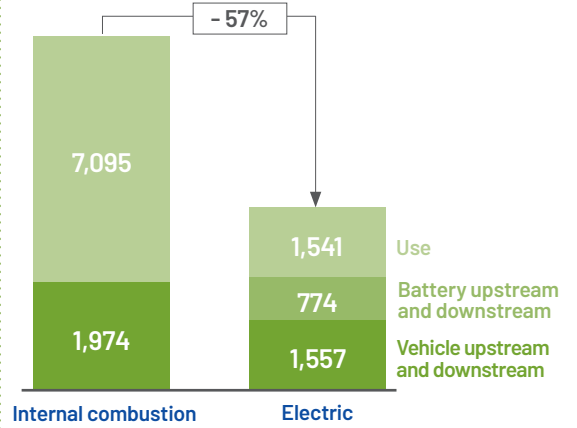
These assumptions are taken from an analysis of the changes to the Group's vehicle fleet and its use over recent years.

The data used to calculate manufacture and end of life for electric and internal combustion vehicles is taken from a study conducted for Fondation Nature Homme (FHN) and the European Climate Foundation (ECF) in 2017, based on calculations by Renault teams using ACV GaBi software.

**Method applied to two types of financed vehicles:**

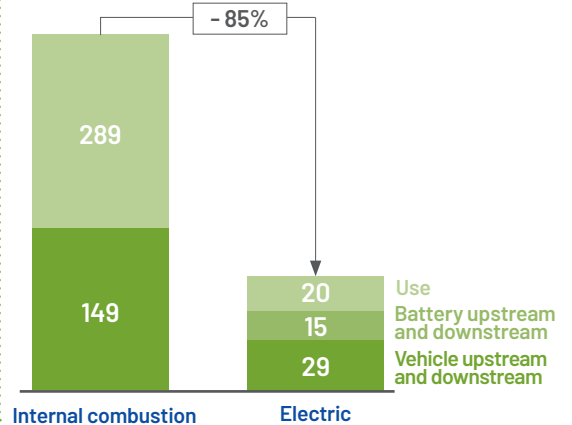
**1/ the Kangoo ZE fitted with 33 kWh batteries, and the Renault Master ZE**

Carbon footprint of the fleet compared to identical use of 4-wheel diesel vehicles (in tCO<sub>2</sub>eq/yr)



**2/ Quadeos**

Carbon footprint of the fleet compared to identical use of 4-wheel diesel vehicles (in tCO<sub>2</sub>eq/yr)



The data pertaining to the use of different vehicle types were sourced from ADEME's Base Carbone on emission factors linked to different transport energy carrier.




**Batteries considered on a separate basis**

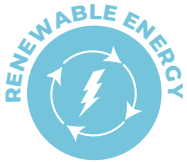
Each vehicle financed by the Green Bond is fitted with a battery, which is also financed by the Green Bond.

In addition, some financed rented batteries will be fitted in vehicles purchased outside the Green Bond scope. For these batteries, only the impact of the assets which fall into the financing scope have been considered.

Therefore, the Group have deemed that each battery avoids a percentage of the total avoided emissions for an electric vehicle as a whole. This percentage is calculated based on economic allocation, which uses the ratio between the economic value of the battery and the economic value of the whole vehicle.

## Aggregated results

	Climate indicators	At end 10/2020	
		Numbers of vehicles	Values
ELECTRIC VEHICLES (EV) incl. low-GHG-emission vehicles	<p>Total number of km covered per year by the financed vehicles (excl. battery)</p> <p>Total avoided CO<sub>2</sub> emissions per year for the vehicles (excl. battery), compared to the reference scenario</p> <p>Total avoided CO<sub>2</sub> emissions per year compared to the reference scenario, for every €1 million invested</p>	<p><b>8,931</b></p>	<p><b>68.4 million km</b></p> <p><b>10,002 tCO<sub>2</sub>eq/yr</b></p> <p><b>85 tCO<sub>2</sub>eq/yr/€M</b></p>
BATTERY RENTAL for EV	<p>Total avoided CO<sub>2</sub> emissions per year for batteries, compared to the reference scenario</p> <p>Total avoided CO<sub>2</sub> emissions per year compared to the reference scenario, for every €1 million invested</p>	<p><b>6,946</b></p>	<p><b>2,883 tCO<sub>2</sub>eq/yr</b></p> <p><b>114 tCO<sub>2</sub>eq/yr/€M</b></p>

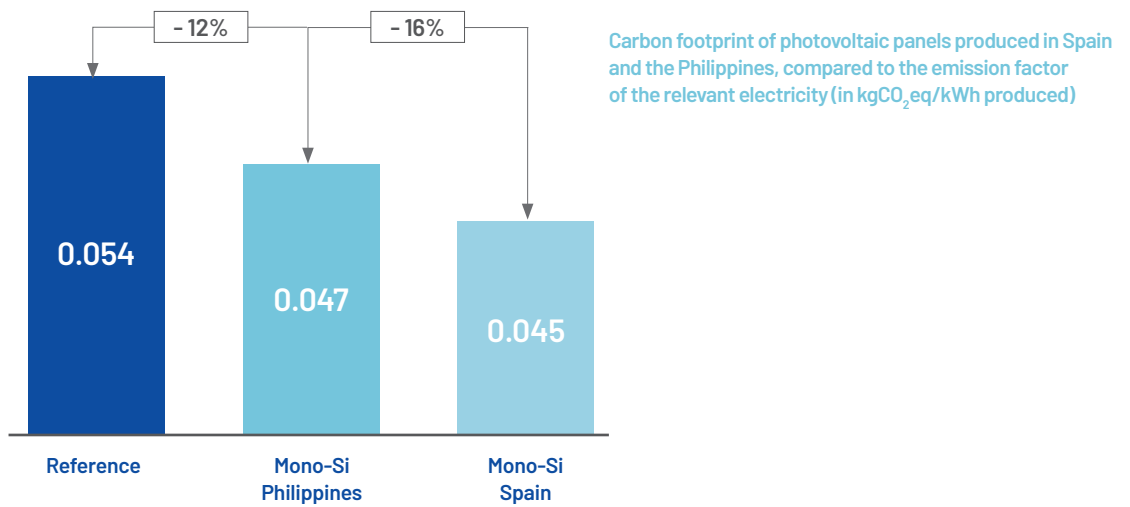


The carbon impact of photovoltaic panels takes into account the emissions from the manufacture and end of life of the panels, according to where they are produced.


The data used to calculate manufacture and end of life for photovoltaic panels is taken from a study by the French Electricity Regulation Committee (*Commission de Régulation de l'Énergie – CRE*) on the completion and operation of solar power electricity production facilities.

The carbon intensity of the replaced electricity is calculated based on the OMBM reference method applied in France.

**The carbon performance levels are shown below for Le Groupe La Poste-financed panels produced in Spain and the Philippines:**



### Aggregated results

 RENEWABLE ENERGY	Climate indicators	At end 10/2020	
		Installed capacity	Values
	Total avoided CO <sub>2</sub> emissions per year for PV, compared to the reference scenario	249 kWc	1.7 tCO <sub>2</sub> eq/yr
	Total avoided CO <sub>2</sub> emissions per year compared to the reference scenario, for every €1 million invested		2.4 tCO <sub>2</sub> eq/yr/€M

## **6 INDEPENDENT THIRD PARTY REPORT - KPMG**

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# **LA POSTE S.A.**

**Limited Assurance Report on Selected Information published in the report « Green Bond Report - Allocation and impact report - December 2020 » relating to the Green Bond issuance on November 23rd 2018**

La Poste S.A.  
9 rue du Colonel Pierre Avia  
75757 Paris Cedex 15

*This report contains 6 pages*

*This is a free English translation of the Assurance 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.*

### **La Poste S.A.**

Limited Assurance Report on Selected Information published in the report « Green Bond Report - Allocation and impact report - December 2020 » relating to the Green Bond issuance on November 23<sup>rd</sup> 2018

In our capacity as Statutory Auditor and in compliance with the engagement entrusted to us, we hereby provide a limited assurance conclusion on whether the information (the “**Verified information**”) published in the Green Bond Report 2018 relating to the Green Bond issued on November 23<sup>rd</sup> 2018 (the “**Annual report**”) has been presented, in all material respects, in accordance with the Guidelines defined below.

The **Guidelines** comprise the following documents:

- the Green Bond Framework prepared by Le Groupe La Poste (the “**Group**”) and included in the Second Party Opinion issued by the firm Sustainalytics prior to the Green Bond issue; available on the Group website<sup>1</sup>; and
- the reporting procedures developed by the Group for the production of the Annual report.

### **Management’s responsibility with regard to the Verified information**

The Management Group is responsible for preparing the Annual report, including the Verified information presented in the table below, in accordance with the methods and processes described in the Guidelines. It does so based on:

- the accounting records used to prepare the Group’s consolidated financial statements for the financial years closing 31<sup>st</sup> December 2019 and the interim consolidated financial statements closing 30<sup>th</sup> June 2020 (the “**Financial statements**”); and
- non-financial data collected and calculated by the Group; and
- the internal controls it deems necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

<sup>1</sup><https://www.grounelaposte.com/en/financial-debt section Green Bonds>

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VERIFIED INFORMATION	SECTION OF THE ANNUAL REPORT	SECTION OF THE GUIDELINES
Project compliance with the Green Bond eligibility criteria	4. Full allocation of the funds raised - pages 9 to 12: - § « Green buildings » category - § « Clean transport » category - § « Renewable energy » category	4.1 List of allocation financial indicators by Large Green Bond Categories, and subcategory (eligibility criteria) - pages 10 to 11
Allocation of proceeds from the issuance to eligible projects		
Description of proceeds management policy		4.4 Reporting component placement of funds not allocated to the project - page 12

**Independence and quality control**

We apply International Standard on Quality Control ISQC1<sup>2</sup> and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

<sup>2</sup> Quality control of firms conducting audit or review engagements, as well as other assurance and related services

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### **KPMG's responsibility**

Our responsibility is to carry out a limited assurance engagement and to express a conclusion on the Verified information, based on the work performed. We conducted our engagement in accordance with international standard ISAE 3000<sup>3</sup>. The Standard requires that we plan and perform our work to obtain limited assurance about whether the information has been prepared, in all material respects, in accordance with the Guidelines, based on the accounting records used to prepare the Group Financial statements and based on non-financial data.

It is not our responsibility to provide an opinion on:

- the project eligibility criteria validated in the Second Party Opinions provided by the firm Sustainalytics prior to issuance of the Green Bond;
- the use of proceeds for eligible projects subsequent to allocation;
- the non-financial impact indicators communicated in the Annual report.

Our work only focuses on the Verified information and not the Annual report taken as a whole.

### **Nature and scope of our work**

We used our professional judgement to select procedures for our limited assurance engagement, and to assess the risk of material misstatement in the Verified information, whether due to fraud or error.

To assess risk, we took into account the Group's internal controls on the preparation of the Verified information in order to design appropriate assurance procedures, and not to express a conclusion as to the effectiveness of the entity's internal control system.

We conducted several interviews with the persons responsible for preparing the Verified information, with those in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures.

<sup>3</sup> ISAE 3000 – International Standard on Assurance Engagements other than audits or reviews of historical financial information.

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Our work entailed:

- gaining an understanding of the sustainability strategy of the Group, the environmental impact of its activities and any actions or programmes arising from them;
- assessing the appropriateness of the Guidelines in terms of relevance, completeness, reliability, neutrality and understandability;
- verifying the implementation of a process to collect, compile, process and control data to ensure completeness and consistency of the Verified information and gain an understanding of the internal control and risk management procedures used to prepare the Verified information;
- verifying the correct application of the reporting procedures and carry out detailed tests on the basis of sampling, consisting in checking the calculations made and reconciling the data with supporting documents, in particular:
  - the criteria used to identify and retain the eligible projects to which the funds have been allocated with the criteria of eligibility of the Guidelines, validated in the "Second Party Opinion" delivered by the firm Sustainalytics;
  - the amount of funds allocated to eligible projects, as of October 31<sup>st</sup> 2020, with the accounts or the elements underlying the accounting that served as the basis respectively for the preparation of the Financial statements and for the reporting on the period from June 30<sup>th</sup>, 2020 to October 31<sup>st</sup>, 2020.
- verifying the amount of proceeds allocated, as of October 31<sup>st</sup> 2020, by category of eligible project;
- verifying that proceeds were properly monitored and managed between the issue date and October 31<sup>st</sup> 2020 by cross-checking flows against data in the supporting documents;
- performing analytical review procedures on the Verified information, checking the calculations using sampling techniques, and determining whether they are consistent with the information provided in the Annual report.

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We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Verified information cannot be totally eliminated.

**Conclusion**

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Verified information is not presented fairly in the Annual report, in all material respects, in accordance with the Guidelines, including with regard to:

- compliance of the projects mentioned in paragraph "4. Full allocation of the funds raised" – from pages 9 to 12 with the eligibility criteria defined by the Group in its "Green Bond Framework";
- allocation of proceeds from the issuance to the eligible projects mentioned in paragraph "4. Full allocation of the funds raised" – from pages 9 to 12;
- the description of the proceeds management policy mentioned in paragraph "4. Full allocation of the funds raised" – from pages 9 to 12.

Paris La Défense, December 10<sup>th</sup>, 2020

KPMG S.A.

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*Partner*  
*Sustainability Services*

Eric Amato  
*Partner*

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[laposte.fr/neutralitecarbone](http://laposte.fr/neutralitecarbone)



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