GROUPE BPCE

How CSRD & Taxonomy impact banks

15/12/2023

Groupe BPCE in a nutshell

A cooperative groupe

- Groupe BPCE is the second-largest banking group in France and finances over 20% of the French economy.
- 100,000 staff.
- 35 million customers – individuals, professionals, companies, investors and local government bodies – around the world.
- It operates in the **retail banking and insurance fields** in France via its two major networks, **Banque Populaire and Caisse d'Epargne**, along with Banque Palatine and Oney.
- It also pursues its activities worldwide with the asset & wealth management services and the wholesale banking expertise.

From the Paris Agreement to regulations

Steps

Paris Agreement 2015

- Limiting warming to below 2°C above pre-industrial levels and limiting temperature rise to 1.5°C

European Green Deal 2019

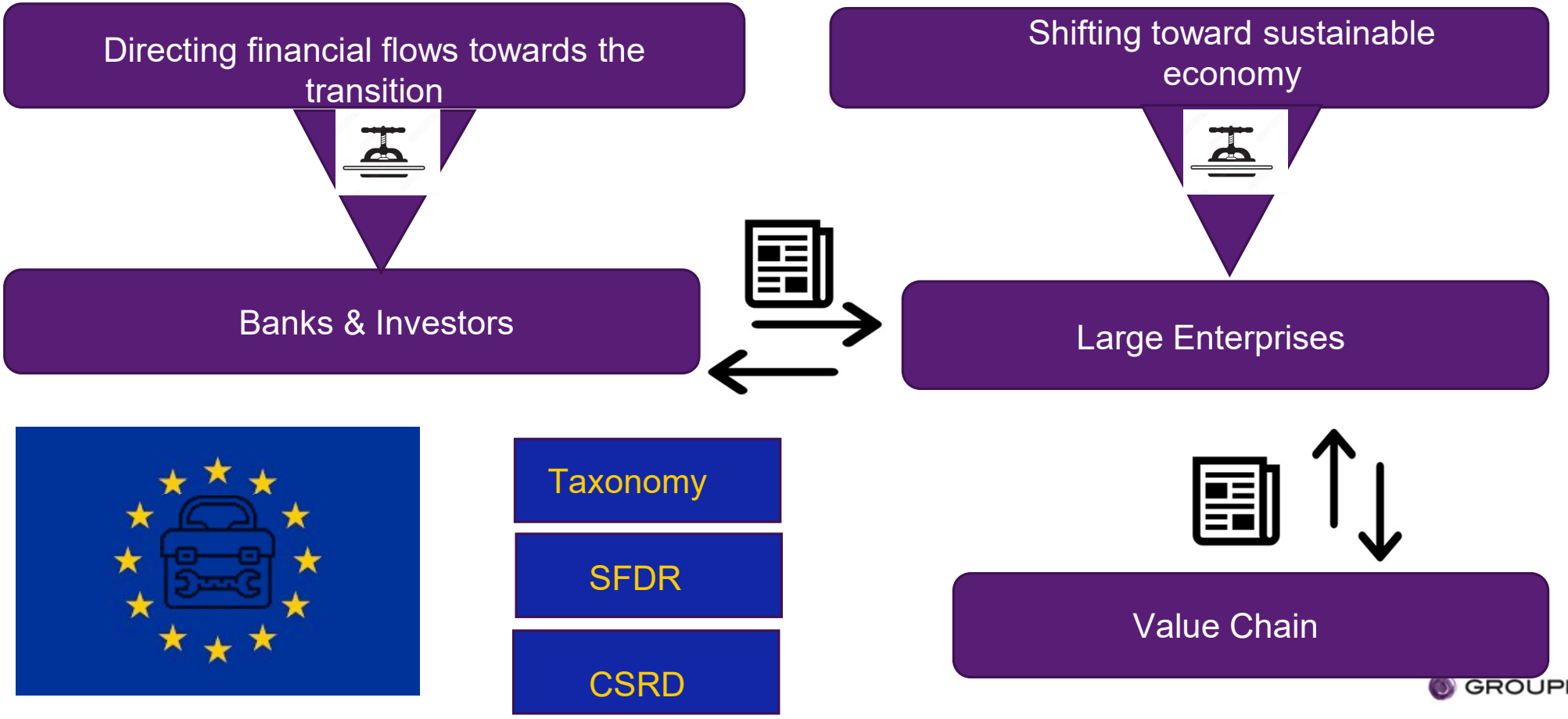
- Goal: climate neutrality by 2050.
- Milestone:
- -55% of GHG emissions in 2030: Fit for55

Regulations « Transparency»

- SFDR
- Taxonomie
- **CSRD**
- CSDD

The Green Deal ambitions : transforming the European economy

Double the pressure on key players



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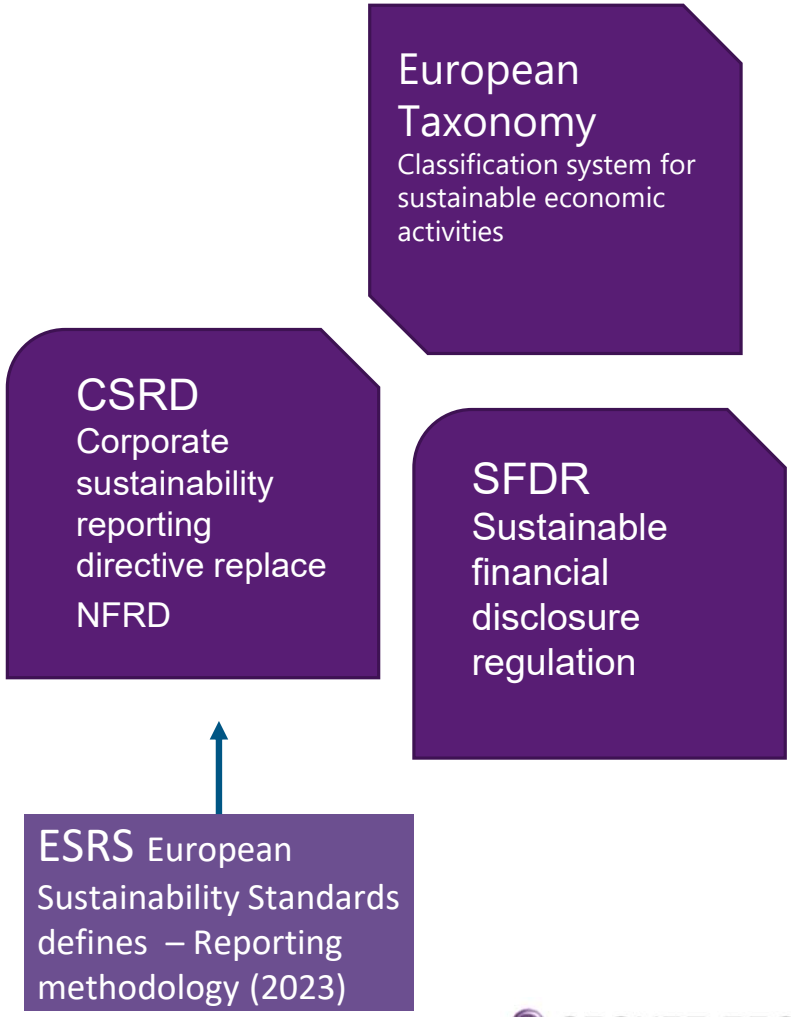
How does green finance support the green transition?

With a view to directing investments and ensuring the financing of sustainable activities to accelerate and manage the ecological transition.

A revised regulatory framework and new tools allow :

- Identify risks and opportunities
- Setting sustainable development goals
- Assess environmental performance
- Report to the organization's stakeholders, business or financial institution

The Taxonomy is the key to this



Taxonomy: what KPI for banks?

Directing investment flows towards activities that contribute most to the EU's Sustainable Development Goals

% of assets invested in economic activities in accordance with the taxonomy, in relation to total assets covered (the Green Asset Ratio)

"Financial" companies

% of sustainable turnover, sustainable CAPEX and sustainable OPEX

"Non-financial" businesses

- Climate Change Mitigation
- Transition to a circular economy
- Adaptation to climate change
- Pollution Prevention and Control
- Protection and sustainable use of water and marine resources
- Protection and restoration of biodiversity and ecosystems

6 Environmental Objectives

The impact of Taxonomy and CSRD implementation on banks

- Banks as companies will have to transform

- To be compliant with the news regulations banks will need a lot new data

- This need will impact
  - the way of working for all the front teams
    - New topics to understand
    - New document to be read and analysed
    - News documents needed
  - the IT systems
  - New relationships with our customers
  - A renewed KYC

The impact of Taxonomy and CSRD implementation on banks

- To cope with this transformation Banks will have to developp Education of all teams

- French legislation helps : for instance RE2020 or Agec law
  - Regarding RE2020 which is the French environment regulation for building set up KPI aligned with the green taxonomy. Thanks to this regulation will be able to obtain all the data we need

  - The same with Agec law which aims to reduce waste and push toward circular economy.

PARIS 2024

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PARTENAIRE PREMIUM

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