



Our commitments to support biodiversity

June 2020

Biodiversity and natural capital are key for the functioning of the economy and provide many ecosystem services such as food, medicinal resources or pollution control. Maintaining the resilience of these ecosystems and their ability to regenerate is crucial, especially to address the challenges related to climate change.

The main threats to biodiversity are linked to human activities. By destroying natural capital, the stability of our economic models is threatened. The financial sector can and must play a role in the necessary ecological transition of human activities.

Natixis recognizes the essential role of biodiversity to preserve ecosystem balance and, within the framework of **act4nature international** (www.act4nature.com), is committed to protecting biodiversity and raising awareness of its stakeholders through initiatives on both direct and indirect impacts.

Commitment 1: Integrating biodiversity in corporate strategy

- ⇒ Natixis is committed to including biodiversity into its next strategic plan.

Indicator: transversal theme of the strategic plan

Objective: include biodiversity in the strategic plan to be published in 2021

Commitment 2: Engaging dialogue with all the stakeholders

a. Engaging dialogue with clients

Natixis has implemented working groups with the business lines to set the bases of a dialogue with its clients on biodiversity. A set of indicators linked to biodiversity has been defined to be discussed with clients when putting a financing in place. An interview guide for the front officers will be developed.

- ⇒ Natixis is committed to systematically engaging the dialogue on biodiversity and natural capital with all its clients to whom sustainable finance solutions are proposed.

Indicator: share of corporate clients, project sponsors included, to whom sustainable finance solutions are proposed, with whom biodiversity issues are discussed

Objective: 100% of clients to whom sustainable finance solutions are proposed by end of 2021

- ⇒ Natixis is committed to integrating natural capital and biodiversity issues every year in the Green & Sustainable objectives of the Green Captains (front officers of the Corporate & Investment Banking - CIB - with objectives on sustainable finance). These objectives will be taken into account in their annual appraisal.

Indicator: share of Green Captains with a sustainable finance objective which formally integrates biodiversity

Objective: 100% of the Green Captains by end of 2021

b. Engaging dialogue with suppliers

As part of the Duty of Care Act, Natixis, together with BPCE Procurement, has mapped the purchases with significant risks on human rights and environmental issues. Among these risks, threat to biodiversity, pollution (water, air, soil) and depletion of natural resources have been identified.

For the purchasing categories identified as at risk (for example IT servers, works, furniture, vehicles, goodies), a dialogue with the suppliers has been engaged: when requests for proposals are launched, Natixis with BPCE Procurement addresses a questionnaire to the suppliers concerned, with questions about their action plan regarding the 3 criteria related to threat to biodiversity, pollution (water, air, soil) and depletion of natural resources.

⇒ As part of this duty of care, Natixis is committed to asking all the suppliers of sensitive categories and implementing a progress plan with the selected suppliers if the CSR rating is below average.

1. Indicator: share of suppliers asked in sensitive categories

Objective: 100% of suppliers in sensitive categories asked by the end of 2021

2. Indicator: share of suppliers with a below-average CSR rating and with whom a progress plan has been implemented

Objective: 100% of suppliers with a below-average CSR rating have a progress plan in place by the end of 2022

Commitment 3: Assessing the various components of biodiversity, using impact, risk and performance indicators

a. Assess the impacts on biodiversity of clients' activities

In order to identify, assess and monitor the environmental, social and governance (ESG) risks of its Corporate clients, Natixis implements a dedicated tool. Based on the materiality principle, this tool enables to identify the most at-risk clients and analyze their main ESG issues.

The biodiversity and pollution of natural capital issues are fully part of this approach and Natixis is committed to analyzing them when identified as material, whatever at the level of the client own activity or at the level of the supply chain.

⇒ Natixis is committed to implementing this integrated tool in the client "Know Your Customer" (KYC) and credit approval processes for the CIB scope worldwide by the end of 2020.

Indicators:

1. Number of companies with an analysis of the biodiversity or natural capital pollution risk
2. Amount of transactions impacted

Transparency objective: publish the indicators on the scope covered by the tool:

- 100% of new clients covered by the ESG risks tool by the end of 2020
- 100% of existing clients covered by the ESG risks tool by the end of 2023

b. Financing activities (projects, assets or corporates)

Natixis has implemented an internal tool, the Green Weighting Factor (GWF), that enables to progressively align its financing activities with the objectives of the Paris Agreement, through an environmental rating. Environmental externalities including biodiversity, pollution and waste management have been integrated to the GWF rating when material: in particular in the sectors of mining, fossil fuels, electricity generation, water management, real estate, transport and agricultural commodities trade.

⇒ Natixis is committed to reporting the share of new financing activities (within the GWF scope) for which a criterion on biodiversity, pollution, waste management or water management has been integrated to the final rating.

Indicator: share of new financings (within the GWF scope) for which a criterion on biodiversity, pollution, waste management or water management has been integrated to the final rating

Objectives:

1. At least 50% of sectors for which natural capital is material by the end of 2020
2. 100% of sectors for which natural capital is material by the end of 2021

c. Assets management

- Financial asset management

Asset manager dedicated to responsible investment and affiliate of Natixis, Mirova is a pioneer of investment with social and environmental impact.

- ⇒ Mirova is committed to measuring the impact on biodiversity of all the assets managed on behalf of third parties and to publish this measure.

Indicator: share of assets managed by Mirova with a measure of biodiversity impacts.

Objective: 100% of assets under management by the end of 2021 and publication of the biodiversity impact measure in 2022.

- Real estate asset management

- ⇒ Natixis Assurances is committed to measuring the share of revegetation of its real estate assets, within the real estate mandate managed by AEW CILOGER.

Indicator: evolution of the share of assets benefiting from a revegetation

Transparency objective: publish annually this indicator in the Non-financial performance statement

Commitment 4: Promote the progressive integration of biodiversity into decisions throughout the value chains

- ⇒ Natixis is committed to setting up a working group on biodiversity at the end of 2020 to develop the expertise of affiliates involved in this approach, and then define a roadmap from the second half of 2021 to integrate biodiversity in the ESG analysis and shareholder dialogue when this theme is material.

Indicator: share of assets under management of affiliates involved in the approach leading to analysis and shareholder dialogue on biodiversity

Objective: 100% of assets under management for which the theme is material by end of 2023 (for the affiliates involved in the approach)

- ⇒ Natixis Assurances is committed, through the assets managed by AEW CILOGER, to integrating biodiversity criteria in the real estate investment decisions.

Indicator: share of new real estate investments that integrate biodiversity criteria in their ESG rating

Objective: 100% of new real estate investments integrate biodiversity criteria in their ESG rating by the end of 2021

Commitment 5: Primarily prevent, reduce and ultimately offset our impacts

Natixis has implemented working groups with the business lines to set the bases of a dialogue with its clients on biodiversity. A set of indicators linked to biodiversity has been defined and has to be discussed with clients when putting financing in place. An interview guide for the front officers will be developed.

- ⇒ Natixis is committed to systematically engaging the dialogue on biodiversity and natural capital with all its clients to whom sustainable finance solutions are proposed.

Indicator: Number of deals for which the biodiversity or natural capital theme has been formally integrated into the structuring (as KPI or Use of Proceed)

Objective: 5 per year in 2020 and 2021

a. Project finance

Natixis applies the Equator Principles and conducts an analysis on the potential impacts of a project, the quality of the management systems and the resources implemented to prevent, correct, and offset the impacts by respecting the regulations of the host country and the *IFC standards*. Biodiversity is one of the main points of attention during the study, in the alignment of the *IFC Performance 6* regarding the preservation of biodiversity and the sustainable management of living natural resources.

- ⇒ Indicator: number of projects reviewed at the credit approval level, within the framework of the Equator Principles with a specific analysis on biodiversity.

Transparency objective: publish annually the number of projects starting the 2020 Non-financial performance statement

Natixis doesn't finance any project located in an area with a high ecological value.

- ⇒ Natixis is committed not to financing any project located in an area classified as IUCN I or II, UNESCO World Heritage Site or registered by the RAMSAR Convention, and to ensuring the respect of mitigation actions of biodiversity impact.

Indicator: Number of projects financed located in an area classified as IUCN I or II, UNESCO World Heritage Site or registered by the RAMSAR Convention

Objective: 0 as soon as 2020

More specifically for the Oil & Gas sector, Natixis has committed not to financing any project located in an area classified IUCN I to IV, UNESCO World Heritage Site or registered by the RAMSAR Convention.

Since 2017, Natixis has also made a commitment to stop financing oil exploration and production in the Arctic, an area recognized for its rich and vulnerable biodiversity, as well as oil from tar sands development and projects such as *extra-heavy oil* or *coal-to-liquids*¹.

- ⇒ Natixis is committed to publishing sectorial policies that integrate biodiversity preservation issues: on the mining and palm oil sectors, and the nuclear industry.

Indicators:

1. Number of policies published by the end of 2020, integrating biodiversity preservation
2. Number of policies published by the end of 2021, integrating biodiversity preservation

Objectives:

1. At least 1 policy published in 2020
2. At least 2 policies published in 2021

b. Direct impacts

Through its own activities, Natixis is committed to preserving biodiversity through a policy of waste reduction and removal of single-use items (including in plastics), reduction of paper consumption, installation of biodiversity areas (gardens with ecological analysis), reuse of existing materials (electronic devices, carpet).

¹ As defined in the Oil & Gas policy of Natixis, cf. https://www.natixis.com/natixis/upload/docs/application/pdf/2018-11/natixis_esr_sector_policy_oil_gas.pdf

- ⇒ Natixis is committed to reducing the usage of single-use items (including in plastics) in France and abroad.

Indicator: number of cups purchased

Objective: 0 by the end of 2020 in France and abroad

Indicator: number of plastic water bottles purchased

Objective: 0 by the end of 2021 in France and abroad

Indicator: number of disposable coffee capsules purchased

Objective: 0 by the end of 2022 in France and abroad

- ⇒ Natixis is committed to developing collaborative vegetable gardens in its buildings, in line with its commitment to the “100 hectares Charter”.

Indicator: number of collaborative vegetable gardens installed

Objective: 4 by the end of 2021

Commitment 6: Give priority to the development of Nature-based solutions

The Mirova-Althelia platform develops investment solutions dedicated to the preservation of natural capital (biodiversity, soils, marine resources), especially through the Land Degradation Neutrality Fund (dedicated to restoration of degraded land and sustainable soil management) and the Althelia Sustainable Ocean Fund (dedicated to sustainable fisheries and aquaculture).

- ⇒ Mirova is committed to developing the range of funds dedicated to natural capital.

Indicator: amount of commitments in favor of the range of funds dedicated to natural capital

Objective: mobilize 1 billion euros by 2022

Thematics has launched a Water Strategy that invests in companies in the water sector that are addressing the global imbalance between supply and demand for this essential resource. The fund primarily invests in listed companies whose growth is linked to protecting water resources, improving water use efficiency and developing infrastructure (drinking water supply, wastewater collection and treatment, rainwater management).

- ⇒ Thematics is committed to developing the Water Strategy.

Indicator: assets under management within the Water Strategy

Objective: 1 billion euros by the end of 2023

Commitment 7: Incorporate biodiversity into our dialogue with policymakers

Natixis is committed to the initiative *The charter Objective 100 hectares*: the City of Paris and its partners are mobilizing to green 100 hectares of buildings by 2020 in the capital (rooftop, façade and walls covered in vegetation), a third of which will be dedicated to urban farming.

Commitment 8: Training and raising employee awareness on biodiversity issues

As part of the commitment to *act4nature international*, working groups have been set up to raise awareness of biodiversity issues in the various business lines, and integrate this theme in financings and investments.

All year long, Natixis organizes events to raise employee awareness of the need to preserve biodiversity and natural capital: conferences on biodiversity, possibility to make a donation on salary to the association “Zero waste”, plogging (practice combining jogging and waste collection), collaborative vegetable garden, zero waste workshop. These actions will continue to be implemented in the coming years.

- ⇒ Natixis is committed to organizing workshops “The Biodiversity Collage” to raise employees’ awareness of biodiversity issues while making the link with their activity (as soon as “The Biodiversity Collage” is finalized).

Indicator: Number of attendees to “The Biodiversity Collage”

Objective: At least 100 attendees per year by 2024

- ⇒ Natixis is committed to organizing beginning of 2021 an internal Forum on natural capital to share the latest progresses on the topic (COP15, IUCN congress) and raise employees’ awareness of risk and opportunities related to the degradation and restoration of natural capital.

Indicator:

1. Organization of a Biodiversity Forum
2. Number of attendees to the Biodiversity Forum

Objectives:

1. 1 Biodiversity Forum organized by beginning of 2021
2. At least 100 attendees to the Biodiversity Forum

- ⇒ Natixis is committed to organizing workshops to raise awareness of biodiversity around each collaborative vegetable gardens (France and abroad).

Indicator: number of workshops organized

Objectives: at least 10 workshops organized per year by the end of 2024

Commitment 9: Mobilizing resources and establishing appropriate partnerships to support and monitor concrete actions

Natixis is involved in many initiatives dealing with biodiversity in order to take these increasing challenges into account in its activities and to participate to working groups with peers:

- The working group on biodiversity and natural capital within *Finance for Tomorrow* aims to coordinate the different stakeholders and support the deployment of methodologies and technics at a larger scale. Mirova is copiloting this working group.
- The Biodiversity commission of *Entreprises pour l’environnement (Companies for the environment)* advocates a change of scale and works for spreading actions in favor of biodiversity and their integration into corporate strategies.
- *Act4nature international* unites companies around 10 common commitments and obliges them to publish SMART individual commitments (Specific, Measurable, Additional, Realistic, Time-bound) to protect, enhance and restore biodiversity.
- The B4B+ Club of the *CDC Biodiversité* is developing a biodiversity footprint (Global Biodiversity Score) on the basis of recognized scientific work, on the same principle as the carbon footprint.

- Launch by Mirova, asset manager affiliated to Natixis and dedicated to responsible investment, of a call for expressions of interest (with *AXA IM*, *BNPP AM* and *Sycomore AM*) in order to find a player capable of developing an indicator of biodiversity impact measurement, and then generating a market for data on biodiversity impact of corporates. Natixis Assurances has also joined this initiative in 2020.
- ⇒ Natixis is committed to participating in initiatives with peers aiming at developing methodologies for measuring biodiversity impact and a reporting framework dedicated to natural capital for corporates.
Indicator: active participation of Natixis and subsidiaries employees (in particular Mirova) to reflections with peers, including initiatives gathering public and private players and the civil society.
Objective: contribute to the development of efficient financing mechanisms to restore natural capital; create an indicator of biodiversity impact measurement and emergence of a reporting standard on biodiversity and nature for corporates (in the manner of the TCFD for climate) by 2022.

Commitment 10: Publicly report on the implementation of these commitments

- ⇒ Natixis is committed to publishing indicators and progress on those commitments in the annual Non-financial performance statement.