



# European Defence Bond Framework

February 2026

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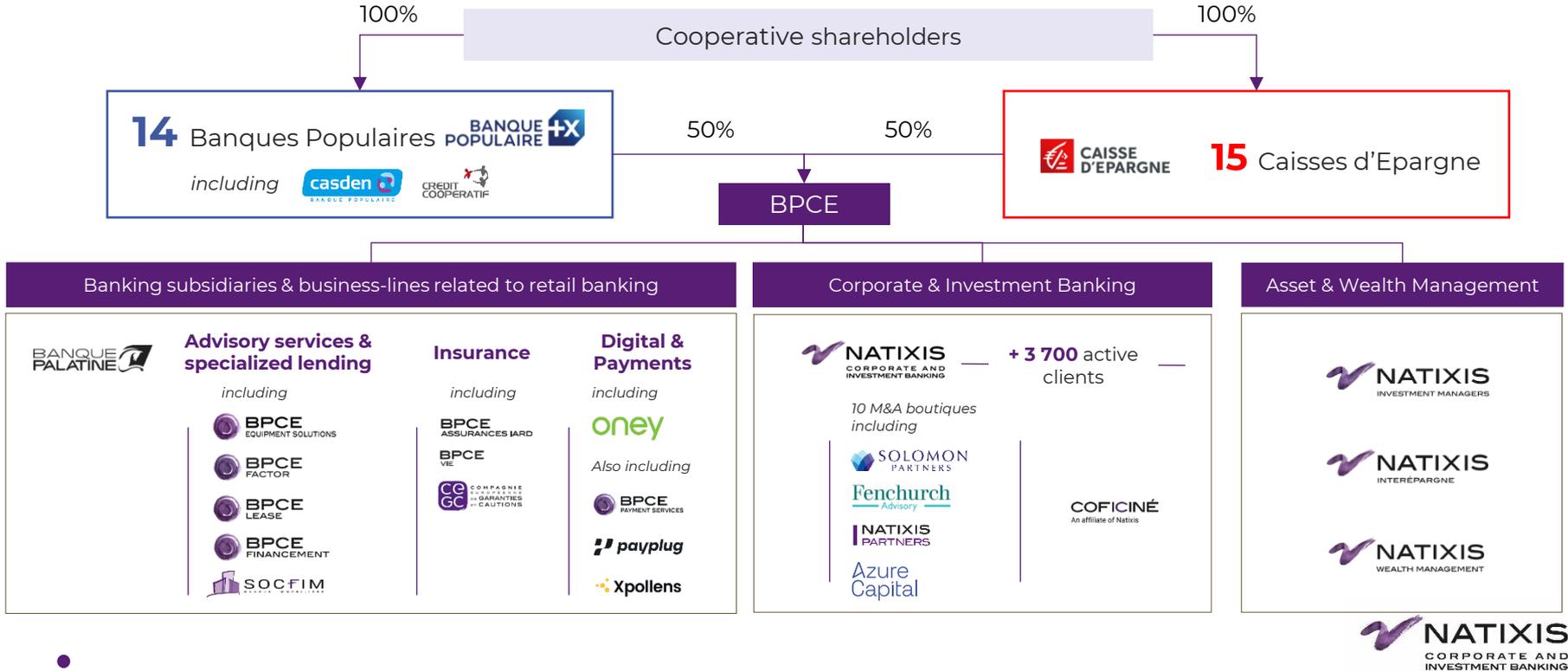


# About Natixis Corporate & Investment Banking



# Groupe BPCE and its businesses

Natixis CIB is one of the global businesses of **Groupe BPCE**, the **second largest banking group in France and the fourth largest banking group in the euro zone in terms of capital**, through the **cooperative Banque Populaire and Caisse d'Epargne retail networks**.



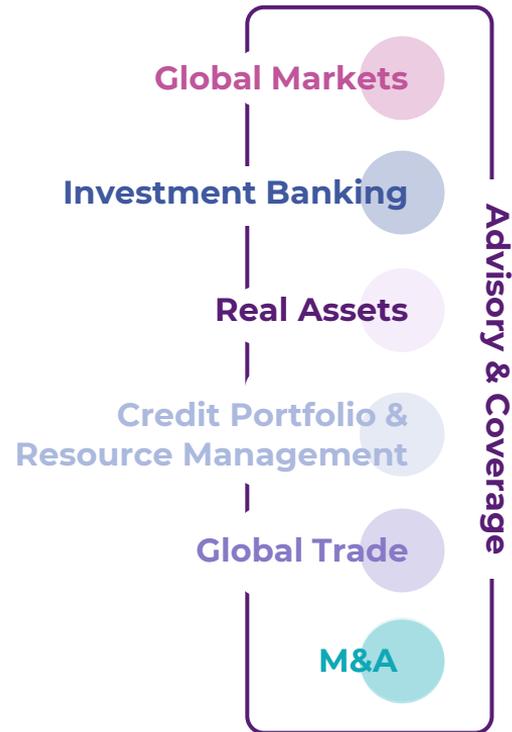
# Natixis Corporate & Investment Banking

Our global presence

~ **8 000 employees**<sup>1</sup> across close to **30 countries** and **3 regional hubs**

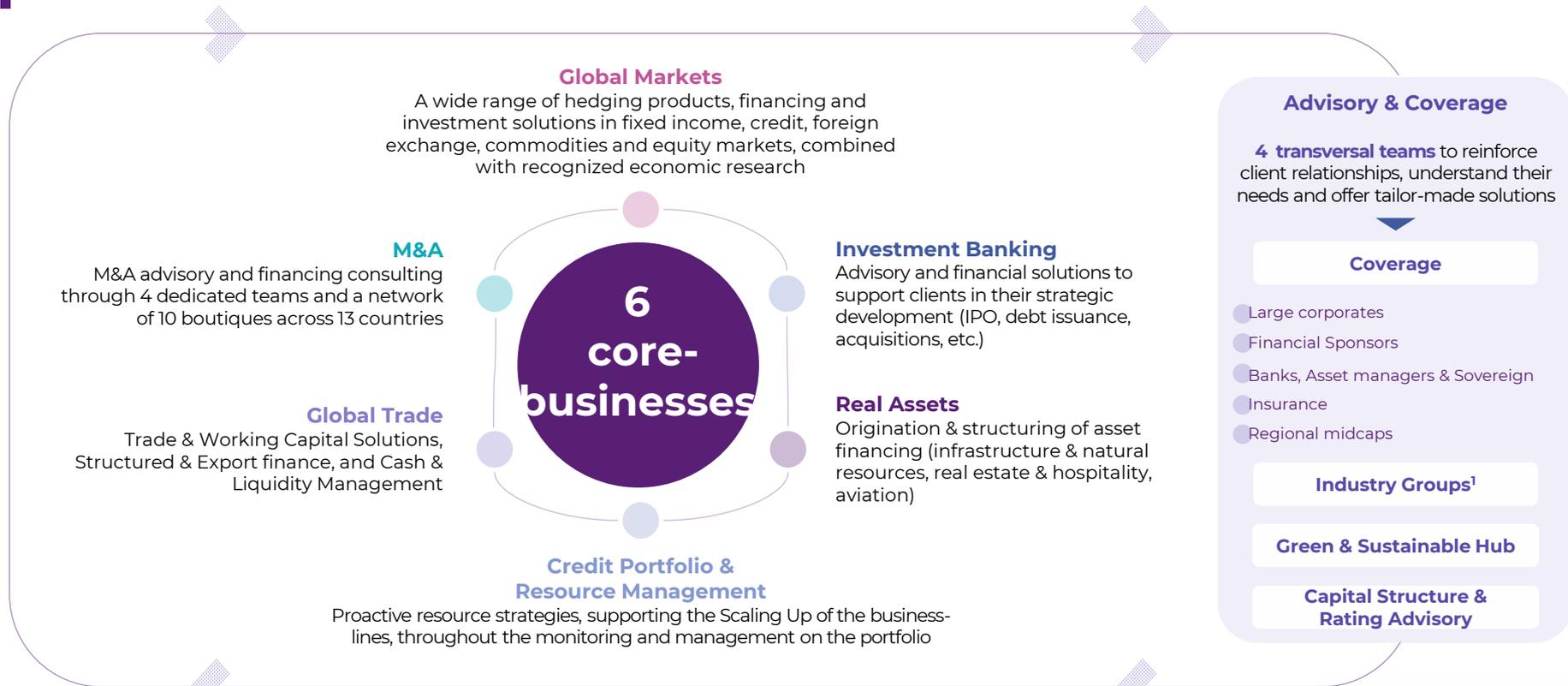


**2/3 of client revenues** generated **outside France**



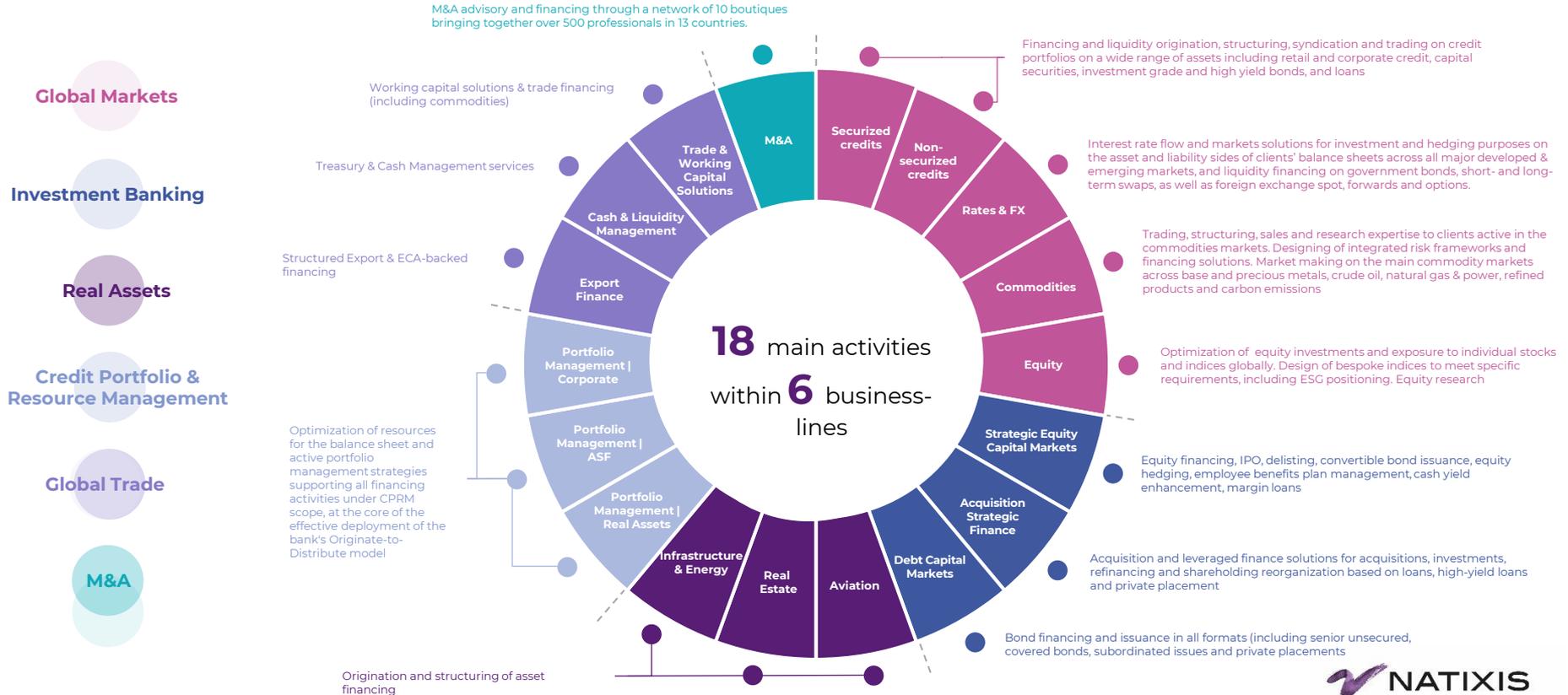
# Natixis CIB core businesses

## Our organization in a nutshell



# Natixis Corporate & Investment Banking

## Our business-lines and main activities



# Natixis Corporate & Investment Banking

The go-to-partner for transitions

Natixis CIB is at the forefront of **the environmental, societal, and digital transitions** through its **8 core sectoral expertise** and the **Green & Sustainable Hub**. We are committed to aligning our financing portfolio with a **carbon neutrality path by 2050** while helping our clients reduce the environmental impact of their business.

## Green & Sustainable Hub

Pioneering the environmental transition since 2017, our **Green & Sustainable Hub** provides issuers & investors with a comprehensive range of sustainable financing or investment solutions **worldwide**. Our **cross-asset and multi-sector** specialists in **Paris, Dubai, New-York**, and **Hong Kong** work alongside our clients to support them in the development and implementation of their transition plans through our consulting offer on ESG issues (ESG Advisory).

**GREEN  
WEIGHTING FACTOR**  
by Natixis

1<sup>st</sup> bank to actively manage the climate impact of its balance-sheet with the Green & Weighting Factor

### An extensive range of solutions and expertise

- Structuring and originating financing transactions
- Structuring and engineering investment solutions
- Market intelligence, research and innovation
- Advisory



## 8 sectoral expertise

Our **8 Industry Groups** provide **in-depth knowledge of complex industries**, enabling our clients to navigate their constraints while leveraging **strategic opportunities to boost their activities**

Gas & Transition

Low-Carbon Energies

Critical Metals & Minerals

Food, Agriculture & Natural Capital

Healthcare

Telecom & Tech

Mobility & Environment

Real Estate



# **Groupe BPCE commitment to the Defence & Security sector**

# Strong Commitment to the Defence & Security sector

**Groupe BPCE is committed to enhancing its role in the financing and development of the defence and security sectors<sup>(1)</sup>**

- Together with its entities, including Banques Populaires, Caisses d'Epargne, and Natixis, the group already contributes approximately to 20% of the financing of the defence sector in France
- As part of its strategic project Vision 2030, Groupe BPCE has made the Defence & Security sector one of its priority areas to support investment in local industry and address sovereignty challenges

**This commitment is consistent with rigorous management of ESG risks**, balancing economic support with contributions to a safer and more resilient world.

In the current geopolitical context, characterized by inter-state tensions and a revaluation of traditional alliances, Groupe BPCE prioritizes the **maintenance and relocation of industrial production within France and Europe**

It does so in consistency with European Commission's **"Readiness 2030" initiative**, echoing also the objectives of France's *loi de programmation militaire* for 2024-2030

The nature of inter-state conflicts has evolved, now encompassing **informational, digital, and spatial threats** against critical infrastructures. Consequently, deterrence and defence strategies must also adapt to these hybrid threats

# Strong Commitment to the Defence & Security sector

- **Groupe BPCE actively supports the Defence & Security sector.** In the last three years Groupe BPCE increased its commitment to the financing of the industry by **2.5 times** and to export financing for French defence products by over **7 times**
- **Groupe BPCE aims** to address the sector's diverse needs by focusing on 4 main priorities with a **wide range of products & services** addressing its clients' trade international financing and their cash & liquidity management needs with **specific expertise**, understanding the nuances of defence contracts and government procurement processes (cash flows, financial savings, financing, factoring, leasing, trade finance, export finance, etc.) :

1

## Optimizing treasury solutions

- Better management of receivables considering the specificities of companies based on their positions in the Defence & Security value chains

2

## Financing growth

- Supporting the acceleration of orders, participating in market consolidation and securing transmission

3

## Financing Innovation

- Support innovation and the emergence of future European defence champions
- Accelerate transition from innovation to production

4

## Supporting exports

- Financing international development (trade finance, export finance)

# Strong Commitment to the Defence & Security sector

In response to the new geopolitical environment, **Groupe BPCE is stepping up its support to its Defence & Security sector clients** at a time when their order books are filling up and their financial needs are consequently multiplying

Banque Populaire and Caisse d'Epargne signed a **€300 million loan with the EIB** to support small and medium-sized enterprises in the defence sector<sup>(1)</sup> intended to address in particular the working capital financing needs of French SMEs investing in cybersecurity, surveillance, resilience and new technologies related to defence

Groupe BPCE updated its **Defence & security ESG Sector Policy** which applies to the whole Group (see section 3)

By implementing **dedicated cash management and working capital solutions** to help clients active in the defence sector to face growing order back logs

By providing an offering to companies in the Defence industry with **BPCE Factor**, our factoring company, which would provide complementary support for SMEs regarding their cash flow challenges

By accelerating its equity support with a **doubling of exposures to the Defence sector** for BPCE Assurances (to €500 million)

By working on **implementing new tailored offerings**, particularly for small and medium sized companies



# **Groupe BPCE Defence & Security ESG Sector Policy**

# Policies in line with international standards & principles



## Human Rights Charter

International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work

## Code of Conduct and Ethical Standards

including strict anti-corruption, money laundering and terrorism financing policies

## ESG Sector Policies<sup>(1)</sup>



### Thermal Coal

Last updated March 2025



### Oil & Gas

Last updated December 2023



### Defence & Security

Last updated July 2025



### Tobacco

Last updated July 2025

# Groupe BPCE Defence & Security ESG sector policy

In a troubled geopolitical backdrop, defence and security are crucial for France and Europe **which are facing unprecedented strategic challenges**

**Groupe BPCE has long supported actors in the defence sector**, which often operate in both civil and military fields

The Groupe BPCE **ESG sector policy** published in July 2025 <sup>(1)</sup> builds on the Natixis CIB policy in place since 2017 **and formalizes its approach and commitment to defence respecting the rights of states to ensure their security**

The sector policy **aims for responsible positioning** that balances support for **sovereignty** issues with a rigorous **management of ESG risks**

**The policy was adopted by a senior management level committee**, and is implemented by each institution and enforced with the support from the risk department

## Policy based on international treaties and French and European commitments

- Common Position 2008/944/CFSP of the EU Council defining common rules governing the control of exports of military technologies and equipment
- Main international treaties ratified and laws enacted by France regarding disarmament, arms control, and non-proliferation

## Scope of the policy

- **Applies globally to all activities of the BPCE Group<sup>(2)</sup> to:**
  - **Companies** involved in the development, manufacture, production, acquisition, storage, preservation, offering, import, export, trade, brokerage, transfer, and use of Defence and Security Equipment, as well as the services associated with these equipments
  - **Transactions** related to the trade of Defence and Security Equipment (and associated services), whether new or used, in the context of onerous transfers or free transfers, by public or private actors

<sup>(1)</sup> <https://www.groupebpce.com/en/csr/ratings-international-standards/> <sup>(2)</sup> Applies to banking and financial activities of the Banques Populaires and Caisses d'Epargne, BPCE SA, and Natixis SA, including credit activities, market activities, guarantees, and advisory services, as well as investments for liquidity reserves and does not apply to portfolio management for third parties and collective investment products and undertakings (for these activities, certain entities have their own public defence ESG policy) nor to the insurance activities of Groupe BPCE and subsidiaries of Natixis focused on mergers and acquisition

# Groupe BPCE Defence & Security ESG sector policy

## Excluded equipment

**Equipment prohibited** by international conventions ratified by France or by regulations of the European Union

**Cluster munitions** as defined by the Oslo Convention of 2008

**Anti-personnel mines** as defined by the Ottawa Convention of 1997

**Non-detectable fragments weapons and blinding laser weapons** referred to in Protocols I and IV of the Convention on Certain Conventional Weapons of 1980

**Biological or toxin weapons** as defined by the 1972 Convention

**Chemical weapons** as defined by the Paris Convention of 1993

**Nuclear weapons** from non-nuclear-weapon states or non-signatories of the 1968 Non-Proliferation Treaty

**Equipment "having no practical use other than to inflict the death penalty, torture, or other cruel, inhuman, or degrading treatment or punishment"** as defined by Regulation 2019/125 of the European Parliament and Council dated January 16, 2019

## Implementation and Governance

**Strict compliance** with national and European export control regime<sup>(1)</sup>

**Applies to all companies and new transactions** as of publication date<sup>(2)</sup>

Each transaction contemplated with a company operating in the defence and security sector **subject to in-depth due diligence**

**Dialogue process** initiated for existing clients not meeting the policy criteria

**Exceptions can be granted on a case-by-case basis, and only in exceptional circumstances,** by decision of a BPCE SA committee chaired by a member of the Executive Management Committee

Risks of corruption, money laundering, terrorism financing, and non-compliance with national and international sanctions addressed in Groupe BPCE Financial Security policies. **The criteria of the Defence & Security Sector ESG Policy apply in addition**

# Groupe BPCE Defence & Security ESG sector policy

## Companies

### Exclusions

Groupe BPCE will not provide new banking or financial products or services to a company whose activities include the development, manufacturing, production, acquisition, storage, preservation, offering, transfer, import, export, trading, brokering, transfer, or employment of **excluded equipment**<sup>(1)</sup>

<sup>(1)</sup> The only exception to this exclusion concerns the neutralisation, destruction or storage of excluded equipment for neutralisation or security purposes. Groupe BPCE monitors companies involved in excluded activities using data sourced from a recognized external independent provider

### Evaluation

For companies not subject to listed exclusions Groupe BPCE pays particular attention to:

- Type of equipment they produce
- Country of incorporation
- Main markets in which they operate

Groupe BPCE relies on various sources of information and prioritizes direct dialogue with the companies concerned. This due diligence is integrated into the assessment of clients and prospects, and its frequency is subsequently adjusted depending on the client ESG risk level

At the end of this assessment, Groupe BPCE may decide **not to engage in a relationship with a prospect, or not to renew its commitments with an existing client**, if the identified ESG risks are deemed too significant

# Groupe BPCE Defence & Security ESG sector policy

## Transactions

### Exclusions

Groupe BPCE will not participate in any transaction related to the trade of defence and Security Equipment:

- Involving **excluded equipment** (see p.17)
- For which the **identification of the counterparties involved is impossible**
- The **country of destination is subject to an applicable embargo** on defence and Security Equipment imposed by the United Nations Security Council or the European Union

### Evaluation

For transactions not subject to exclusions, Groupe BPCE carefully assesses their ESG risk profile by considering in particular:

- **Sensitivity of the underlying equipment** (particularly increased risks associated with small arms and light weapons, as well as explosives and ammunition)
- **Sensitivity of the final country of destination** (especially through existence of armed conflicts and risks of serious violations of human rights and international humanitarian law)

At the end of this assessment, Groupe BPCE may decide not to proceed with a transaction if the identified risks are deemed too significant



# 04 | European Defence Bonds Framework

# European Defence Bond Framework

## Rationale

Natixis European Defence Bond Framework aims to support Groupe BPCE's commitment to deploy solutions and offerings to the development of the defence and security sector, in line with its strategic project Vision 2030, the European Commission and France objectives

### European Union: Rearm Europe Plan<sup>(1)</sup>

- The European Commission has unveiled in 2025 its White Paper for European defence Readiness 2030 to support defence financing and European Competitivity, with **7 priority areas of funding**:

1. Air and missile defence
2. Drones and anti-drones systems
3. Artillery systems
4. Strategic enablers and critical infrastructure protection
5. Ammunition and Missiles
6. AI, quantum, cyber and electronic warfare
7. Military Mobility

### France 2024-2030 loi de programmation militaire<sup>(2)</sup>

- France is considering increasing military spending to **3.5% of GDP** or even 5% in response to ongoing geopolitical threats
- The *loi de programmation militaire* outlines an annual increase of **€3.2 billion** in defence spending from **2024 to 2030**, targeting a budget of **€67.4 billion by 2030**

Natixis European Defence Bonds, through the financing of the defence and security sector aim to :



Contribute to national, European and international security



Maintain a network of highly qualified jobs within French territories



Support the French & EU economy through export contracts



Support technological innovation and synergies between civil and military activities

# European Defence Bond Framework

## Overview

- Natixis draws inspiration from **existing robust transparency and governance practices** in place in the bond market in order to leverage from recognized processes for the design of its European Defence Bonds methodology
- **Natixis does not claim alignment of its European Defence Bonds to the ICMA Principles, nor does it seek to qualify its European Defence Bonds as Sustainable bond instruments under the meaning of such Principles**

### Use of Proceeds

- European Defence Bonds net proceeds allocated to Eligible Defence Assets selected according to specific eligibility criteria supporting financing of:
  - Eligible companies including large international groups and small and medium companies active throughout the value chain of the defence & Security industry
  - Eligible Defence & Security equipment and services, notably via export-finance (Defence contracts & transactions)

### Process for evaluation & selection

- Exclusion policy, international treaties, EU and French Regulation and compliance with Groupe BPCE's Defence & Security ESG Sector Policy
- Know Your Customer (KYC), Groupe BPCE's Human Rights Charter and Code of Conduct and Ethical Standards (including anti-corruption, money laundering and terrorism financing policies)
- Internal governance process: monitoring of European Defence Bonds and Eligible Defence Assets ensured via dedicated Committee

### Reporting

- Annual report on allocation of European Defence Bonds net proceeds until full allocation, and in case of material change to the allocation thereafter
- Disclosure of allocation indicators and, to the extent feasible, output indicators
- External review (limited assurance) of the allocated amounts and alignment of Eligible Defence Assets with the applicable criteria by an independent external reviewer, until full allocation of proceeds

### Management of Proceeds

- Earmarking of Eligible Defence Assets allocated to European Defence Bonds within IT systems, at least annually and until maturity
- Allocation of European Defence Bonds net proceeds based on the drawn balance of Eligible Defence Assets at cut-off date
- Net proceeds pending allocation managed according to Natixis general treasury policy

# European Defence Bond Framework

## Use of Proceeds

An amount equivalent to the net proceeds of Natixis European Defence Bonds will be allocated to the financing and/or refinancing, in whole or in part, of new or existing Eligible Defence Assets

- Eligible Defence Assets notably include new and/or existing **drawn loans, guarantees, factoring and lease agreements** in any format and currency, originated by any entity of Groupe BPCE<sup>(1)</sup>, falling into at least one Eligible Defence Category and meeting at least one of the applicable eligibility criteria, both outlined in the next pages
- **Eligible Geographies:** European Union, European Free Trade Association (EFTA)<sup>(2)</sup>, United Kingdom

AND

- Eligible Defence assets may consist of loans to companies active in the Defence & Security sector which may not qualify as pure-play actors of the sector as they also offer dual use, or pure civilian, products and services
- **Natixis will consider the entire drawn amount of financings granted to such companies as Eligible Defence Assets**

AND

- Eligible Defence Assets must not be already allocated to:
    - Portfolios of Eligible Green Assets or Eligible Social Assets according to Groupe BPCE's Sustainable Development Funding Programme
    - Financings in partnership with the European Investment Bank<sup>(3)</sup>
- thereby **preventing any potential double counting**<sup>(4)</sup>

<sup>(1)</sup> The originator and the manager of the eligible defence assets financed or refinanced by European Defence Bonds may include any entity of Groupe BPCE and Natixis will be the issuing entity. <sup>(2)</sup> EFTA has 4 non-EU Member States : Iceland, Liechtenstein, Norway, Switzerland ; see [here](#) <sup>(3)</sup> [Banque Populaire and Caisse d'Epargne, the first French banks to sign an agreement with the EIB to support small and medium-sized enterprises in the defence sector](#) <sup>(4)</sup> Of note, loans, guarantees, factoring and lease agreements considered as Eligible Defence Assets may be pledged as collateral against another funding instrument

# European Defence Bond Framework

## Eligible Defence Assets (1/2)

### Eligible Defence Assets

Eligible Defence assets financed or refinanced by Natixis European Defence Bonds consist of **financing solutions** provided by **Natixis Corporate & Investment Banking as well as the Banques Populaires and Caisses d'Epargne, or any entity of Groupe BPCE**, to large international groups (industrial champions), smaller companies and sovereign and quasi sovereign entities that contribute to the **entire value chain of the Defence sector**, including upstream actors producing non-lethal equipment or components (materials, electronic components, chemicals, software, etc.)

Eligible Defence assets are selected, where possible, according to the **seven priority areas** inspired by the White Paper for European defense Readiness 2030 (March 2025). Eligible Defence assets may often contribute to several of the priority areas and also engage in civilian activities, dual-use technologies, and may include certain infrastructures (e.g., railway lines for passenger transport also used for military logistics)

### Natixis European Defence Bonds will, in detail, finance or refinance

**Companies<sup>(1)</sup>, contracts or transactions, that fall at least in one Eligible Defence Category** (see next page), related to or operating in the development, manufacturing, production, acquisition, storage, preservation, offering, import, export, trading, brokering, transfer, and use of **defence and security equipment** (finished products for military use), or **critical materials or major intermediate components** essential for defence technologies and equipment (including those with dual-use), notably including **air and missile defence, drones and anti-drones systems, artillery systems, strategic enablers and critical infrastructure protection, ammunition and missiles, AI, quantum, cyber and electronic warfare and military mobility.**

# European Defence Bond Framework

## Eligible Defence Assets (2/2)

To qualify as **Eligible Defence Assets**, assets should fall into at least one of the following **Eligible Defence Categories** and **meet** at least one of the following **eligibility criteria**:

| Eligible Defence Categories                          | Eligibility criteria   |
|--|--|
| <b>Companies active in Defence &amp; Security</b>    | <ul style="list-style-type: none"><li>• <b>Companies located in the European Union, or countries member of the EFTA or in the United Kingdom</b>, ranging from major Defence &amp; Security contractors to mid-caps &amp; MSMEs<sup>(1)</sup> participating in the value chain of the Defence &amp; Security sector:<ul style="list-style-type: none"><li>• Member of a <b>French Defence related trade union</b> (<i>Groupement des Industries françaises de Défense et de Sécurité terrestres et aéroterrestres (GICAT), Groupement des Industries de Construction et Activités Navales (GICAN), Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS)</i>)<sup>(2)</sup> or</li><li>• Member of <b>Europe's Aerospace and Defense Industries Association (ASD)</b><sup>(3)</sup> or member of a National Association itself a member of ASD<sup>(3)</sup> or</li><li>• Listed in the <b>European register of certified defense-related companies CERTIDER</b><sup>(4)</sup></li></ul></li></ul> |
| <b>Defence &amp; Security equipment and services</b> | <ul style="list-style-type: none"><li>• <b>Defence &amp; Security contracts and transactions</b>, notably via export finance<sup>(5)</sup>, including <b>exports</b> from, or <b>imports</b> in, the European Union, countries member of the EFTA, or the United Kingdom, of defence &amp; Security equipment and services</li></ul>   |

<sup>(1)</sup> Small & Medium Enterprises are defined as corporations with an annual turn-over below €50m or balance sheet total below €43m and with less than 250 staff headcounts (FTE) (according to EU definition of SMEs, EU recommendation 2003/361) <sup>(2)</sup> [GICAT GIFAS GICAN](#) <sup>(3)</sup> [List of National Defence Industry Associations in Europe](#) | [List of members of the Aerospace and Defense Industries Association \(ASD\)](#) <sup>(4)</sup> [CERTIDER](#): companies certified under Directive 2009/43/EC simplifying the terms and conditions for the transfers of defence-related products within the EU <sup>(5)</sup> In compliance with France's export authorization issued by the Ministry of the Armed Forces enforcing strict rules regarding destination countries of the equipment and their rules of use, or EU export controls on military technology and equipment: [European regulation on the control of arms exports : Common Position](#)

# European Defence Bond Framework

## Process for Evaluation & Selection

### Strict exclusions

Defence & Security Equipment **prohibited by international conventions** ratified by France or by European Union regulations

Exports of **excluded equipment** (see p.17), or exports of Defence & Security equipment to countries subject to an applicable **embargo imposed by the UN or EU**

Companies involved in **excluded equipment** (development, production, sale, transfer, use, etc.)

### Rigorous evaluation process

- **Credit process** designed to ensure compliance with applicable national rules and regulations, Know Your Customer processes and prevention of money laundering, anti-bribery and prevention of corruption policy and sanctions policy<sup>(1)</sup>
- **Signatory of the UN Global Compact and United Nations Principles for Responsible Banking**
- **Human Rights Charter** in compliance with the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work<sup>(2)</sup> & **Code of Conduct and Ethical Standards**<sup>(1)</sup>
- **Defence & Security ESG Sector Policy including rigorous management of ESG risks** (see section 3)
- Compliance with EU export controls on military technology and equipment as part of Defence & Security ESG Sector Policy
- French prior authorization system for export finance transactions requiring export authorization issued by the Ministry of the Armed Forces<sup>(3)</sup>

### Selection of Eligible Defence Assets

Natixis and Groupe BPCE teams identify and pre-select assets in co-operation with business units to ensure provided information is sufficient for classification as Eligible Defence Asset

### Committee review<sup>(4)</sup>

#### Committee responsible for governing European Defence bond issuances and Eligible Defence Assets

Monitoring of outstanding European Defence Bonds

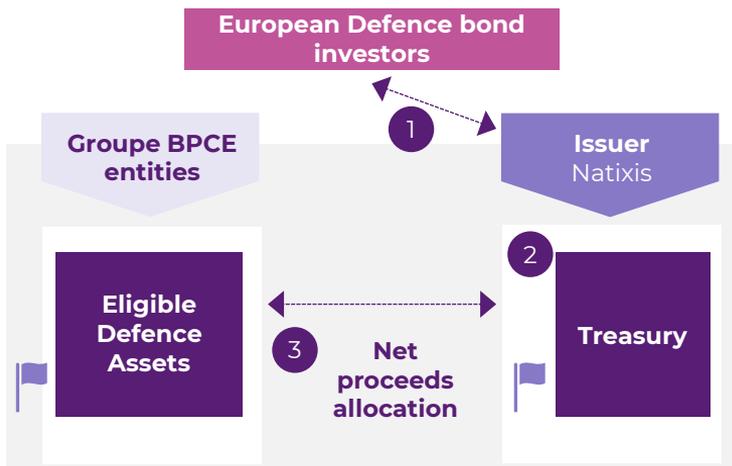
Review & monitoring of Eligible Defence Assets portfolio during the term of European Defence Bonds

Monitoring of allocation reports & external review

(1) [Groupe BPCE, Managing legal, regulatory or ethical risks](#) (2) [Groupe BPCE, Human Rights charter](#) (3) including criteria related to human rights, regional stability, risk of conflict, compatibility with France's national security interests (4) Governance of European Defence Bonds will be placed under Groupe BPCE's Sustainable Development Funding Committee, meeting quarterly and including senior representatives of Groupe BPCE funding and Financial Solutions, Impact and Asset/Liability Management (ALM), as well as Caisses d'Epargne, Banques Populaires and Natixis CIB

# European Defence Bond Framework

## Management of Proceeds



- 1 European Defence Bond Issuance done by Natixis
  - 2 Treasury collects European Defence Bonds net proceeds
  - 3 Net proceeds are allocated to existing, ongoing or future financings of Eligible Defence Assets
- European Defence Bonds net proceeds and financings of Eligible Defence Assets are flagged in IT systems

Groupe BPCE has implemented dedicated processes to ensure clear tracking and transparency

European Defence Bonds net proceeds managed within Central Treasury function

Amount equal to the net proceeds of European Defence Bonds issued earmarked to Eligible Defence Assets identified with internal processes at least annually, ensuring robust tracking until maturity

Allocation of **European Defence Bonds** net proceeds based on the drawn balance of Eligible Defence Assets at the **cut-off date selected for allocation**

Investment in cash and short-term liquid investments in accordance with Natixis liquidity policy of the share of net proceeds not already allocated at the time of issuance or in the unlikely event of a shortfall in Eligible Defence Assets, until allocation to Eligible Defence Assets

# European Defence Bond Framework

## Reporting & External review

### Reporting

- **Annual allocation report until full allocation of the net proceeds of European Defence Bonds** to Eligible Defence Assets
- Update of allocation report after full allocation in case of material changes to allocation of European Defence Bonds proceeds once a suitable alternative has been identified for re-allocation, on a best effort basis
- **Annual reports publicly disclosed under investors section of Groupe BPCE's institutional website:** [Thematic Bonds of Groupe BPCE](#)

### External Review

- **External review** (limited assurance report) **on the allocation of the net proceeds of European Defence Bonds** published alongside annual allocation reports
- **External reviews publicly disclosed under the investors section of Groupe BPCE's institutional website:** [Thematic Bonds of Groupe BPCE](#)



### Examples of allocation indicators for European Defence Bonds

#### Allocation indicators

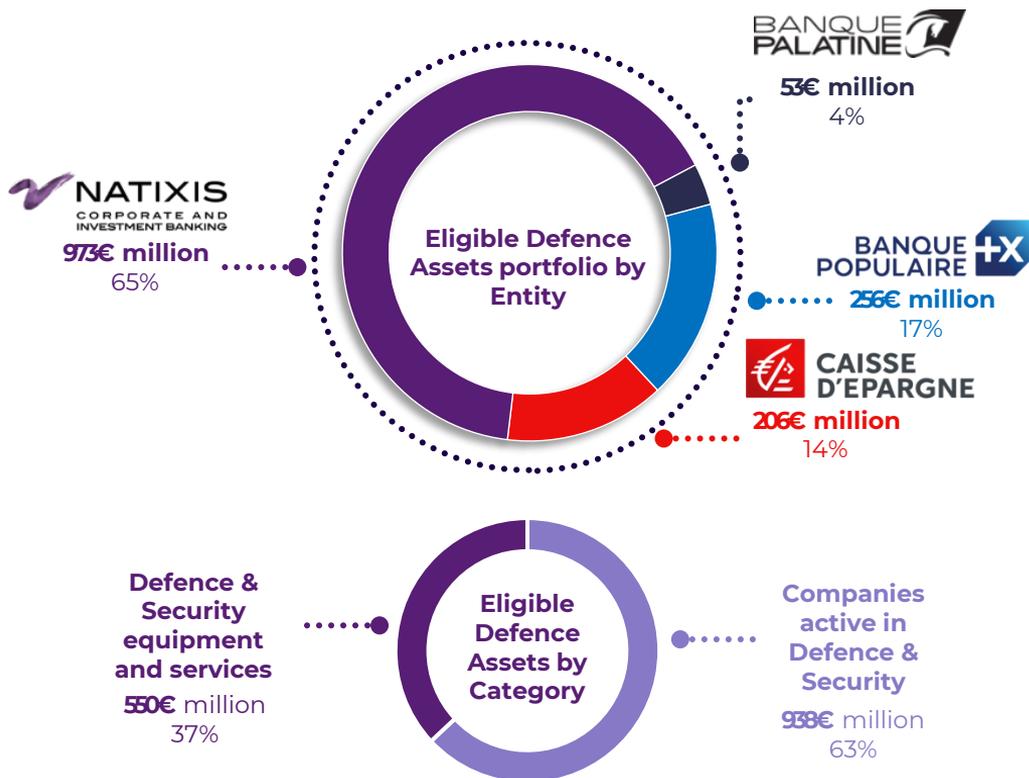
- Eligible Defence Assets financed by Groupe BPCE's entities
- Number, geography and amount of Eligible Defence Assets
- Share of net proceeds allocated to financing or refinancing (%)
- Amount of unallocated proceeds kept in cash and cash equivalents (EUR), if applicable
- Share of net proceeds allocated by applicable eligibility criteria

#### Outcome indicators

Natixis will aim to communicate on output indicators associated with Eligible Defence Assets on a best effort basis where practically feasible

# European Defence Bond Framework

## Indicative Eligible Defence Assets portfolio



## Eligible Defence Assets

**Eligible Defence Assets may include<sup>(1)</sup>** (but may not be limited to) drawn loans, guarantees, factoring and lease agreements granted by any entity of Groupe BPCE to companies such as:

- Integrated actors in the maritime defence value chain
- Satellite operators
- Computer companies offering the development of software and support for command systems
- Companies specialized in telephony, microphones and headsets
- Companies specialized in infrared and detection cameras and night vision tubes
- Companies manufacturing medium and small calibre ammunition

## Covering the full defence value chain

### Eligible Defence Assets portfolio including:

- Lethal to non-lethal equipment manufacturers
- Large internationalized groups and pure players to smaller suppliers with dual military and civilian revenues split



# | **Appendix**



# French Defence Related Trade Unions

- Defence Unions GICAT, GICAN, and GIFAS represent the **manufacturers of French land and aeronautical security industry, the French naval industry, and the French aerospace industry**. Each gathers the major industrial prime contractors and the SMEs and TPEs that make up the sectors. These unions structure the respective industries
- Financings granted by any entity of Groupe BPCE to companies member of either of these unions qualify as Eligible Defence Assets according to Groupe BPCE's methodology for European Defence Bonds (see section 4)

## Land defense industry (GICAT)<sup>(1)</sup>

- **GICAT is a trade association founded in 1978** and has almost 480 members: major groups, ETIs, SMEs and start-ups
- Its members cover a broad spectrum of industrial, research, service and consultancy activities for **national and international military and civilian components involved in land and air-land security and/or defence**
- **100%** members revenue from the defence & security sector in 2022<sup>(1)</sup>

## Aerospace industry (GIFAS)<sup>(2)</sup>

- **GIFAS regroups actors in the Aerospace sector** (including civilian, defence & space)
- It promotes structure, coherence and solidarity within the French aerospace sector
- GIFAS has launched major programs in research and innovation, strategic support, operational excellence and to facilitate preparation for new technologies
- **26%** members revenue from the defence & security sector in 2022<sup>(2)</sup>

## Naval Industry (GICAN)<sup>(3)</sup>

- Members operate across all segments of the naval industry: shipyards, system providers, integrators, equipment manufacturers, design offices, and engineering and service companies
- **Representing over 80% of the sector's sales and workforce**, it is the trade union representing the sector and the recognised contact for the various ministries and central government departments
- **69%** members revenue from the defence & security sector<sup>(3)</sup>

# Glossary

## Weapon

- Devices designed to neutralize, injure, or kill living beings, or to cause material destruction, used in combat, confrontation, war, hunting, or sport shooting contexts, for attack or defense purposes

## Controversial weapons

- The term "controversial weapons" has been used since the 2000s by various stakeholders to qualify weapons whose use could lead to debates due to disparate national legislative frameworks and the lack or insufficiency of international agreements on their control. More recently, EU Delegated Regulation 2022/1288 defines them as "anti-personnel mines, cluster munitions, chemical weapons, or biological weapons."

## Weapons of mass destruction

- According to the definition of UN Security Council Resolution 1540, weapons of mass destruction are nuclear, biological, and chemical weapons

## Small arms or light weapons

- **Light weapons:** Weapons designed to be used by a single person, including revolvers, automatic pistols, rifles and carbines, submachine guns, assault rifles, and light automatic weapons
- **Small arms:** Weapons generally used by a team of two or three people, including heavy machine guns, portable grenade launchers (removable or mounted), anti-aircraft and anti-tank portable cannons, recoilless rifles, anti-tank missile launchers and portable rocket launchers, portable anti-aircraft missile launchers, and mortars with a caliber of less than 100 mm

## Dual-Use Goods

- Sensitive products and technologies, including software, designed for civilian applications but capable of being used for military purposes. The export of these goods is subject to prior control within the European Union.

## Defense and Security Equipment

- Defense and Security Equipment refers to Weapons of mass destruction<sup>1</sup>, conventional weapons, explosives, and ammunition (including light and small caliber weapons, both civilian and military)<sup>2</sup>, any equipment listed on the common list of military equipment of the European Union<sup>3</sup>, equipment that may be used for surveillance or internal repression<sup>4</sup>, materials that can be used to inflict capital punishment, torture, or other inhuman or degrading treatment<sup>5</sup>, dual-use goods<sup>6</sup> and associated services including consulting, training, provision of patents, as well as maintenance (including the provision of spare parts).

## Internal Surveillance or Repression Equipment

- Includes equipment intended for law enforcement and that can be used in law enforcement operations, including firearms, bombs, or grenades not covered by the common list of military equipment of the EU, military knives, razor wire, non-lethal weapons (e.g., baton launchers), individual and collective protective equipment (e.g., bulletproof vests), certain explosive substances and non-lethal gases, as well as protected vehicles dedicated to law enforcement. Surveillance equipment notably includes professional video surveillance and communication monitoring (cyber surveillance).

## Defense Sector

- The set of companies and organizations whose economic activity is, in whole or in part, oriented towards providing products or services to armed forces, ministries of defense, and state or supra-state entities responsible for national defense missions.

## Security Sector

- The set of companies and organizations whose economic activity is, in whole or in part, oriented towards providing products or services to police forces and law enforcement.

<sup>1</sup> As referred to in UN Security Council Resolution 1540 of April 28, 2004.

<sup>2</sup> As defined by the Arms Trade Treaty that entered into force on December 24, 2014, and by the Protocol against the Illicit Manufacturing and Trafficking of Firearms adopted by UNGA resolution A/55/255 on May 31, 2001.

<sup>3</sup> As adopted by the EU Council on February 17, 2020, and stemming from Common Position 2008/944/CFSP.

<sup>4</sup> As detailed notably in Council Regulation (EU) No. 36/2012 of January 18, 2012 (Annex I).

<sup>5</sup> Regulation (EU) 2019/125 of the European Parliament and of the Council of January 16, 2019.

<sup>6</sup> As defined by Regulation (EU) 2021/821 of the European Parliament and of the Council of May 20, 2021, or by the regulations in force for companies and transactions in a country outside the European Union.



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