ENVIRONMENTAL & SOCIAL RESPONSIBILITY

COMBINING VALUE CREATION AND COMMITMENT
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Urgent environmental and climate challenges are some of the main issues that all economies and individuals worldwide face today, while poverty and growing inequality are also warning signs that must drive us to build a more sustainable and inclusive world.

Finance should be at the forefront of this ecological and social transition by directing funding to support a more sustainable economy. And as a provider of financial solutions, Natixis has a key role to play in this fundamental shift.

Environmental and social responsibility is one of our key strategic goals for the period out to 2020, as we seek to combine financial performance with business responsibility. Our clients rightfully expect this from us and we are determined to play a useful role and have a positive impact on the environment and society as a whole. This requires not just words, but action.

Each employee here at Natixis has a fundamental role to play in this change, and we strive to raise awareness company-wide and leverage our staff’s efforts through a number of community initiatives and actions to mitigate our environmental footprint on a daily basis.

Natixis also supports clients in their transition to a more sustainable business model across all our geographies and business lines, and it is the only financial institution worldwide to introduce the Green Weighting Factor, which provides for a positive adjustment on analytical RWA for deals that create affirmative environmental and climate action in our financing portfolio.

Our pledge to green and sustainable finance and our expertise in this field were applauded by The Banker in 2018, as Natixis was proudly named “Most innovative investment bank for climate change and sustainability”, attesting our commitment to the transformation of the future.

A new growth model is emerging – based on low-carbon growth and greater awareness of our environmental and social impacts – and Natixis stands fully committed to addressing this challenge.

François RIAHI
Chief Executive Officer
Environmental and Social Responsibility – or ESR – is one of the key components of Natixis’ 2018-2020 strategic plan, *New Dimension*.

It involves managing the social and environmental risks of our business operations, but it is also a performance driver, fostering efforts to develop innovative products and solutions to support our clients as they make their own transition to a more sustainable business model.

ESR has been managed since 2017 by a dedicated department, reporting to Natixis’ Corporate Secretary, who is a member of the Senior Management Committee.

The team has eight permanent people working with the support of nearly 200 correspondents across all Natixis’ business lines and corporate functions worldwide, particularly including the Green & Sustainable Hub, which is responsible for developing green and sustainable financing and investment solutions within the Corporate & Investment Banking.

Our Environmental and Social Responsibility policy is focused on three key priorities:

**Green and Sustainable Business Development**
- Contributing to energy transition and supporting our clients in their transition towards a sustainable business model.

**Direct Impacts and Staff Engagement**
- Raising staff awareness, reducing our environmental footprint, applying a responsible purchasing policy, and getting involved in community-minded initiatives.

**Risk Management**
- Integrating ESG\(^1\) criteria into our financing and investment operations.

We resolutely play a role in building a sustainable future via our endorsement of several financial market and international initiatives including:

- The United Nations Global Compact since 2007;
- The Carbon Disclosure Project (CDP) since 2007;
- The United Nations Principles for Responsible Investment (UNPRI) since 2008;
- The French Diversity Charter since 2009;
- The Equator Principles since 2010;
- The UN Principles for responsible banking (UNEP-FI) since 2018;
- The Act4nature initiative since 2018;

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1 - ESG criteria: Environmental, Social and Governance criteria
In our investment and financing business as well as in our day-to-day operations, Natixis contributes to 11 of the 17 Sustainable Development Goals (SDGs) outlined by the United Nations in 2015.

### CONTESTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In our investment and financing business as well as in our day-to-day operations, Natixis contributes to 11 of the 17 Sustainable Development Goals (SDGs) outlined by the United Nations in 2015.

#### IN OUR ACTIVITIES (FINANCING, INVESTING)

<table>
<thead>
<tr>
<th>SDG</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Leader in solidarity asset management in favour of job creation and access to accommodation for in need people</td>
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<tr>
<td>3</td>
<td>Exclusion of financing and investment in the tobacco industry</td>
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<td>4</td>
<td>Structured bond product focused on educational objectives of sovereign issuers</td>
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<tr>
<td>5</td>
<td>Planned launch of a fund dedicated to women-led businesses</td>
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<td>6</td>
<td>Major player in financing renewable energies in France and worldwide</td>
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<tr>
<td>7</td>
<td>Inclusion of social criteria (e.g: human rights) in funding granted</td>
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<tr>
<td>8</td>
<td>Financing of sustainable infrastructures (clean transportation, green buildings)</td>
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<tr>
<td>10</td>
<td>Investment strategy aligned with the Paris Agreement (Mirova, Natixis Insurance) Excluding financing projects in coal, tar sands and oil in the Arctic</td>
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<tr>
<td>11</td>
<td>&quot;Althelia Sustainable Ocean Fund&quot;, dedicated to protecting oceans</td>
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<td>12</td>
<td>&quot;Land Degradation Neutrality Fund&quot;, dedicated to restore degraded lands</td>
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<tr>
<td>14</td>
<td>Two new partnerships in 2018: UNEP Finance – Principles for Responsible Banking, and Act for Nature</td>
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#### IN HOW WE OPERATE

<table>
<thead>
<tr>
<th>SDG</th>
<th>Description</th>
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<tbody>
<tr>
<td>2</td>
<td>Specific wage measures for the lowest income</td>
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<tr>
<td>4</td>
<td>Several initiatives to improve quality of life in the workplace</td>
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<tr>
<td>5</td>
<td>Solidarity Leave Scheme offering to transfer competences and socio-educational support</td>
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<td>6</td>
<td>Gender equality programs within the company</td>
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<tr>
<td>8</td>
<td>100% green electricity supply contract for all buildings in France</td>
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<tr>
<td>9</td>
<td>5,000 people working out of France, the majority employed locally</td>
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<tr>
<td>10</td>
<td>Environmental certifications of buildings</td>
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<tr>
<td>11</td>
<td>Commitment to reduce energy consumption of buildings in the Paris region by 30% between 2010 and 2020</td>
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<tr>
<td>12</td>
<td>Employee participation in the Hong Kong Coastal Cleanup</td>
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<tr>
<td>13</td>
<td>Development of vegetated spaces in buildings</td>
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<tr>
<td>14</td>
<td>Paris Action Climat partnership and &quot;100 hectares&quot; charter from the city of Paris</td>
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THE GO-TO BANK FOR GREEN AND RESPONSIBLE GROWTH

Natixis and all its business lines are committed to supporting sustainable world economic growth, and to providing a range of tailored innovative solutions to address our clients’ environmental and social goals. Natixis was awarded “Most innovative investment bank for climate change and sustainability”1 in 2018, in recognition of our active involvement in the fight against climate change and our support for energy transition.

RENEWABLE ENERGIES

With dedicated teams within Corporate and Investment Banking, Natixis is one of the leaders in financing renewable energies worldwide, particularly in offshore wind power in Europe.

In 2018, Natixis arranged 20 new transactions, representing 7.152 GW for a total of €1.786bn. 71% of the bank’s power generation financing portfolio is made up of renewable energies.

Natixis also supports renewable energy development through dedicated investment funds managed by Mirova, Natixis Investment Managers’ responsible investment subsidiary, supporting the development of more than 170 projects since 2002, representing 1.8 GW in installed capacity.

SUSTAINABLE REAL ESTATE

Natixis strongly developed its financing and arranging capabilities in the sustainable real estate sector in 2018, conducting 11 transactions, including two green loans that financed 114,000 m2 of green real estate.

The bank obtained the very first green certification of a commercial real-estate loan in Europe for the Duo towers, a future Paris real-estate project with exceptional energy performances, which will host Natixis’ headquarters.

Natixis Investment Managers’ affiliate AEW uses environmental criteria to assess building acquisitions and manage real estate portfolios (including the HQE, and BREEAM2 labels). The company targets to achieve a 38% reduction in energy use for its portfolio by 2020.

1 - Source : The Banker Awards 2018  2 - French High Environmental Quality standard - BRE Environmental Assessment Method
NATURAL CAPITAL CONSERVATION

Natixis joined Act4nature in 2018, an international initiative of Entreprises Pour l’Environnement (EpE) which rallies businesses to support biodiversity. By joining in this collective pledge, we commit to mobilize all our business lines to take concrete action to preserve biological diversity and restore its viability.

Mirova contributes to worldwide natural capital conservation through its specialist platform Althelia. In 2018, the Land Degradation Neutrality Fund (LDN Fund) raised $60m to fight against land degradation, and the fund conducted its first investment in a program aimed at restoring degraded land in Latin America.

The Sustainable Ocean Fund (SOF), launched in 2018, aims to develop a balanced portfolio in the sustainable seafood sector, the circular economy and the conservation of coastal ecosystems.

OUR STRATEGIC AMBITIONS FOR FINANCING:

Become a go-to bank in green and sustainable finance, by developing innovative financial products and services across all Corporate & Investment Banking businesses, and double our green and sustainable revenues between 2018 and 2020.

GREEN, SOCIAL AND SUSTAINABLE BONDS

In 2018, Natixis contributed to the issue of 18 green bonds and 3 social bonds, including our role in co-arranging the very first social bond issue by a corporate for Danone, worth €300m.

In asset management, both Mirova and Ostrum Asset Management have developed strategies dedicated to green bonds: €3.4bn are invested in green bonds through various funds and mandates.

Beyond the green bond sector, Natixis has also broadly developed green loans, with twelve transactions closed in 2018.
SUSTAINABLE INSURANCE

Natixis Assurances offers multi-risk home insurance for sustainable equipment including solar panels, energy storage batteries, and rainwater collection ponds.

For car insurance, Natixis Assurances grants discounts to drivers who drive less than 8,000 km per year and to owners of electrical vehicles.

Natixis Assurances now routinely includes a unit-linked investment vehicle with an ESG certification (SRI\(^1\) or TEEC\(^2\) label) in its standard offering for all new life insurance policies. These certified policies amounted to €284m at end-2018.

In 2018, Natixis Assurances pledged to align its investment policy with the Paris agreement goals for a global temperature increase of under 2°C, by 2030 at the latest, setting aside close to 10% of investments for green assets each year.

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1 - SRI: Socially Responsible Investment 2 - TEEC: French Energy and Ecological Transition for Climate Label “Transition Énergétique et Écologique pour le Climat”
DEVELOPING RESPONSIBLE INVESTMENT

With the signing of the United Nations Principles for Responsible Investment (UNPRI), environmental, social and governance (ESG) criteria are gradually being integrated throughout Natixis’ asset management businesses and in the investment policy of Natixis Assurances. At the start of 2019, 20 of Natixis Investment Managers’ affiliates – accounting for 85% of assets under management – were signatories the UN-PRI.

Ostrum Asset Management is increasingly developing responsible investment at two levels: with ESG issues being integrated in its investment analysis process and exclusion policies applied to 93% of assets managed, and 21% of assets under management relying on ESG criteria, using a best in class strategy.

Mirova applies a conviction-driven Socially Responsible Investment (SRI) approach, combining value creation with sustainable development as it systematically integrates ESG criteria in its investment strategies, while 40% of assets under management carry a certification i.e. TEEC (French Energy and Ecological Transition for Climate Label or Transition Énergétique et Écologique pour le Climat), SRI, Solidarity.

ESG criteria are also included in the investment process across other affiliates such as DNCA and Seeyond, and in the private equity business at Euro Private Equity and Naxicap Partners, with a range of certified funds.

OUR STRATEGIC AMBITIONS FOR INVESTMENTS

Develop ESG integration further across assets managed by affiliates of Natixis Investment Managers
As a signatory of the Equator Principles, Natixis assesses the E&S risks of projects to be financed and assesses the quality of due diligence conducted in order to manage, mitigate and remedy impacts created. Beyond projects, Natixis monitors its clients’ E&S risks in sensitive sectors.

In 2018, Natixis assessed and monitored E&S risks across 150 transactions.

Natixis is committed to exclude financing and investing in sectors that are the most sensitive with regard to both human and environmental impacts:

- **CONTROVERSIAL WEAPONS**
  Exclude companies involved in the production and trade of anti-personnel mines, cluster munitions, nuclear, biological and chemical weapons.

- **COAL**
  Stop financing of coal projects and companies whose business relies primarily on coal. This commitment also applies to Ostrum AM and Natixis Assurances.

- **TAR SANDS**
  Stop financing of tar sand oil projects and companies that mainly operate in tar sands. This commitment also applies to Natixis Assurances.

- **ARCTIC**
  End financing of oil exploration and production in the Arctic.

- **TOBACCO**
  Stop financing of the tobacco industry. This policy also applies to Ostrum AM, Natixis Assurances and Mirova.
MANAGING CLIMATE RISKS

As a financial institution and a significant participant in the economy, Natixis is exposed to climate risks, through both its operations and client business activities.

Ostrum Asset Management is increasingly developing responsible investment at two levels: with ESG issues being integrated in its investment analysis process and exclusion policies applied to 93% of assets managed, and 21% of assets under management relying on ESG criteria, using a best in class strategy.

Environmental and climate risks of our business activities are being gradually integrated by Natixis.

Using a proprietary carbon footprinting methodology co-developed by Mirova and consultant Carbone 4, “Carbon Impact Analytic”, several Natixis subsidiaries have undertaken major efforts to assess their portfolios’ carbon footprint. Ostrum Asset Management in particular measures the carbon impact of its main funds, while Natixis Assurances has also published its ESG investment policy, which includes measuring the carbon footprint of its investments.

A KEY CLIMATE INNOVATION

THE GREEN WEIGHTING FACTOR

Natixis is implementing an in-house mechanism that links analytical capital allocation to the degree of sustainability of each financing. It promotes deals that have an affirmative environmental impact while penalizing negative impact. This mechanism will gradually apply to Natixis’ new financing deals across all business sectors from 2019 onwards.
MANAGING OUR DIRECT IMPACTS ON THE ENVIRONMENT

Natixis implements initiatives worldwide to limit its operational impact on the environment, in particular its use of resources, waste management and mobility practices.

### USE OF RESOURCES

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<tr>
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<th>PAPER (kg per workstation)</th>
<th>ENERGY (MWh per workstation)</th>
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<tbody>
<tr>
<td>2016</td>
<td>27.55</td>
<td>3.04</td>
</tr>
<tr>
<td>2017</td>
<td>18.18</td>
<td>2.90</td>
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<tr>
<td>2018</td>
<td>13.70</td>
<td>2.89</td>
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### BUILDINGS

- **Environmental certification of buildings** in Paris, Milan, Hong Kong, New York.
- **Paris Action Climat charter**: Natixis set a new target to reduce energy use in its Paris buildings by 30% out to 2020 (baseline 2010).
- **100 Hectares charter**: Natixis is committed to developing vegetated surfaces in its buildings and a first collaborative vegetable garden was opened in 2018.

### CIRCULAR ECONOMY

Waste sorting and recycling systems have been rolled out (i.e. paper, plastic, aluminum, batteries, cartridges, etc.) Natixis is also striving to reduce waste, for example by eliminating plastic cups use in its premises.
MOBILITY

The new mobility plan published in 2018 was implemented:

• Installing bicycle parking areas and electrical charging sockets
• Developing teleworking
• Providing low-CO2, electric and hybrid company vehicles
• Implementing a new carpooling system Ecopartage

RESPONSIBLE PURCHASING STRATEGY

Natixis selects suppliers, products and services that can provide environmental and/or social guarantees:

• Integrating social and environmental criteria for each product category i.e. paper from sustainably managed forests (FSC certifications), low-energy IT equipment (Energy Star certification)
• A sustainable purchasing charter describing the reciprocal commitments of Natixis and its suppliers
• Assessing and monitoring its main suppliers

RESPONSIBLE DIGITAL POLICY

In today’s increasingly digital world, Natixis is committed to reducing the environmental impact of its digital usage across its businesses, and has set up several working groups on energy, responsible purchasing, electrical and electronic equipment waste.
ENGAGING OUR STAFF

At Natixis, our staff are our key assets, and supporting our employees’ career development and empowering them in their work is at the very heart of our New Dimension strategic plan. In practical terms, this goal translates into action via various career paths, staff empowerment and the promotion of diversity and work-life quality for our teams.

DIVERSITY

Natixis signed the Diversity Charter in 2009, demonstrating its support for a company social policy based on inclusion through work, equal opportunity and the prevention of discrimination.

Gender equality

Natixis further enhanced its gender diversity commitment in 2019 when it signed the United Nations Women’s Empowerment Principles. We support career advancement for women, for example through development programs such as “Female Career Advancement” and the WINN network (Women in Natixis Network).

Initiatives for young and senior employees

Natixis signed a new Employment and skills agreement in 2017, which includes commitments to employ young people below the age of 30 through permanent work contracts, work-study programs and internships, and to keep senior employees aged 58 and over in their jobs.

Inclusion for employees with disabilities

Natixis signed a new “Handicap” agreement in 2017, with ambitious commitments for the employment of staff with disabilities, development of purchases in the adapted and protected work sectors, and awareness and training programs for Natixis employees.

The employment rate for staff with disabilities at Natixis has more than tripled since 2010 and now stands at 4.43% as at end-2018.

PAYING ATTENTION TO WHAT EMPLOYEES THINK

Every two years, all Natixis employees are asked to take part in the "Opinions Survey" in which they are encouraged to express their thoughts to enhance progress and communication in the company. Over 12,000 people responded to the 2018 survey, reflecting an overall staff engagement score of 69%, with 79% of staff having a strong feeling of pride at being part of the company.
WORK-LIFE BALANCE

Wellness and work-life balance (WLB) are essential for sustainable economic performance. This belief underpins the Work & Life at Natixis program launched in 2016 and embodied in an agreement signed in August 2016, in addition to the signature of 15 pledges to promote better work-life balance.

Natixis supports balance between employees’ work and personal lives by developing teleworking – an initiative that more than 5,000 employees had taken up at end 2018 – in addition to the creation of concierge services.

SOLIDARITY

Natixis enables staff to get involved in a number of community initiatives i.e. payed leave spent in solidarity missions with the association Planète Urgence, toy collection in France with Secours Populaire, the Natixis Community Giving initiative in the US, volunteer month in Hong Kong, support for the association Pour un Sourire d’Enfant in Cambodia, Course du Cœur race in France to raise awareness on organ donation, etc.

RECOGNIZED ESR PERFORMANCE

Natixis is rated by various extra-financial ratings agencies. It has achieved solid ESR performances and is in the Euronext Vigeo Europe 120 index, which includes 120 of the best-performing companies in the euro area in the field of ESR.

58/100 VIGÉO (ROBUST)

C OEKOM (PRIME)

82/100 SUSTAINALYTICS (LEADER)