

Second-Party Opinion

Le Groupe La Poste Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the Green Bond Framework Le Groupe La Poste is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – (i) Clean Transportation, (ii) Low Carbon Buildings and (iii) Renewable Energy are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the ‘Eligible Assets’ under the green bond framework will advance an expansion in electromobility solutions for La Poste’s postal and delivery system, a reduction in energy consumption requirements for its logistics and services buildings and an increase of its in-house renewable energy generation capacities, supporting the company’s environmental goals.



PROJECT EVALUATION / SELECTION La Poste’s project evaluation and selection are executed by a Green Bond Committee that has cross departmental representation from the company’s Group Societal Engagement Department, Financial Communication Department, Treasury Department, Operational business units and the Group Financial Control Department. This process is aligned with market practice.



MANAGEMENT OF PROCEEDS Proceeds from the green bonds will be tracked internally by the Group Financial Control Department. Pending full allocation of proceeds, La Poste may invest, on a best efforts basis, the unallocated proceeds in money-market instruments following a responsible investment approach. Sustainalytics views La Poste’s intention to invest in money market instruments following a responsible investment approach to the extent possible positively.



REPORTING La Poste commits to provide an annual allocation and impact report. The allocation report will indicate the assets financed by the green bond proceeds, the allocated amount and total amount by project category (in %), as well as the unallocated proceeds amount. With regards to the impact reporting, La Poste will provide two subsets of quantitative information per project category (output indicators and impact indicators) such as: number of electric vehicles purchased, the list of new buildings constructed or renovated, annual renewable energy generated (in MWh), and the estimated GHG emissions avoided (in tCO2e). This process is in line with current market practices.

Evaluation date	31 October 2018
Issuer Location	Paris, France

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Appendices	9

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Introduction

Le Groupe La Poste (“La Poste” or “the company”) is the French incumbent postal and services group that is 100% owned by the French government, directly and indirectly. The French State entrusted four public missions to the company in line with its role to provide services for the general interest:¹ (i) universal postal service, (ii) contribution to regional planning and development, (iii) press transport and delivery and (iv) banking accessibility.

La Poste has developed the Green Bond Framework Le Groupe La Poste (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, existing and future projects supporting the company’s environmental objectives. The Framework defines eligibility criteria in three areas:

1. Clean Transportation
2. Low Carbon Buildings
3. Renewable Energy

La Poste engaged Sustainalytics to review the Green Bond Framework Le Groupe La Poste and provide a second-party opinion on the alignment of the Framework with the Green Bond Principles 2018 (the “GBP”), as administered by the International Capital Market Association (the “ICMA”),² and the Framework’s environmental credentials. This Framework has been published in a separate document.³

As part of this engagement, Sustainalytics held conversations with various members of La Poste’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of La Poste’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Green Bond Framework Le Groupe La Poste and should be read in conjunction with that Framework.

¹ European Commission’s definition of services of general interest: https://ec.europa.eu/info/topics/single-market/services-general-interest_en

² ICMA’s Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

³ Green Bond Framework Le Groupe La Poste will be made available at: www.groupelaposte.com/en/financial-debt

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Bond Framework Le Groupe La Poste

Summary

Sustainalytics is of the opinion that the Green Bond Framework Le Groupe La Poste is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of La Poste's green bond framework:

- Use of Proceeds:
 - The use of proceeds categories of the Green Bond Framework Le Groupe La Poste – (i) Clean Transportation, (ii) Low Carbon Buildings and (iii) Renewable Energy – are recognized as impactful by the Green Bond Principles 2018. Sustainalytics is of the opinion that investments in the Eligible Assets outlined in the green bond framework will drive an expansion of electromobility solutions for La Poste's postal and delivery system, a reduction in the carbon footprint of its logistics and services buildings and contribute to an increase in its in-house renewable energy production capacities, supporting the issuer's ecological transition.
 - La Poste's Low Carbon Buildings eligibility criterion incorporates third-party green building certification standards and labels for its service sector buildings, and Energy Performance Certificates (EPC) for its industrial buildings. Sustainalytics highlights that the green building certification standards include above-average certification levels, namely LEED Gold or above, BREEAM Very Good or above and HQE Excellent or above. While a focus on BBC Effnergie+ label targets buildings that are significantly more thermal efficient than France's most recent thermal regulation RT 2012. Furthermore, La Poste's focus on EPC labels level A and B for France and the UK, and A+ for The Netherlands corresponds with the most energy efficient buildings in those countries (within the top 15% most energy efficient buildings). With regards to the certification schemes, Sustainalytics has conducted an evaluation of these standards and considers them to be robust and credible. For additional information on green building certification schemes, please consult Appendix 1, while for the EPC levels, please consult Appendix 2.
 - La Poste's look-back period for refinancing activities is two years, which is aligned with market practice.
- Project Selection Process:
 - La Poste confirmed that the project selection and evaluation process will be executed by a Green Bond Committee comprising cross-departmental representation from the Group Societal Engagement Department, Financial Communication Department, Treasury Department, operational business units owing assets and the Group Financial Control Department. The Green Bond Committee meets on a semi-annual basis and verifies the Eligible Assets' compliance with the use of proceeds eligibility criteria. Sustainalytics views this process as aligned with market practices.
- Management of Proceeds:
 - Sustainalytics assesses La Poste's management of proceeds process to be aligned with market practices. La Poste's Group Financial Control Department will monitor and track its net green bond allocations through its dedicated internal information systems. Sustainalytics highlights that, pending full allocation, La Poste will manage the unallocated proceeds following, on a best efforts basis, a responsible investment approach. Sustainalytics encourages this approach to the extent it is possible given the relatively limited amount of sustainable money market instruments available on the market.
- Reporting:
 - La Poste will publish an annual allocation and impact report on its website.⁴
 - The allocation report will comprise relevant transaction information and data on the list of assets financed, including their description (date, location, category), and the allocated amount by project category, the allocated amount as a percentage of total amount by project category

⁴ www.groupelaposte.com/en/financial-debt

and the unallocated proceeds amounts. Sustainalytics considers the scope and quality of this reporting to be in line with market practices. With regards to the impact reporting, La Poste may provide, when feasible, two subsets of quantitative information per project category (output indicators and impact indicators) as it follows: number of electric vehicles financed, share of electric vehicles within the vehicles fleet, number of new or upgraded buildings, number of eligible certifications obtained, the annual renewable energy generated (in MWh) and the total surface area installed (in m²), along with the estimated GHG emissions avoided per each project category (in tCO_{2e}). Sustainalytics views the scope and granularity of the impact reporting to be in line with good market practices.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Green Bond Framework Le Groupe La Poste aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy and Performance of the Issuer

Contribution of framework to issuer's sustainability strategy and targets

La Poste has established a sustainability strategy that is the result of a materiality assessment informed by ISO 26000, GRI guidelines and stakeholder consultation. La Poste's sustainability strategy focuses on five key areas: social and regional cohesion, responsible and ethical digital services, environmental transitions, social and employment policy and customer service commitment.⁵ In the context of the Green Bond Framework Le Groupe La Poste, the environmental transitions pillar is particularly relevant. In this regard, La Poste is incorporating environmental considerations into its business model in order to enhance operational efficiency and support broader environmental objectives.

- To quantify and manage its environmental transition, La Poste developed a series of climate action targets, namely a reduction in its total GHG emissions by 20% by 2020, in line with the Paris Climate Agreement 2°C objective. Sustainalytics recognizes that La Poste has made progress toward meeting this commitment having reduced the group's total GHG emissions by 14% by 2017 against the baseline.⁶
- To complement its general climate action targets, La Poste developed sub-targets specific to its business-model encompassing climate objectives for its (i) transport and delivery operations, (ii) renewable energy consumption and increased and (iii) energy efficiency of its buildings.
- Sustainalytics highlights that La Poste has an ambition to own one of the first global fleets of electrified vehicles, with an explicit commitment to own 10,000 electric light utility vehicles by 2020. As of the end of 2017, La Poste owned 7,197 electric light utility vehicles, approximately 14% of the total vehicle fleet.⁷ When including non-car three and four-wheel vehicles the proportion of vehicles that are electrified is 22% and 40% when including electric bicycles.⁸
- In line with its climate action ambitions, La Poste set a target for its Poste Immo subsidiary,⁹ which manages 87% of Le Groupe La Poste's buildings, to reduce its buildings' energy consumption by 15% by 2020. Thus far, a reduction of 13% against the baseline has already been achieved.¹⁰

⁵ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

⁶ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

⁷ La Poste 2017 Registration Document

⁸ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

⁹ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹⁰ The energy consumption reduction is calculated for the 2011-2017 period.

- Similarly, La Poste committed to source 100% of its electricity from renewable sources by 2020, a goal which it achieved in 2016.¹¹ Sustainalytics views the company's investments in on-site renewable energy system as an extension of these initiatives, aimed at contributing to the development of renewable energy generation.¹²

Overall, Sustainalytics is confident that La Poste is well positioned to issue green bonds, and that the issuance of green bonds will support the company in meeting its climate targets and other sustainability goals.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that in-house renewable energy generation along with green building contracting and the extension of electrified mobility for its postal and delivery system entail social and environmental risks. Sustainalytics has identified worker health and safety risks related to construction work, photovoltaic system installation and maintenance, construction site waste management risks, land use and biodiversity risks and driver safety issues, including issues specific to electric vehicles as the most significant challenges. However, Sustainalytics considers that La Poste has a strong governance over its social and environmental risks due to the following evidence:

- La Poste confirmed that, in accordance with the French legislation, all of Poste Immo's local contractors involved in civil engineering or construction work, or those which are present on the premises of construction worksites are required to operate under the oversight of a Safety and Health Protection Coordinator (SHPC) appointed by the contracting authority.¹³ The role and responsibilities of the SHPC are regulated by the French labor law and typically require the execution of a worksite hazard and safety analysis prior to project initiation and the formalization of relevant worksite recommendations aiming to identify, mitigate and manage potential environmental and social risks.¹⁴ La Poste confirmed to Sustainalytics that the selection process for its third-party contractors prioritizes entities with robust worker health and safety practices. La Poste also confirmed to Sustainalytics that worker safety guidelines for the installation and maintenance of renewable energy generation equipment are aligned with group level policy. Sustainalytics views positively this process, which along with the French legislation, constitutes a strong framework for La Poste to identify, mitigate and manage worksite safety risks.
- Managing construction and demolition waste was a stated priority for Poste Immo in 2017 and 2016. The 2008 European Waste Framework Directive sets expectations for member states, including France, on the management of waste, and goes as far as to set specific targets to recycle 70% of non-hazardous construction and demolition waste by 2020. Poste Immo has its own in-house target that surpasses the 2008 European Waste Framework Directive requiring 70% recycling of non-hazardous and non-inert waste by 2019 and 80% by 2020. Poste Immo has also set an overall inert waste recovery rate of 75% by weight in 2019 and 85% by 2020.¹⁵ Sustainalytics is of the opinion that the company is taking credible steps to minimize construction waste from its real estate portfolio.
- Poste Immo has mapped its buildings that are located in ecological priority areas. Furthermore, the operating unit has conducted biodiversity audits at some sites.¹⁶ Sustainalytics assesses La Poste's ongoing extension of its green building portfolio as an implicit form for environmental and social risk management given that it is pursuing green building certifications that incorporate biodiversity

La Poste CSR Report 2017 available at:

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¹¹ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹² La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹³ Excerpt from the French legislation available at: <https://travail-emploi.gouv.fr/sante-au-travail/prevention-des-risques-pour-la-sante-au-travail/mesures-et-moyens-de-prevention/article/formation-du-coordonnateur-en-matiere-de-securite-et-de-protection-de-la-sante>

¹⁴ Excerpt from the French legislation available at: <https://travail-emploi.gouv.fr/sante-au-travail/prevention-des-risques-pour-la-sante-au-travail/mesures-et-moyens-de-prevention/article/formation-du-coordonnateur-en-matiere-de-securite-et-de-protection-de-la-sante>

¹⁵ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹⁶ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

considerations, such as HQE, BREEAM and LEED. Moreover, some of the company's sites are actively managed to promote the re-introduction of species threatened with extinction in France.¹⁷

- Sustainalytics highlights that La Poste engages in ongoing driver training and qualification for all employees whose work involves driving. Sustainalytics views positively this activity due to the company's strong exposure to transportation-related risks inherent to its business model and its operation of an extensive vehicle fleet.¹⁸ La Poste confirmed having dedicated training sessions for its drivers in 2017, focusing mainly on motor vehicle risk prevention, eco-driving, e-learning eco-driving, as well as training sessions for electric vehicle driving, and disclosed to Sustainalytics a breakdown of training topics, training hours and number of employees trained. Sustainalytics highlights that since June 2017, La Poste expanded its safety and defensive driving trainings to include electric vehicles.

In addition to the above regulations and actions, La Poste implemented a risk management framework¹⁹ as part of its corporate governance structure, largely supporting the company in identifying, managing and mitigating the environmental and social risks associated with its operations. La Poste ensures that its structural risks receive Board evaluation through the joint-collaboration of the company's Audit Committee and its Board of Directors, which are tasked with analyzing La Poste's structural risks, their management as well as the development of the company's internal control policy and function.²⁰ Sustainalytics highlights that since 2014, Le Groupe La Poste added CSR risks to its group-wide risk map,²¹ thus ensuring that environmental and social considerations are systematically integrated in its risk materiality evaluations.

Sustainalytics holds a positive view over La Poste's environmental and social risk mitigation processes due to: (i) the strong governance and oversight of the sustainability risks by the company's Audit Committee and Board of Directors, (ii) the French legislation providing a strong framework for the integration of environmental and social considerations, (iii) the company's voluntary process to provide preventing driving trainings and (iv) its extension of low-carbon building licensing. Overall, Sustainalytics considers that La Poste is well positioned to identify, manage and mitigate environmental and social risks commonly associated with the company's Eligible Asset Categories.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are recognized as impactful by GBP. Sustainalytics has focused below where the impact is specifically relevant in local context.

Importance of clean transportation and low carbon buildings to achieving France's climate targets

While France exceeded its national target of reducing GHG emissions by 14% by 2016 compared to 2005 levels, it is still above its EU 2020 target by approximately 5%.²² France's other climate goals are to reach a 40% emission reduction by 2030. France's overall ambition is to achieve carbon neutrality by 2050.²³

¹⁷ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹⁸ La Poste reported an estimated number of vehicles in operation of around 87,500 ; more information available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

¹⁹ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

²⁰ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

²¹ La Poste CSR Report 2017 available at:

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

²² Europe 2020 targets: statistics and indicators for France; https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/france/europe-2020-targets-statistics-and-indicators-france_en

²³ ADEME Updated Energy-Climate Scenario 2035-2050, <https://www.ademe.fr/sites/default/files/assets/documents/updated-energy-climate-scenario-ademe-2035-2050-overview-010602.pdf>

Le Groupe La Poste Green Bond

Within the European Union, France had the 9th lowest GHG emissions per capita as of 2015.²⁴ However, between 1990 and 2015, GHG emissions from France's transportation sector increased by 15.9%.²⁵ France is amongst the highest producers of GHG emissions from transport in the EU.²⁶ Le Groupe La Poste's land transportation assets are diverse, and include a range of vehicles that are powered by internal combustion, electricity and human energy (bicycles).²⁷ As of 2017, the group operated 22,962 electric bicycles through its business unit Services-Courrier-Colis, 6,994 electric vehicles, 5,137 electric Stabys and 1,383 bicycles, but also continued to use 32,726 internal combustion cars, 1,443 internal combustion motorcycles and other fossil fuel based transportation assets.²⁸ The company's internal combustion car fleet is equivalent to approximately 0.1% of France's total registered passenger vehicles in 2017, which is substantial.²⁹ Sustainalytics is of the opinion that La Poste's investments in clean transportation, specifically in electric vehicles and electric vehicle battery rental will directly contribute to the decarbonization of its fleet and France's GHG emissions targets.

France's building stock is responsible for 45% of the country's final energy consumption, 60% of its heating, and 27% of its GHG emissions.³⁰ La Poste is a major real estate player, with over 12,000 sites and buildings across the country. The focus of the Le Groupe La Poste Green Bond Framework on pursuing energy efficiency improvements in commercial buildings through green building certifications and labels is expected to contribute to improving the energy efficiency of France's building stock. Furthermore, investments in industrial buildings with an EPC label of at least B in France and the UK and A+ in the Netherlands or renovations that result in industrial buildings achieving those EPC label levels in the respective countries will result in financing being directed to the most energy efficient buildings in those countries.

Importance of renewable energy

France has set a target to increase the proportion of renewable energy in its final energy consumption to 32% by 2030.³¹ This includes increasing the proportion of renewables in electricity generation to 40% by 2030.³² In the last quarter of 2017, renewables accounted for 18.9% of electricity consumption.³³ As of 2017, La Poste, through Poste Immo, had installed 46 photovoltaic units on its properties that generate 6.2GWh annually.³⁴ Furthermore, Poste Immo's subsidiary, Poste Immo Energies Renouvelables, has been conducting studies to further integrate decentralized power production and self-powering into the group's business.³⁵ The installation of photovoltaic energy plants at La Poste sites will contribute to renewable energy consumption targets in France and further advance the country's renewable energy targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	11. Sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for

²⁴ France GHG and Energy 2017 country profile <https://www.eea.europa.eu/themes/climate/trends-and-projections-in-europe/trends-and-projections-in-europe-2017/country-profiles-greenhouse-gases-and-energy/france-ghg-and-energy-country-profile.pdf/view>

²⁵ European Environment Agency, Greenhouse Gas emissions from Transport <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-10>

²⁶ Annual greenhouse gas emissions from fuel combustion in the transport sector in France from 2005 to 2014 (in million tons of CO2 equivalent); <https://www.statista.com/statistics/411876/annual-greenhouse-gas-emissions-of-the-transport-sector-in-france/>

²⁷ Le Groupe La Poste Registration Document 2017 available at :

<https://legroupe.laposte.fr/content/download/29417/223547/version/1/file/Le+Groupe+La+Poste+2017+Registration+Document.pdf>

²⁸ Le Groupe La Poste Registration Document 2017 available at :

<https://legroupe.laposte.fr/content/download/29417/223547/version/1/file/Le+Groupe+La+Poste+2017+Registration+Document.pdf>

²⁹ Statista, Total Number of Registered Passenger Cars in France from 2004 to 2017 <https://www.statista.com/statistics/455887/passenger-cars-registered-in-france/>

³⁰ Information retrieved from <http://theconversation.com/france-the-road-to-a-low-carbon-building-sector-by-2050-will-be-a-long-one-103485>

³¹ Information retrieved from <https://www.tresor.economie.gouv.fr/Articles/6d47bddb-1d14-4597-8878-785ab59fc529/files/bd6c631e-ba8c-4092-8a95-37e768d3cccf>

³² Information retrieved from <https://www.tresor.economie.gouv.fr/Articles/6d47bddb-1d14-4597-8878-785ab59fc529/files/bd6c631e-ba8c-4092-8a95-37e768d3cccf>

³³ Information retrieved from <https://www.energynews.es/en/renewable-energy-in-france/>

³⁴ Le Groupe La Poste Registration Document 2017 available at :

<https://legroupe.laposte.fr/content/download/29417/223547/version/1/file/Le+Groupe+La+Poste+2017+Registration+Document.pdf>

³⁵ Le Groupe La Poste Registration Document 2017 available at :

<https://legroupe.laposte.fr/content/download/29417/223547/version/1/file/Le+Groupe+La+Poste+2017+Registration+Document.pdf>

		all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Low Carbon Buildings	11. Sustainable Cities and Communities	11.B By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Le Groupe La Poste has developed the Green Bond Framework Le Groupe La Poste to finance projects and assets in the eligible categories of (i) clean transportation, (ii) low carbon buildings and (iii) renewable energy. The eligible categories are aligned with the Green Bond Principles 2018 and Sustainalytics considers them to have positive environmental impacts, specifically with regards to reducing GHG emissions in France.

Le Groupe La Poste's processes for project selection, evaluation and management of proceeds are aligned with market practice. Based on the above, Sustainalytics is of the opinion that the Green Bond Framework Le Groupe La Poste is robust, credible and impactful.

Appendices





Appendix 1: Overview and Comparison of Green Building Certification Schemes

	HQE	BREEAM	LEED	BBC Effinergie +
Background	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	'Bâtiment basse consommation Effinergie +' is an energy efficiency label launched in 2007 and administered by the French association EFFINERGIE. At its inception in 2007, the label targeted energy consumption levels averaging 50 kWh in primary energy per m ³ /year. The label covers all newly built assets (residential buildings, educational buildings, healthcare facilities, office buildings, hotels, restaurants, commercial buildings, airports, tribunals, industrial buildings etc.) and requires that the energy consumption levels and bioclimatic needs be 20% lower than the 2012 French Thermic Regulations (40 kWh/m ²) ³⁶³⁷³⁸
Certification levels	Pass Good Very good Excellent Exceptional	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum	Certified
Areas of Assessment: Environmental Project Management	Global management system	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.	Not Applicable
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> Energy Environment (Site, Components, Worksite, Water, Waste, Maintenance) 	<ul style="list-style-type: none"> Energy Land Use and Ecology Pollution Transport Materials Water 	<ul style="list-style-type: none"> Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality 	<ul style="list-style-type: none"> Bioclimatic needs Energy consumption Air permeability Ventilation systems Evaluation of equipment energy consumption

³⁶ Information retrieved from the Effinergie website : <https://www.effinergie.org/web/les-labels-effinergie/le-label-effinergie-plus#telechargement>

³⁷ Information retrieved from the Paris Climate Action website: <http://parisactionclimat.paris.fr/en/article/what-energy-efficiency-labels-or-certification-programmes-for-your-building-stock>

³⁸ Information retrieved from: https://ec.europa.eu/energy/sites/ener/files/documents/008_1b_jose_caire_seif_paris_11-12-17.pdf

	<ul style="list-style-type: none"> • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence 	<p>Waste Health and Wellbeing Innovation</p>	<p>Innovation in Design Regional Priority</p>	
Requirements	<p>Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing</p> <p>The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item³⁹ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Points-based system divided between the pre-inspection verification stage and the functional verification stage.</p> <p>Single assessment criteria targeting:</p> <ul style="list-style-type: none"> • The improvement of the building's thermal insulation based on the climatic and altitude coefficient • Extensive energy consumption monitoring (TV, microwave etc.) • Renewable energy consumption display
Performance display				
Accreditation	<p>HQE Construction Certification Referent HQE Operations Certification Advisor</p>	<p>BREEAM International Assessor BREEAM AP BREEAM In Use Assessor</p>	<p>LEED AP BD+C LEED AP O+M</p>	<p>Cerqual, Certivea, Promotelec, Prestaterre</p>
Qualitative considerations	<p>HQE certification has the most number of targets concerning individuals. The "Comfort" and "Health" related themes are the</p>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum</p>	<p>Widely recognised internationally, and strong assurance of overall quality.</p>	<p>Used in France to promote energy performance beyond the requirements of the thermal regulation under which the building was built. Upon the introduction of new Thermal Regulation in</p>

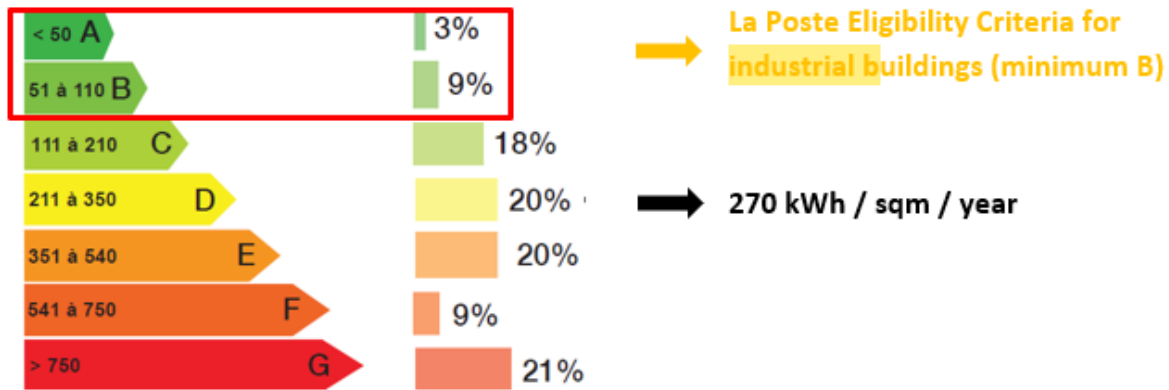
³⁹ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

	most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).	thresholds) than HQE and LEED certifications.		2020, the Effinergie+ label will no longer be relevant for new buildings.
--	---	---	--	---

Appendix 2: Overview of the Energy Performance Certificate levels⁴⁰

FRANCE

Energy Performance Certificate – Logistic Buildings



⁴⁰ OID, Baromètre 2017 de la performance énergétique et environnementale des bâtiments tertiaires, http://www.o-immobilierdurable.fr/hc_ressources/barometre-2017/

United Kingdom Department of For Communities and Local Government

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655789/EPB_Statistics_Release_-_Qtr_3_2017_final.pdf

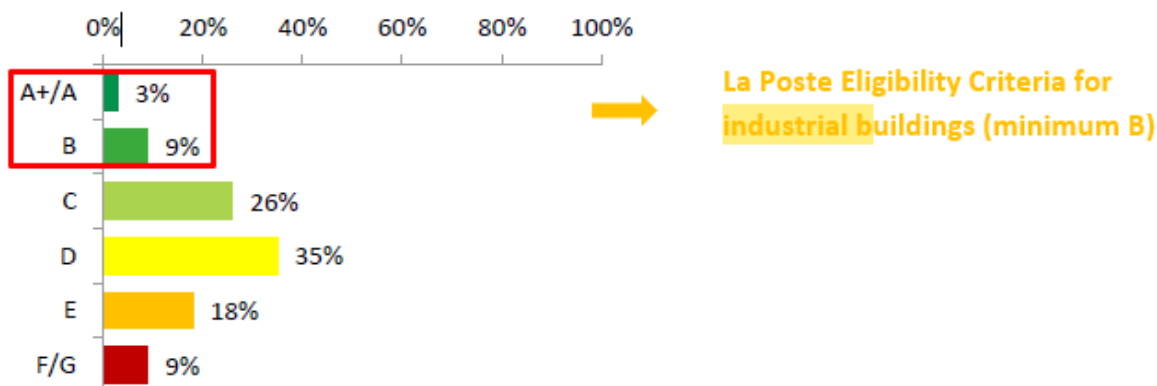
Government of the Netherlands, <https://www.government.nl/topics/energy-performance-certificates-for-homes-and-buildings/epcs-for-commercial-and-public-buildings>

Climate Bonds Initiative, Low Carbon Buildings Approved Proxies for "Top 15%" Commercial Buildings, Netherlands,

<https://www.climatebonds.net/files/files/Netherlands%20-%20Commercial%20Proxy.pdf>

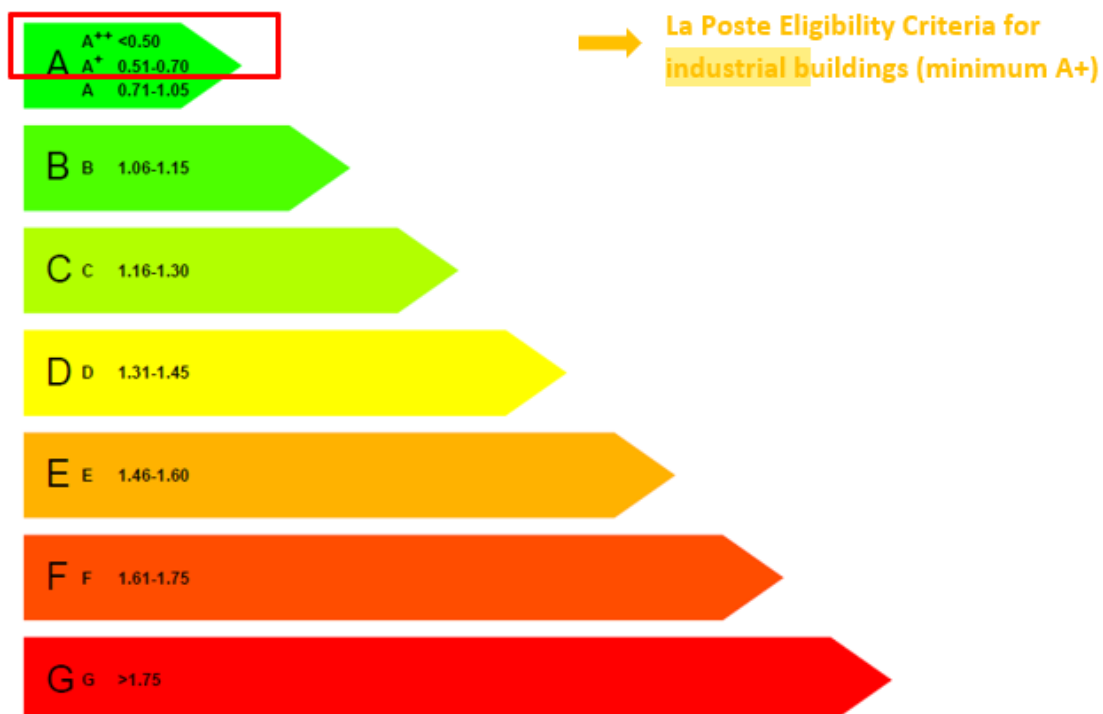
UK

Energy Performance Asset Ratings – Non-Domestic Properties



THE NETHERLANDS

Energy Performance Certificate – Non-Residential Buildings



Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Le Groupe La Poste
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Green Bond Framework Le Groupe La Poste
Review provider's name:	Sustainalytics
Completion date of this form:	31 October 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	November 2018

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Executive Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

- The use of proceeds categories of the Green Bond Framework Le Groupe La Poste – (i) Clean Transportation, (ii) Low Carbon Buildings and (iii) Renewable Energy are recognized as impactful by the Green Bond Principles 2018. Sustainalytics is of the opinion that investments in the Eligible Assets outlined in the green bond framework will drive an expansion of electromobility solutions for La Poste’s postal and delivery system, a reduction in the carbon footprint of its logistics and services buildings and contribute to an increase in its in-house renewable energy production capacities, supporting the issuer’s ecological transition.
- La Poste’s Low Carbon Buildings eligibility criterion incorporates third-party green building certification standards for its service sector buildings, and Energy Performance Certificates (EPC) for its industrial buildings. Sustainalytics highlights that the green building certification standards include above-average certification levels, namely LEED Gold or above, BREEAM Very Good or above, HQE Excellent or above, and BBC Effinergie +. Furthermore, La Poste’s focus on EPC label A and B for France and the UK, and A+ for The Netherlands corresponds with the most energy efficient buildings in those countries (within the top 15% most energy efficient buildings). With regards to the certification schemes, Sustainalytics has conducted an evaluation of these standards and considers them to be robust and credible. For additional information on green building certification schemes, please consult Appendix 1, while for the EPC levels, please consult Appendix 2.
- La Poste’s look-back period for refinancing activities is two years, which is aligned with market practice.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

- La Poste confirmed that the project selection and evaluation process will be executed by a Green Bond Committee comprising cross-departmental representation from the Group Societal Engagement Department, Financial Communication Department, Treasury Department, operational business units owing assets and the Group Financial Control Department. The Green Bond Committee meets on a semi-annual basis and verifies the Eligible Assets' compliance with the use of proceeds eligibility criteria. Sustainalytics views this process as aligned with market practices.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

- Sustainalytics assesses La Poste's management of proceeds process to be aligned with market practices. La Poste's Group Financial Control Department will monitor and track its net green bond allocation through its dedicated internal information systems. Sustainalytics highlight that, pending full allocation, La Poste will manage the unallocated proceeds following, on a best efforts basis, a responsible investment approach. Sustainalytics encourages this approach to the extent it is possible given the relatively limited amount of sustainable money market instruments available on the market.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

- La Poste will publish an annual allocation and impact report on its website.
- The allocation report will comprise relevant transaction information and data on the list of assets financed, including their description (date, location, category), and the allocated amount by project category, the allocated amount as a percentage of total amount by project category and the unallocated proceeds amounts. Sustainalytics considers the scope and quality of this reporting to be in line with market practices. With regards to the impact reporting, La Poste may provide, when feasible, two subsets of quantitative information per project category (output indicators and impact indicators) as it follows: number of electric vehicles financed, share of electric vehicles within the vehicles fleet, number of new or upgraded buildings, number of eligible certifications obtained, the annual renewable energy generated (in MWh) and the total surface area installed (in m³), along with the estimated GHG emissions avoided per each project category (in tCO_{2e}). Sustainalytics views the scope and granularity of the impact reporting to be in line with good market practices.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): the allocated amount by project category, the allocated amount as a percentage of total amount by project category and the unallocated proceeds amounts | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- Annual
 Semi-annual
- Other (please specify): and on a best efforts basis

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify): number of electric vehicles financed, share of electric vehicles within the vehicles fleet, number of new or upgraded buildings, number of eligible certifications obtained, the annual renewable energy generated (in MWh) and the total surface area installed (in m³).

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (please specify): company website: www.grounelaposte.com/en/financial-debt
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

https://legroupe.laposte.fr/content/download/29661/224745/version/1/file/EXE_RSE_LP_GB_180612+interactif.pdf

<https://legroupe.laposte.fr/content/download/29417/223547/version/1/file/Le+Groupe+La+Poste+2017+Registration+Document.pdf>

<https://legroupe.laposte.fr/>

www.grounelaposte.com/en/financial-debt

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- Consultancy (incl. 2nd opinion)
 Certification

- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognized external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics

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Or contact us info@sustainalytics.com

