

Press Release

Groupe BPCE broadens its carbon emission-reduction ambitions by publishing new sector targets

Paris, December 15, 2023

As a member of the Net Zero Banking Alliance and consistent with its commitments to align the trajectory of its portfolios with the goal of carbon neutrality in 2050, Groupe BPCE today publishes new 2030 targets for three sectors: automotive, steel and cement.

In its 2021-2024 strategic plan, Groupe BPCE made climate a priority for action for all its businesses and companies with three objectives: align all portfolios with a net-zero trajectory, support clients in their environmental transition and reduce the Group's own environmental footprint. The Group aims to decarbonize the economy as much as its own balance sheet. Consequently, in accordance with its decision to join the Net Zero Banking Alliance (NZBA) in July 2021 – an initiative shared by the Group's insurance business lines through their membership of the Net Zero Asset Owner Alliance (NZAOA) – the Group is now adding three new sector targets to those already published.

The new sector targets concern the automotive, steel and cement sectors and cover corporate & investment banking activities (Natixis CIB)

- **Automotive:**

According to the International Energy Agency (IEA), transport accounts for close to a quarter of the world's energy-related carbon emissions. Of these emissions, 45%¹ come from passenger vehicles.

For the automotive sector, Groupe BPCE is setting a target for reducing its financed carbon intensity by around 40% compared to 2022. The scope retained concerns financings for automobile manufacturers associated with passenger vehicles. Carbon emissions are defined as those produced during use of these vehicles (scope 3).

Work is underway to shortly extend the scope of alignment of this sector to the Group's retail banking business lines and the Financial Solutions and Expertise activity.

- **Cement and steel:**

On an international scale, the steel and cement sectors are important contributors to carbon emissions, representing 7% of global carbon emissions².

¹ IEA [Global CO2 emissions from transport by subsector, 2000-2030 – Charts – Data & Statistics - IEA](#)

² IEA [Energy Technology Perspectives 2020 \(windows.net\)](#)

The Group is setting two targets:

- **For the cement sector, attain a carbon intensity of less than 525kg CO₂e/ tonne of cement by 2030.** The scope retained concerns cement and clinker producers (scopes 1 & 2).
- **For the steel sector, attain a carbon intensity of 1.4t CO₂e/ tonne of steel by 2030.** The scope retained concerns steel producers (scopes 1 & 2).

In first-quarter 2024, the Group will publish its *Task Force on Climate-Related Financial Disclosures (TCFD)* report, notably detailing the methodologies and the action plan used to define and attain these new targets.

In 2024, in accordance with its commitments related to the NZBA, Groupe BPCE will publish emission-reduction targets for 2030 for the other sectors defined by this alliance³.

Methodology and disclaimer

The methodology used by Groupe BPCE to establish the announced measurements and forecasts are based on market standards that continue to evolve. It is underpinned by work undertaken by the French Banking Federation (*Fédération Bancaire Française*, FBF) and the NZBA.

The information and data presented in this press release have not been subject to external verification.

The data used concerning our clients are primarily sourced from data providers or from documents published by companies financed by Groupe BPCE. Divergences may exist between the greenhouse gas measurements made by different data providers (for example, due to geography and scope), and there may be imprecisions or incompleteness concerning the activities covered by our clients in their publications. Estimates will also evolve along with progress in the quality of available data.

Broadening the scope of our analyses to other Group activities therefore depends on available and recognized methodologies. In addition, the objectives targeted by Groupe BPCE are conditioned by the commitments of our clients and their ability to respect them over time. These objectives are also contingent on government policies in force and the development of low-carbon technologies, these being critical for long-term horizons.

Any significant amendment to the methodology or data used to establish our financed emission-reduction commitments corresponding to the objectives above shall be clearly communicated.

About Groupe BPCE

Groupe BPCE is the second-largest banking group in France. Through its 100,000 staff, the group serves 35 million customers – individuals, professionals, companies, investors and local government bodies – around the world. It operates in the retail banking and insurance fields in France via its two major networks, Banque Populaire and Caisse d'Épargne, along with Banque Palatine and Oney. It also pursues its activities worldwide with the asset & wealth management services provided by Natixis Investment Managers and the wholesale banking expertise of Natixis Corporate & Investment Banking. The Group's financial strength is recognized by four credit rating agencies with the following senior preferred LT ratings: Moody's (A1, stable outlook), Standard & Poor's (A, stable outlook), Fitch (A+, stable outlook) and R&I (A+, stable outlook).

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³ According to UNEP FI guidelines, after joining the NZBA, members publish targets for the following sectors: agriculture, aluminum, cement, commercial and residential real estate, steel, oil & gas, electricity production, transport.