



2020

**CORPORATE SOCIAL
RESPONSIBILITY REPORT**



Au service des territoires
et des exportations

CONTENTS



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FOREWORD



“Committed to a sustainable future

During this unprecedented health and economic crisis, our Group is committed more than ever to its corporate mission: financing a sustainable future by providing long-term support for regional development and the international activity of large companies.

In 2020, our public development bank model proved its resilience and relevance in meeting the many challenges that lie ahead, and SFIL is in a key position to participate in the economic recovery and ecological transition plans of our regions.

In September 2020, SFIL joined the major public finance hub of the Groupe

Caisse des Dépôts, thereby further reaffirming our Corporate Social Responsibility and Sustainable Development targets.

Thanks to the determined and continuous commitment of our teams, in 2020 we advanced each of the three priorities of our CSR strategy:

- Carrying out public policy missions;
- Implementing internal policies;
- Promoting employee engagement and our sponsorship policy.

As the third edition of this report shows, our CSR approach has gained in maturity and is increasingly rooted in our daily lives. Our strategy, which is conducted in line with our participation in the United Nations Global Compact, to which we reiterate our commitment in 2021, has been bolstered by the continuing progression of our structural performance indicators, and was marked by several major advances in 2020.

In partnership with La Banque Postale, SFIL has offered green loans to local authorities and social loans to public hospitals since 2019. In 2020, the SFIL Group successfully continued its thematic bond issues by launching its second social bond issue and its second green bond issue to support the energy transition in the regions.

On the financial markets, SFIL Group is recognized as a leading sustainable issuer and has received several awards, including the best covered bond issue for our COVID-19 social bond, which was launched in April 2020 for sectors impacted by the pandemic.

Our non-financial ratings have continued to progress: our Sustainalytics rating of 7.7/100, the seventh highest rating out of 93 public financial institutions worldwide, confirms the strength and pertinence of our model.

We have stepped up our actions to promote the nine SDGs¹ on which we have focused by establishing 18 quantifiable business and internal operation targets to be achieved by the end of 2021.

Our bank has also strengthened its institutional partnerships. One example is our membership in Finance for Tomorrow, which aims to promote the power of the French ecosystem in responsible investment and green finance. In addition, for the first time, SFIL sponsored the Climate Finance Day which, since the COP21, has involved the global financial sector in the fight against climate change.

SFIL continued to deploy its internal policies, including its policy to promote youth employment, by sponsoring the Collège de France's "Campus de l'Innovation" program for high schools and by expanding to 10 % the share of its workforce comprised of students in school-to-work programs. We are also proud of the fact that since 2018, our gender equality score has increased by six points and is now 93 out of 100.

SFIL also continued to raise its employees' awareness about sustainable development issues by launching an in-house campaign to reduce the use of plastic. Also noteworthy was our participation in DuoDay 2020 during the Week for the Employment of Persons with Disabilities, during which the company provided internships to students and professionals with impairment.

In 2021, we are enthusiastically and resolutely committed to pursue our CSR strategy, in line with our DNA as a public development bank.

Philippe Mills and François Laugier

1. Sustainable Development Goals, a United Nations program for an equitable transition to sustainable development by 2030.

SHAREHOLDER STRUCTURE AND GOVERNANCE

SFIL was licensed as a bank by the French Prudential Supervision and Resolution Authority (*Autorité de contrôle prudentiel et de résolution*) on January 16, 2013.

Shareholder structure

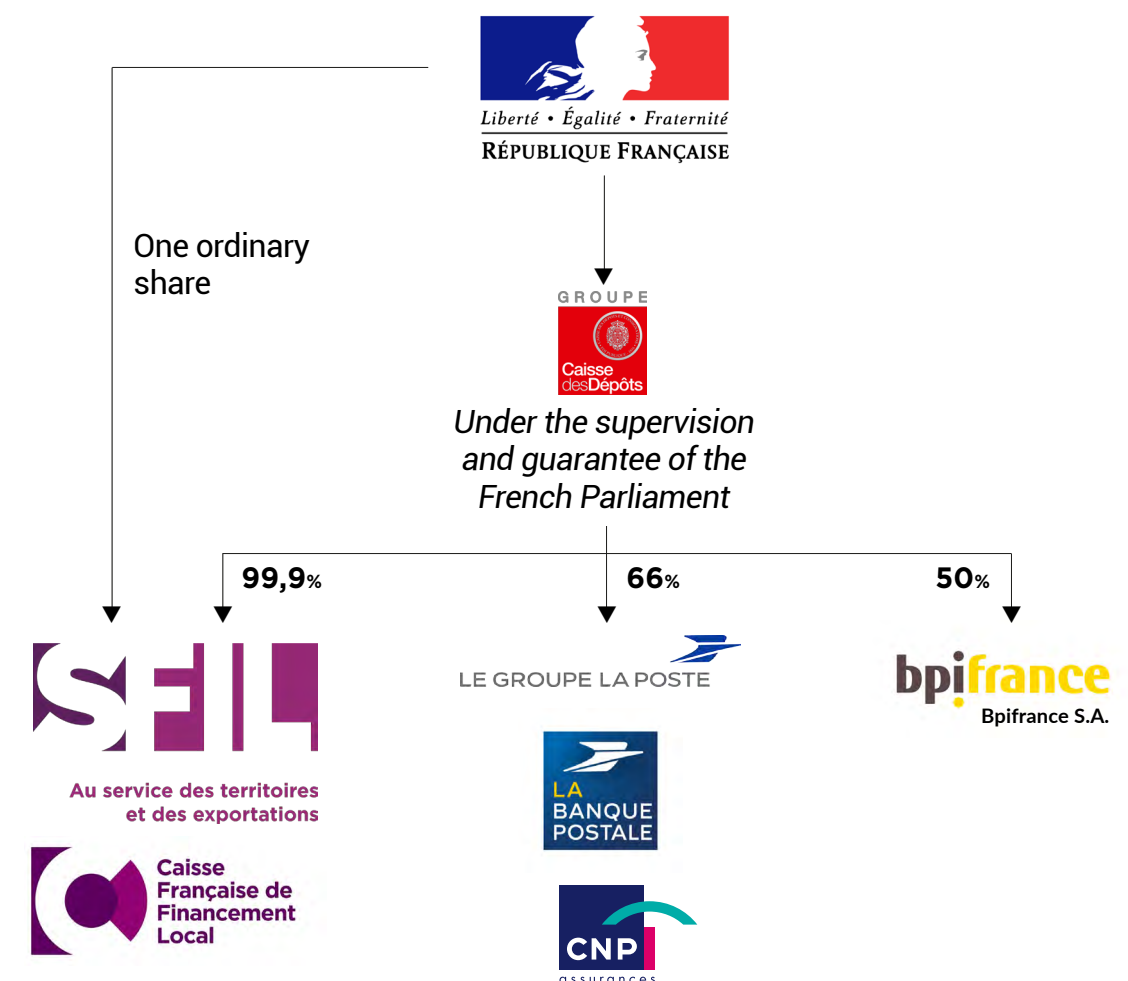
As announced by SFIL's historical shareholders in October 2019, the sale to Caisse des Dépôts, respectively, of 75 % of SFIL's capital, with the exception of one share, by the French government, and of 5 % of SFIL's capital by La Banque Postale, was completed on September 30, 2020. Caisse des Dépôts, which held 20 % of SFIL's capital, has thus become its leading shareholder. Due to SFIL's public interest missions, the French government continues to be

represented on SFIL's Board of Directors by a non-voting member.

Following this transaction, which was part of the project to create the major public financial hub centered on Caisse des Dépôts and La Poste, SFIL's shareholder structure remains entirely public, which is one of the essential characteristics of the public development bank model in which SFIL operates. The purpose of public

development banks is not to maximize profitability or market share, but to carry out public policy missions entrusted by the central, regional and local governments to correct identified market deficiencies while ensuring the conditions for their own

viability. SFIL is thus a key component of the financing system for local government entities and public hospitals established in early 2013 to provide a sustainable response to the contraction of the supply of long-term finance for the local public sector.



Governance

The change in the shareholder structure led to a change in governance at the level of the Board of Directors and its specialized committees. Caisse des Dépôts, which is a Board member, has one representative and also proposed the appointment of five other members. Two

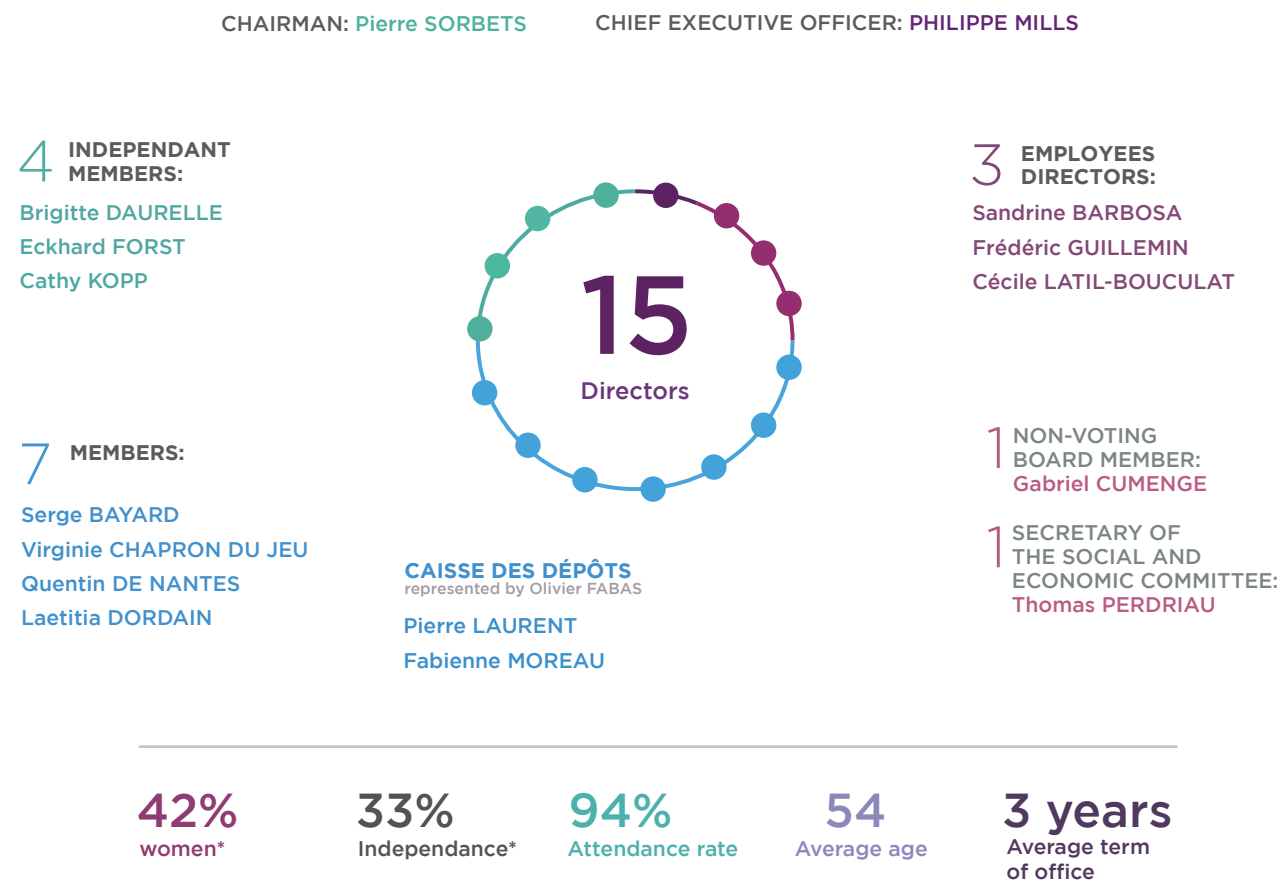
of the four independent directors were appointed in 2020. The Board appointed a non-voting member representing the French government. In addition, following elections held in November 2020, three directors representing employees were elected. The representative of the Social

and Economic Committee has also changed.

members do not hold management positions within the company.

The changes to the composition of the Board of Directors, which has 15 members, also led to changes in the composition of its four specialized committees, whose

They were chosen on the basis of their expertise and their potential contribution to the work of the relevant committees.



*Excluding directors representing employees

- The Risk and Internal Control Committee: analyzes the Group's risk profile, ensures that risk management systems are implemented and complied with, monitors internal control systems and assesses their effectiveness.
- The Accounts Committee: deals with financial matters and reviews the financial statements, the auditors' reports, budget forecasts, etc.
- The Compensation Committee: contributes to the development and updating of the compensation policy and, in particular, focuses on areas for improvement identified in coordination with the Risk and Internal Control Committee. It issues an opinion on the compensation of corporate officers and reviews the compensation of Executive Committee members.
- The Governance, Appointments and CSR Committee: proposes appointments of corporate officers, assesses the individual skills of the members of management bodies and of the Board of Directors as a whole, prepares the succession plan, and assists the Board of Directors in evaluating its operations. In CSR issues, it reviews SFIL's strategic thinking and actions taken, and oversees the preparation and publication of information.

HIGHLIGHTS OF 2020

SFIL's adaptability during the health crisis

The crisis and its lessons for SFIL

Integration into Groupe Caisse des Dépôts

Reaffirmation of the Group's major role in sustainable finance

High-impact thematic bond issues

Throughout 2020, a year marked by the COVID-19 crisis and its health, social and economic consequences, SFIL pursued the entire range of its public policy missions and continued to strengthen its social and environmental commitments, in particular by fully integrating the Sustainable Development Goals into its operations and activities, thus reflecting its ambitions for a more sustainable world.

Moreover, since the end of 2019, SFIL has held quarterly meetings of the CSR committee, a cross-functional body that aims to ensure that the CSR approach is integrated throughout the Group and coordinates progress on all issues: mission management, compliance, financial markets, risks, institutional relations, HR policies, employee engagement, communication and carbon footprint actions. The committee is also a venue for sharing information and promoting discussion with respect to the monitoring and follow-up of major sustainable development issues (biodiversity, energy, etc.).

THE SFIL GROUP'S BUSINESS IN 2020 WAS ENTIRELY CONSISTENT WITH ITS CORPORATE MISSION STATEMENT, WHICH IS NOW INCLUDED IN ITS BYLAWS:

“Financing a sustainable future by sustainably and responsibly supporting the development of the regions and the international activity of large companies.”

SFIL's adaptability during the health crisis



Operationally, the Group was able to shift to entirely remote operations when necessary, thereby ensuring the continuity of all its activities and its relationships with its employees and all its stakeholders, in particular its borrowers.

In April, SFIL implemented a system to assist its borrowers that were experiencing difficulties due to the health crisis, and launched the first "COVID 19" covered

bond to provide fresh financing to sectors affected by the pandemic.

Although the health crisis slowed the pace of contract negotiations in 2020, the export credit sector was in high demand for project studies and carried out its first transaction in the field of renewable energies, the refinancing of an export loan for the "Dogger Bank" project, an offshore wind farm off the coast of the United Kingdom.



SFIL maintained close contact with its suppliers throughout the crisis in order to **provide them with support** and put in place appropriate resources to enable them to continue providing their services.



The crisis and its lessons for SFIL



The **health and protection of the employees** were a **central focus** of the Group's concerns throughout the year. Thanks to the support measures put in place, all teams were able to remain exceptionally mobilized, and SFIL was able to avoid taking advantage of the short-time working scheme adopted by the public authorities.

The measures offered include a psychological support hotline, the widespread deployment of a videoconferencing system accessible to all employees, and the payment of a bonus for the purchase of equipment to enhance the ergonomics of employees' home workstations (screens, audio headsets, office chairs, etc.).

Employee representatives were consistently involved in the crisis management process, in particular through exceptional meetings and bilateral discussions.

In addition, the Group quickly drew the first lessons from this crisis and opted to go beyond the changes imposed by its constraints and convert it into an opportunity for voluntary transformation, by launching the **Demain@SFIL innovation project**.

Integration into the Groupe Caisse des Dépôts



The year was also marked by the **successful integration into the Groupe Caisse des Dépôts**. The exceptional financing capacities of SFIL, which continues to enjoy access to the financial markets on excellent terms despite the instability caused by the health and economic crisis, will play a key role within the major public financial hub. This integration will also take advantage

of the synergies between SFIL and CDC in terms of Corporate Social Responsibility ambitions, objectives and best practices.



Reaffirmation of the Group's major role in sustainable finance



For SFIL, 2020 was also the year in which it reaffirmed its role as a **leading player in sustainable finance**: in addition to its participation in the Finance for Tomorrow initiative, for the first time the Group sponsored and, through Philippe Mills' contribution, participated in the Climate Finance Day, a major annual event that seeks to encourage the global financial sector to become more involved in the fight against climate change.

SFIL also continued to actively participate in the work of the European Association of Public Banks (EAPB). This association, which advocates on behalf of the public development bank model before regulators and supervisors, has established as a priority **the development of responsible finance and the implementation of the EU taxonomy**. The EAPB members form a leading center of sustainable finance in Europe with €12 billion in sustainable bond issues in 2020.

SFIL and EAPB also took part in organizing the Finance in Common Summit, the first summit of public development banks, which was held on November 11 and 12 in Paris and concluded with a joint statement

by the participants in support of sustainable development.

On November 26, Philippe Mills was re-elected President of the EAPB for a third consecutive term.

Lastly, in connection with its work on climate-related risks, SFIL set up a **Climate Risk Operational Committee in 2020**.



High-impact thematic bond issues

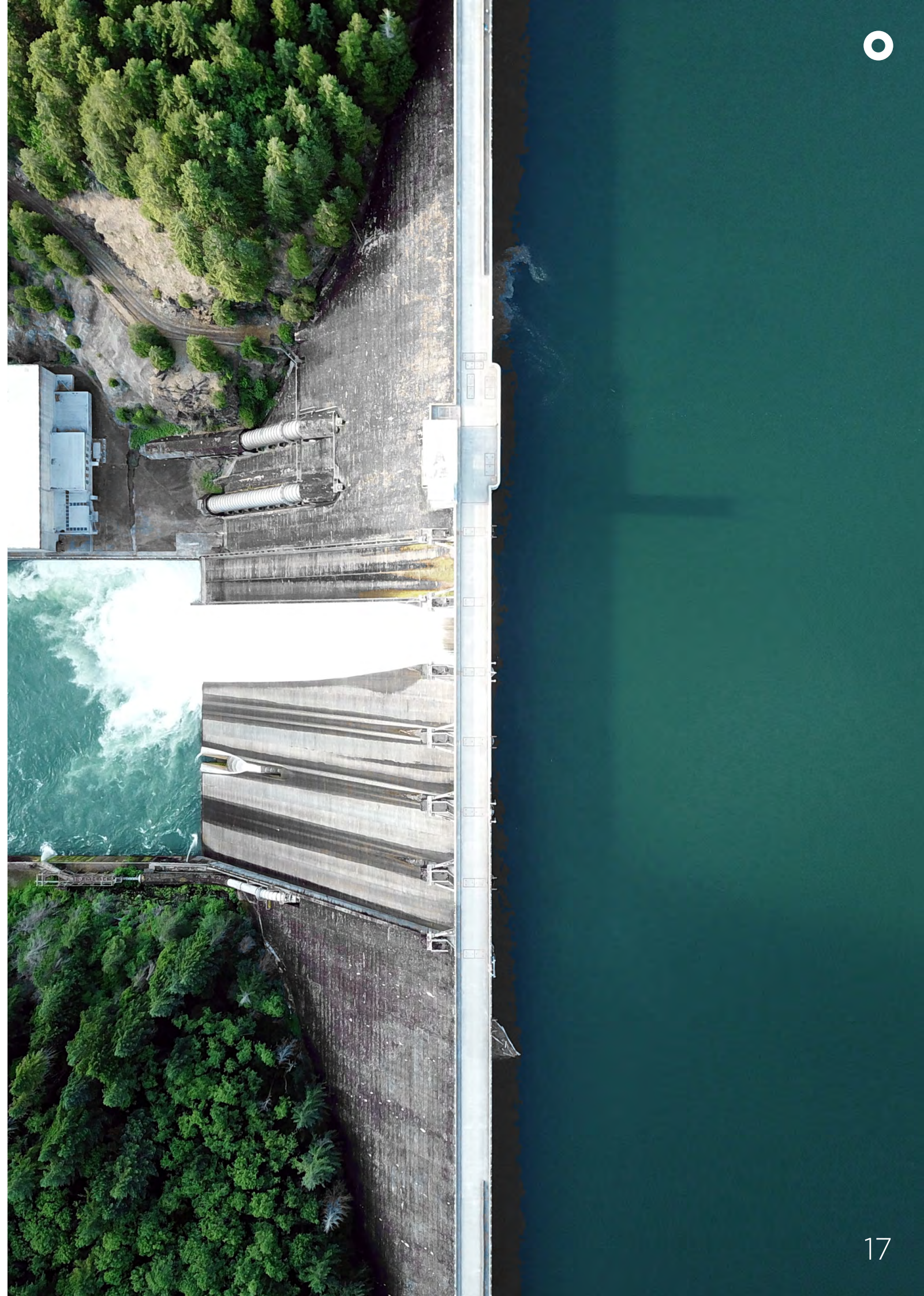


SFIL Group is a leading European bond issuer and, since 2019, has issued thematic bonds specifically to finance French public hospitals and local authority projects with a positive ecological impact.

Following the first social bond issue, which enabled the **refinancing of 254 hospitals in 91 French departments**, the Group's first green bond issue, for an amount of € 750 million, generated very **positive ecological impacts**: thanks to the 156 green loans granted to the local authorities refinanced, over 13,000 tons of CO₂ were avoided,

nearly 47,300 km of drinking water, sanitation and rainwater network lines were financed, and no less than 9 million residents were served.

Overall, SFIL's management of the acute phase of the health crisis was a threefold success as it was able to protect the health of its employees, continuously maintain its operational capacity, and prove the resilience of its business model. As a public development bank, SFIL will be able to fully support the public policies required for economic recovery, whether by providing financing for the local public sector and French hospitals or by providing financing for exports.



2020 EVENTS IN BRIEF

SFIL joins the "Finance for Tomorrow" initiative, which aims to promote the power of the French ecosystem in responsible investment and green finance

SFIL took part in the work the association organized on green bonds and social bonds, and particularly on the concept of an "equitable transition" in order to link up efforts to develop green and social financing.

Launch of the SFIL Group's second social bond issue dedicated to hospital financing

The first "COVID 19" covered bond aimed at directly or indirectly providing new financing to sectors impacted by the pandemic was issued on April 28th. The € 1 billion transaction received an extremely positive reception with the participation of 130 different investors and over € 4.5 billion in orders.

JANUARY



SFIL at the 2020 edition of Bercy France Export, which focused on the ecological transition

On January 30, SFIL participated in the *Bercy France Export 2020* event at the Ministry of the Economy and Finance. Philippe Mills gave a speech at the plenary session on the ecological transition on the topic of "Green bonds: a tool for promoting exports and strategic projects."



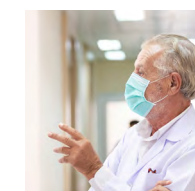
FEBRUARY

MARCH



Publication of the new Code of Ethics and Professional Conduct

To reinforce its compliance system, SFIL updated its Code of Ethics and Professional Conduct, which now includes an anti-corruption code of conduct. SFIL thus clearly and uncompromisingly reaffirms its ethical and integrity requirements, which apply to all current and future employees of the bank.



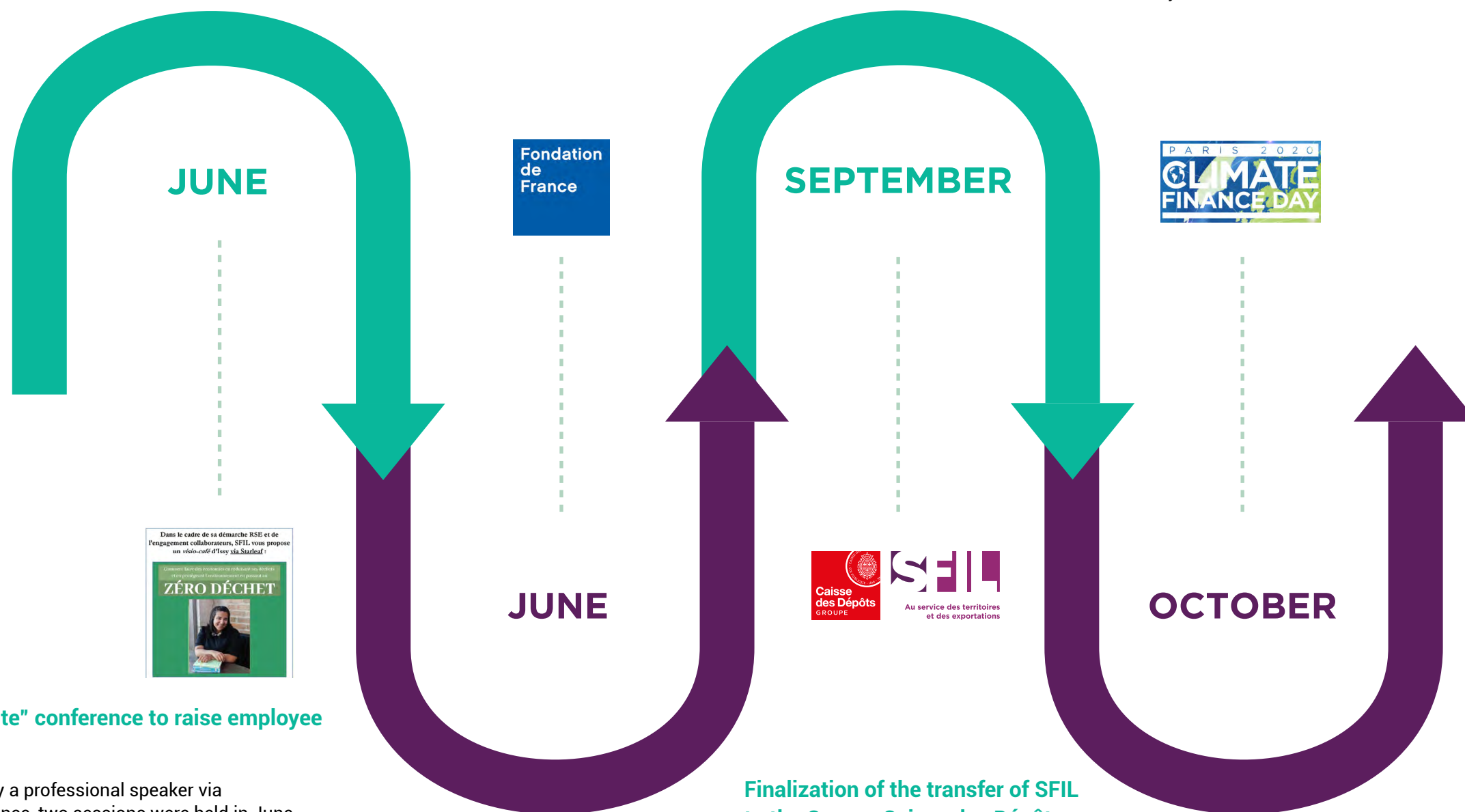
APRIL

Campaign to donate days off to the Fondation de France

SFIL has involved its employees, in a spirit of solidarity and philanthropy, with the "Stand together for the most vulnerable" initiative. Through a process that monetizes days off, the operation collected over € 43,000 in donations to help vulnerable people affected by the health crisis.

SFIL, partner of the 6th "Climate Finance Day"

The Climate Finance Day, which took place on October 29, is a major annual event that, since the COP21, endeavors to mobilize the global financial sector to become increasingly involved in the fight against climate change. At this edition, Eric Lombard, CEO of Groupe Caisse des Dépôts, presented CDC's new climate policy, which integrates SFIL's contributions, and reaffirmed the Group's commitment to the Paris Agreements. Philippe Mills, alongside representatives of the EIB, BPI, SSAB and ING, spoke at the "Make the Green Deal finance the real economy and the territories" round table.



"Zero Waste" conference to raise employee awareness

Facilitated by a professional speaker via videoconference, two sessions were held in June, and a third in September. Nearly 50 employees learned long-term waste reduction practices they can apply on a day-to-day basis.

Finalization of the transfer of SFIL to the Groupe Caisse des Dépôts

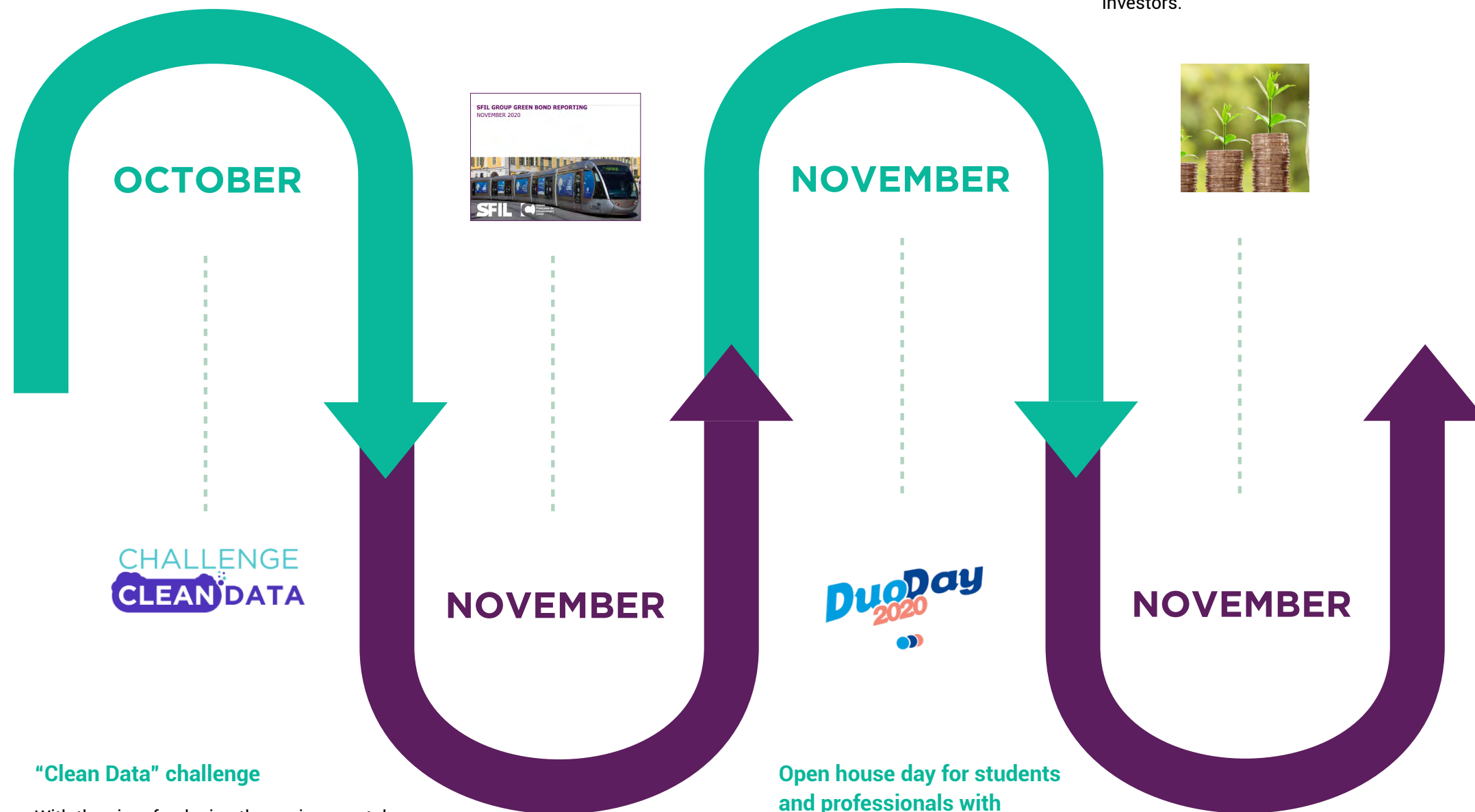
On September 30, the French government, Caisse des Dépôts and La Banque Postale finalized the transfer of the majority of SFIL's capital to Caisse des Dépôts. The integration into Groupe CDC, which is very active in social responsibility and sustainable development initiatives, will naturally complement SFIL's commitments and enables taking advantage of synergies in terms of CSR ambitions, objectives and best practices.

Publication of the allocation report for the SFIL Group's first green bond issue

The Group's first green bond issue was launched in early November 2019. In accordance with its commitments, one year later SFIL published a report on the allocation of the funds generated by the bond issue, which made it possible to refinance green loans taken out by local authorities or their groupings through the SFIL/La Banque Postale scheme.

The SFIL Group's second green bond issue

On November 13, SFIL launched its second green bond issue, for a volume of € 500 million with a maturity of eight years. This transaction is the fourth thematic bond issue carried out by the Group, after two social covered bond issues and a green covered bond issue. Over 80 % of this transaction was allocated to ESG² portfolios and investors.



"Clean Data" challenge

With the aim of reducing the environmental impacts of digital technology, SFIL organized a major interdepartmental "challenge" to clear the data stored in the company's directories. The operation involved the entire staff and reduced data stored by over 30 %.

Open house day for students and professionals with disabilities

During European Disability Week from November 16 to 27, SFIL hosted several students and professionals with impairments for a one-day internship in the company in order to promote the employability of people with disabilities and help overcome prejudices.

NON-FINANCIAL RATING



In 2020, SFIL initiated an ESG rating process. SFIL opted for an assessment with an ESG risk approach consistent with the Group's business model.

The ESG risk assessment was carried out by the non-financial rating agency Sustainalytics

Sustainalytics' rating is based on an analysis of four aspects:

- Corporate governance
- Incorporation of ESG criteria in financial activities
- Human capital
- Business ethics

The scores attributed by the ESG rating agency Sustainalytics rank SFIL among the best financial institutions based on an ESG risk approach:

SFIL obtained the best rating – negligible ESG risk – with a score of 7.7/100 – in which 0 is the best score.

| Issue Name | Subindustry Exposure | Management Score | ESG Risk Rating | Risk |
|------------------------------|----------------------|------------------|-----------------|------------|
| Corporate Governance | 5.0 | 71.0 | 1.5 | Negligible |
| ESG Integration - Financials | 6.0 | 50.5 | 3.0 | Low |
| Human Capital | 5.0 | 65.4 | 1.9 | Negligible |
| Business Ethics | 5.0 | 75.4 | 1.4 | Negligible |
| Overall | 21.0 | 64.8 | 7.7 | Negligible |

18th
out of 12,892
Global Universe

7th
out of 978
Financial institutions

7th
out of 93
Development banks

Particularly noteworthy is the fact that SFIL received the highest ESG rating within its European peer group. Similarly, the bank obtained the best ESG score of any French agency.

“The Company is at negligible risk of experiencing material financial impacts from ESG factors due to its low exposure and strong management of ESG issues.”

SFIL has been assessed on its ESG criteria since 2015 on an unsolicited basis. The

Group's scores have progressively improved and it is now among the best in its sector:

- ISS: Prime C+ (CAFFIL)
- MSCI: AA (CAFFIL)
- IMUG: Positive BBB (CAFFIL covered bond issue)

OUR SDG AMBITIONS



Over the last several years, the SFIL Group has continued to reinforce its CSR approach, which reflects its values and commitments to the economic, social and environmental challenges of our time, as well as its ambitions for a more sustainable world, in line with its corporate mission.

This approach is reflected, inter alia, in its contribution to the United Nations' Sustainable Development Goals (SDGs), a universal roadmap.

When it signed the Global Compact in 2018, SFIL prioritized 9 of the 17 goals of the program, which it integrated into its activities and operations³.

In 2020, the Group expanded this approach by setting precise targets for its contribution to these nine priority SDGs, and redefined indicators closely linked to its activities and its DNA as a public development bank, as well as to its internal functioning.

Starting in 2020, SFIL plans to implement projects that are fully in line with these goals, including:

- A contribution to the France Relance (French Recovery) plan of €2 billion in ecological and energy transition financing over a five-year timeline for the local public sector, not including public health institutions.
- Fostering a culture of sustainable development among employees by providing an e-learning modules on sustainable development and CSR issues.

Since its integration into Caisse des Dépôts, SFIL has also been fully committed to its shareholder's sustainable development policy and has contributed to the Group's SDG strategy as early as 2020.

3. The fact that the SFIL Group has not prioritized a goal does not mean that it is not taking, or will not take in the future, measures related to that goal.

THE 9 SDGS PRIORITIZED BY THE SFIL GROUP AND THEIR DEFINITION IN LIGHT OF ITS CORPORATE MISSION:



Supporting the public hospital sector and contributing to the well-being of our employees.



Participating in the financing of the educational system and promoting training, diversity and equal opportunity.



Advancing professional gender equality and promoting gender parity.



Financing investments in public drinking water and sanitation services.



Contributing to increasing the share of renewable and carbon-free energy.



Supporting investments related to the energy efficiency of buildings and financing the deployment of digital infrastructure.



Financing territorial mobility and soft urban transport.



Financing investments promoting the treatment of household waste and contributing to the circular economy.



Reducing our carbon footprint.

The achievement of these goals will be measured on the basis of 18 indicators, which will be published in the next CSR report. In this report, they are presented at the end of each section dealing with the three priorities discussed in the rest of the document.



PRIORITY 1

OUR PUBLIC POLICY MISSIONS



FINANCING 1. THE LOCAL PUBLIC SECTOR AND EXPORTS

SUPPORTING THE HEALTHCARE SECTOR:
AN ESSENTIAL MISSION AND A NATURAL
ROLE FOR SFIL



As the leading financier of public health institutions in France, in 2020, more than ever, SFIL placed social issues at the core of its strategy and activities in response to the most significant health crisis of our time.

In April, the Group offered payment extensions to all healthcare institutions in France due to their extraordinary commitment during the pandemic.

SFIL therefore offered 835 borrowers, in particular public and private hospitals and retirement homes, a 180-day payment extension for all their loan installments between March 12 and June 30, 2020, without any late-payment interest or penalties.

31 public health institutions
were granted payment
extensions in 2020

SFIL AVEC VOUS



Depuis le premier jour, SFIL soutient le secteur hospitalier public par une politique d'investissement dynamique pour faire progresser la disponibilité et la qualité des soins, quelle que soit la région.

Avec un message clair et solidaire à faire passer aux personnels de ces établissements : **bravo et merci** pour tout ce que vous avez su faire depuis le début de la crise sanitaire.

| | | |
|--|---|---|
| 1^{er} financier des établissements publics de santé en partenariat avec La Banque Postale | 309 établissements financés | 2 émissions sociales exclusivement dédiées aux hôpitaux publics |
| | 4 EUR Mds de prêts consentis depuis 2018 | |

Plus d'infos sur sfil.fr



The SFIL-LBP scheme is designed to finance healthcare institutions of all sizes, in all regions of France, and offers a simple range of loans accessible to the smallest borrowers, starting at € 40,000.

In 2020, 84 institutions, or 11 % of the sector, received financing from the

scheme, for a total amount of € 601 million. The average fixed rate was 0.8 % for an average loan term of 20 years.

These loans are refinanced by the Group's social bond issues, which are described in the section entitled "Ramp-up of our thematic bond issues."

84 public health institutions
financed in 2020



▲ The Centre Hospitalier Isarien de Clermont de l'Oise is a public mental health institution for adults, adolescents and children.

Financing for the Isarien Mental Health Hospital in Oise: opening of the new 96-bed Beauvais/Méru care facility

€ 30 million

financed by the SFIL/
LBP program

The Isarien Hospital, a public mental health institution in the department of Oise, has embarked on a major investment program (€ 82.5 million over 10 years), involving a major restructuring of the buildings on two sites.

Combining new constructions and renovations (50% of patients are currently hospitalized in buildings built before 1938), this comprehensive project aims to improve hospitalization conditions and the organization of care.

The SFIL/LBP scheme supported the completion of the first stage of this project by financing the reconstruction of a 96-bed care facility. This new facility will significantly improve the quality of patient care and accommodation, as well as the quality of life at work for the healthcare teams.

FINANCING THE LOCAL PUBLIC SECTOR AND THE ECOLOGICAL TRANSITION



Loans to local authorities in 2020

Despite the impact of the election cycle and the health crisis, the local public sector financing market remained very dynamic in 2020. The SFIL-LBP program was therefore very active during the year with € 5 billion in financing granted to local authorities and their groupings.

The loans offered by the scheme are aimed at all types of local authorities, from the smallest municipalities to the largest inter-municipal structures or regions, in order to support the development of the whole of France with closely tailored solutions.

1 200

local authorities
financed in 2020

However, the trend was not uniform across all local authorities, with the bulk of the SFIL-LBP scheme focused on the municipal sector, but with significant increases in the regions and departments:

- A comprehensible slowdown (-28 %) in the municipal sector (municipalities and their groupings) due to the postponement of municipal elections. Ordinarily, election years impact the momentum of this market because of the time required to set up new teams and define new projects. Moreover, these elections were held under unprecedented conditions. The health crisis delayed the inauguration of the new officials (the second round of voting was postponed) and created a difficult and uncertain budgetary environment. These factors slowed the definition of plans for the new terms of office and impeded the rapid start of a new investment cycle.
- Strong business volumes, which doubled (+98 %) in the departments and regions, with growth of around 34 % for the departments and volumes that nearly quintupled in the regions. For these sectors, 2020 was a pre-election year and was, therefore, marked by a certain investment momentum. Despite the health situation, this momentum remained steady or gained pace in order to support economic activity.

For the departments, roads and middle schools were their most significant focuses of investment. In addition to their recurring investments in high schools and regional express trains, the regions have increased investments in economic development and vocational training. They have thus mobilized to support businesses and the full spectrum of the economic fabric of their regions in the face of the health crisis.

The financing provided by the SFIL-LBP program supports all aspects of local development: local public services (in particular, water, waste and transportation services), roads, local public facilities (education, culture and sports), broadband

networks, economic development and social and medical-social activities.

In line with its public policy mission and its commitments to a sustainable world, SFIL places particular emphasis on projects to build or renovate school buildings (high schools and middle schools), as well as projects to deploy digital infrastructure, in particular optical fiber cable, in order to promote digital accessibility in all areas.



Payment extensions granted to borrowers to assist them during the crisis

The French government has adopted significant assistance measures through successive Amended Finance Acts, in particular Amended Finance Act 3, which introduced a “budgetary safety net” consisting primarily of a mechanism for guaranteeing tax and state revenues, as well as a program of reimbursable advances to offset decreases in property conveyance fees.

Alongside these measures, in 2020, SFIL responded on a case-by-case basis to requests from local authorities and similar entities that were experiencing temporary cash flow difficulties due to the drop in revenues, as a result of the health crisis, from specific activities in the economic, cultural and tourism sectors (movie theaters, swimming pools, parking lots, thermal baths, etc.).

As of December 31, 2020, 65 borrowers had applied to SFIL for payment extensions, 30 of which were granted.

Lastly, the SFIL Group continued to support the efforts of the local public sector to go paperless by pursuing the roll-out of the DigiSFIL internet platform, which enables borrowers to complete their procedures,



submit transaction requests and view their payment notices in a secure electronic format. During the lockdowns, borrowers who expressed the need for access to information in electronic format were granted access to this platform.

Green loans:
financing the regions'
ecological transition



As the leading public investors, local authorities and their groupings are key players in the ecological transition because the fields in which they operate include energy, water, waste, transportation and public buildings.

Launched in June 2019 in partnership with La Banque Postale, the range of green loans finances projects that contribute to the ecological transition and sustainable development, and focuses on five areas:



Renewable energy



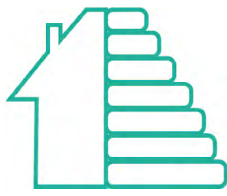
Waste management and valuation



Territorial mobility and soft urban transport



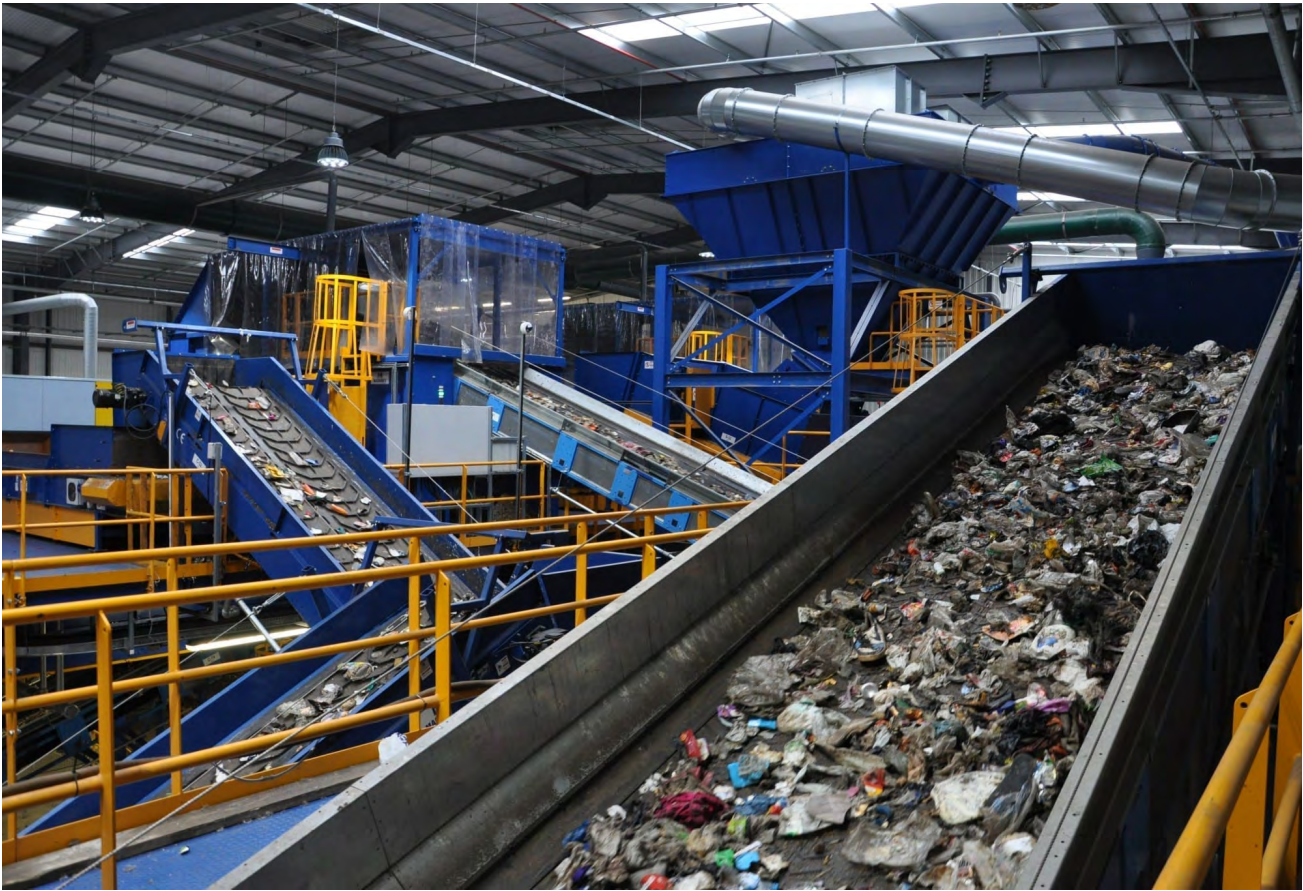
Sustainable water and sanitation management



Energy-efficient construction and urban development

The goal of the SFIL/LBP scheme is to generalize access to this type of responsible financing for all local authorities and groupings. Therefore, the minimum amount of these loans is € 500,000 and indexation is simple (fixed or variable interest rates).

This offer creates synergies between the SFIL Group's commitment to sustainable finance and its role as a public development bank serving the regions.



In 2020, € 413 million in green loans were granted by the SFIL-LBP scheme, i.e., 9 % of the business with local authorities.

Although this business concerned all five focus areas, three of them were preponderant in terms of the volume of financing granted:



**Territorial mobility
and soft urban
transport**

Financing for major transportation projects in French cities:

- Creation of tramway lines, renewal of metro trains or electric buses, and installation of bike lane networks.



**Sustainable water
and sanitation
management**

Financing for numerous projects aimed at improving the quality and efficiency of public drinking water and sanitation services:

- Renewal of networks, construction and maintenance of drinking water production and wastewater treatment facilities.



**Waste management
and valuation**

Financing for projects aimed at improving public waste collection services and waste treatment chains:

- Collection equipment (bins, voluntary drop-off points, containers), construction and maintenance of waste treatment facilities, waste sorting centers, waste treatment facilities for recycling or energy recovery.

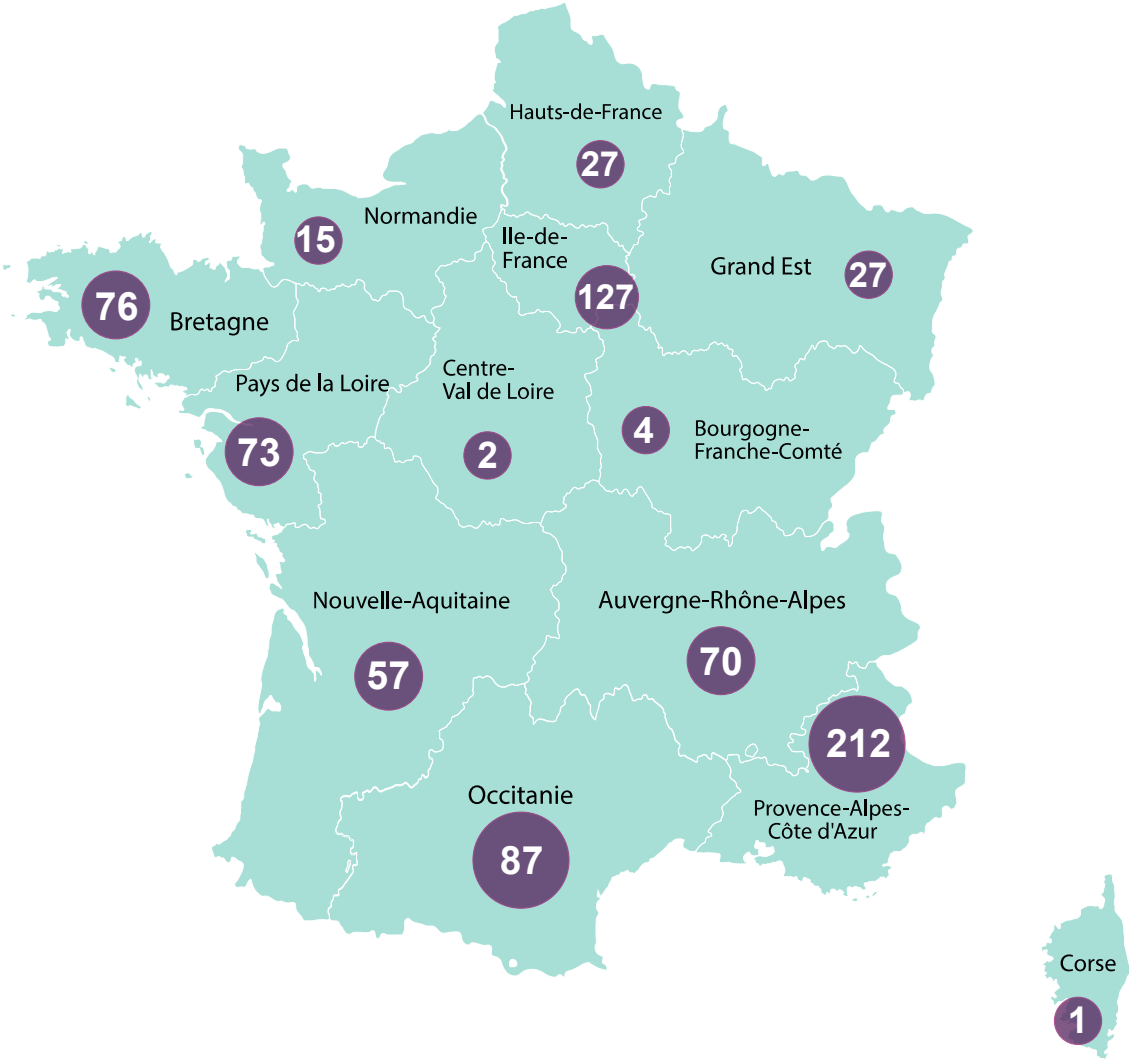
For “Renewable Energy” and “Energy Efficiency in Construction and Urban Development” focus areas, green loans were used to finance biomass power plant projects producing renewable heat, projects to modernize public lighting to make it more energy-efficient, and projects to build energy-efficient public facilities.

All these projects contribute to the ecological transition of the regions, to which

the SFIL/LBP program aims to provide full financial support through this dedicated offer.

These loans are refinanced by the Group’s “green” thematic bond issues, which are described in the section entitled “Ramp-up of our thematic bond issues.”

**Overall distribution of the € 750 million in loans
refinanced by the green bond issue of
November 5, 2019 (in € millions)**



SUPPORTING MAJOR FRENCH EXPORTS



The refinancing of major export credit agreements insured by Bpifrance Assurance Export (BPIAE), with which the French government tasked SFIL in 2015, had been approved by the European Commission for five years. This approval was renewed in 2020 for a period of seven years.

The volume of large French export loans fell significantly in 2020 due to the impact of the COVID-19 pandemic, which slowed foreign trade, disrupted industrial activity and hurt the traditionally most dynamic French export sectors.

SFIL's first renewable energy export credit transaction

Nevertheless, in 2020 SFIL completed a refinancing transaction for a £ 600 million export loan for the world's largest offshore wind farm, the *Dogger Bank* project, off the coast of the United Kingdom.

The project, which will be developed in three phases for a total of 3.6 gigawatts, or 5 % of the country's generation capacity, will power 4.5 million households.

For SFIL Group, this is the first export credit transaction in the field of renewable energies, a sector in France that is set to experience a boom thanks to the investments made to promote the emergence of a renewable marine energy (RME) sector.

By refinancing 32 % of the BPIAE export credits included in the financing plan for the first two phases of the project, SFIL contributed to this major transaction in several respects:

- Dogger Bank is the world's largest marine wind farm under development. The power generation cost of this wind farm will be very competitive, which should enable the project to break even without a public subsidy.
- The associated export credit is the largest financing ever granted by BPIAE in the renewable energy sector, and the first for an MRE contract.
- This is the first major contract for General Electric France's new Haliade X turbines, the most powerful offshore wind turbines in the world to date with a certified capacity of 13 MW.
- This financing was awarded the "Global Green Deal of the Year" prize by PFI Refinitiv.

Environmental and social concerns relevant to export credits

Export credit transactions are governed by a set of rules contained in the Arrangement on Officially Supported Export Credits issued by the Organisation for Economic Cooperation and Development (OECD) and its associated annexes and documents.

This Arrangement is supplemented by recommendations

issued by an OECD working group, with which France has undertaken to comply.

In accordance with these documents, French export credit transactions adhere to strict rules on environmental and social standards, preventing corruption and debt sustainability from the borrowers' point of view.

The CSR commitments of the French export credit support program

Like other OECD credit insurers, BPIAE, acting in the name and on behalf of the French government, is thus committed to include the following factors in its impact assessments:

- Environmental and social risks
- Protection and respect for human rights
- Preventing corruption

As a potential lender in export credit transactions covered by BPIAE, in its application review process SFIL ensures compliance with the BPIAE requirements derived from the OECD Arrangement and other OECD recommendations governing export credit.

SFIL also ensures that BPIAE's requirements are enforceable against its debtor so that, at BPIAE's instruction, the export credit can be suspended or terminated early if the debtor fails to meet its commitments regarding mitigation of environmental and social impacts or anti-corruption.

Reinforced environmental and social requirements in 2020 that exceed OECD standards:

As of 2020, in accordance with the French government's policy applicable to BPIAE, the SFIL Group does not finance projects involving coal or unconventional or high-impact hydrocarbons:

- Coal: all production of coal-based power generation, including all mining projects aimed at coal extraction;
- Shale gas / shale oil: all projects regarding the exploration, extraction or production of liquid or gaseous hydrocarbons through hydraulic fracturing or any other unconventional method.

SFIL had never financed assets of this nature (no exposure to coal or shale oil) and will therefore not finance such projects in the future. France's policy in this area differs from that of other credit agencies in Europe or around the world, most of which do not apply restrictions on coal or unconventional hydrocarbons.

2. RAMP-UP OF OUR THEMATIC BOND ISSUES

In 2020, SFIL Group reinforced its social and environmental policy and applied it to its financing policy with the aim of further diversifying its sources of financing and its investor base. This strategy took the form of several successful launches:

- The second "Social" bond issue, the first "COVID 19" covered bond issue aimed at providing new financing to public health institutions mobilized to respond to the pandemic;
- The Group's second "Green" bond issue, launched for the first time by SFIL as an issuer.

These new formats, which are experiencing significant growth in volume and a favorable reception among increasingly numerous specialized ESG investors, enable the Group to further diversify its sources of

financing. In 2020, the SFIL Group raised € 7.2 billion in the bond markets, of which over 20 % (€ 1.5 billion) from thematic "social" and "green" bond issues. The repeated successes of these theme-based programs confirm SFIL Group's strategy to expand the use of these formats for its future bond issue programs.

SOCIAL BOND ISSUES



Since 2019, SFIL has had a social bond issue program which exclusively serves to refinance the SFIL Group's entire portfolio of hospital loans, comprising all loans made to public hospitals since the implementation of the SFIL/LBP program.

On April 28, the Group launched its second social bond issue. This was the first "COVID 19" covered bond intended to directly or indirectly provide new financing

to sectors impacted by the pandemic. It has a maturity of five years and a volume of € 1 billion.

This issue attracted a wide range of international investors (over 130) and, on the issue date, had the Group's highest over-subscription rate (4.5x). In February, it also received the prestigious award for best covered bond issue of 2020 awarded by IFR magazine.

The framework for this issue specifies the scope of loans financed, i.e. the activity of French public hospitals and support for their projects in accordance with the Public Health Code, with the aim of:

- Ensuring universal access at all times to healthcare services, free of charge for people in financial difficulty, and to all medical and surgical specialties, regardless of diagnosis
- Promoting research, so as to continually improve care and develop new treatments
- Providing training for doctors, midwives, pharmacists, dentists, care managers, nurses and all other medical personnel

When granting loans, SFIL also takes account of "Healthcare Added Value", a key indicator used to measure a hospital's importance in the overall healthcare offering.

Best Social Bond - Asser Based & Covered Bonds

Environmental Finance

2020

Best green, social or sustainability deal

CBR Awards

2020

Most impressive FI Funding Strategy during Covid Pandemic

CBR Bond Award

2020

Best Covered Bond

IFR Awards

2021

All loans to public hospitals that are refinanced by the SFIL Group thus go through a process that directs lending to areas where it provides high added value and aims to avoid financing overcapacity.

The framework for social bond issues is in line with the principles of the International Capital Markets Association (ICMA) and is dedicated exclusively to financing public hospitals in France.

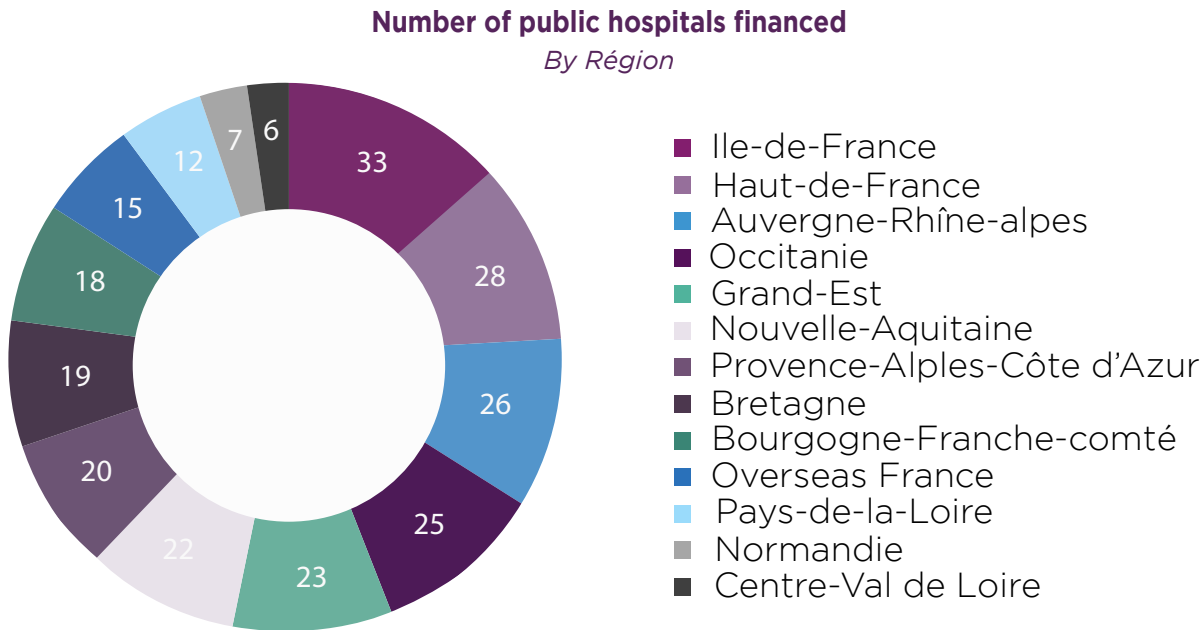
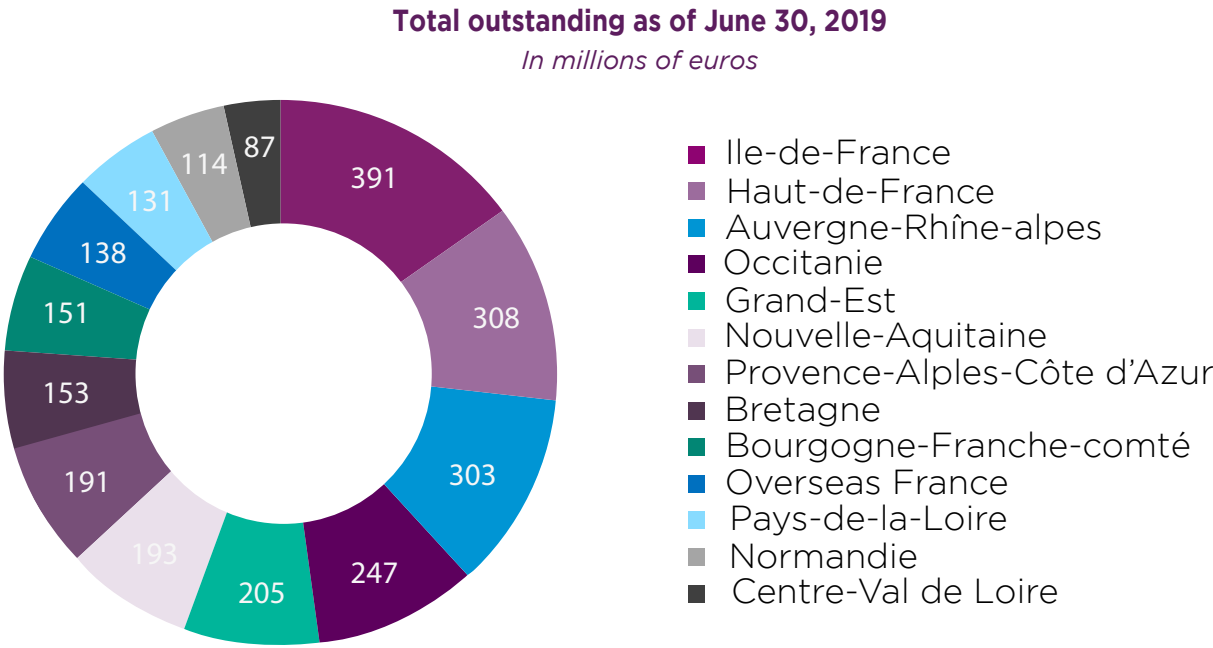
It was assessed by the Sustainalytics analyst firm in its role as second party opinion provider, which confirmed its compliance with the ICMA's social bond policies.

The financing strategy adopted by SFIL to deal with the pandemic was praised in the industry press:

Allocation report for the February 2019 social bond issue

In February 2020, SFIL published the allocation and impact report for the February 2019 social bond issue. This report was verified by Deloitte.

This 10-year €1 billion issue financed 254 hospitals in 91 French departments through the 624 eligible loans in the portfolio.



GREEN BOND ISSUES



In 2019, the SFIL Group expanded its financing strategy to include green bond issues aimed at financing green investments by local authorities and inter-municipal consortia.

In the same way as for social bond issues, SFIL has put in place a green bond framework that follows the principles adopted in 2018 by the ICMA⁴.

This framework makes it possible to issue a green bond with two issuers: through

CAFFIL on the covered bond market or through SFIL in the French agency market.

The ESG analysis provider Sustainalytics, which was commissioned to provide the second party opinion on the green bond framework document, confirmed that it was in line with the ICMA's green bond principles. The framework was updated in November 2020 when control of SFIL was transferred to Caisse des Dépôts et Consignations.

The 10-year € 750 million issue in November 2019 was the first French green bond exclusively dedicated to financing green investments by local authorities and inter-municipal consortia. It is also the first green public sector covered bond issue in Europe.

The proceeds of the green bond issue will be used to finance and/or refinance some or all of the eligible green loans within five categories of environmental projects marketed by the SFIL/LBP program, as described in Part 1.

Loans are granted through a green bond committee set up when the framework document was drawn up. This committee is responsible for selecting and assessing eligible green loans. It verifies and validates the green status of the loans marketed by La Banque Postale and then monitors the overall process. This committee meets at least twice a year.

SFIL has set up an internal system to monitor the use of the proceeds of the green bond issue, as well as a register to track eligible green loans. Green bond issues are managed on a transaction-by-transaction basis that ensures each issue is dedicated to a number of eligible green loans. This method, which was applied to the issue carried out in 2019, will be identical for the 2020 issue and subsequent issues.

4. SFIL was selected to join the "Green and Social Bond Principles" Advisory Council of the International Capital Market Association (ICMA) for 2020-2021. SFIL also participates in ICMA working groups on technical issues in relation to Green/Social/Sustainability-linked Bond Principles, in particular "Impact Reports" and "Social Bonds".

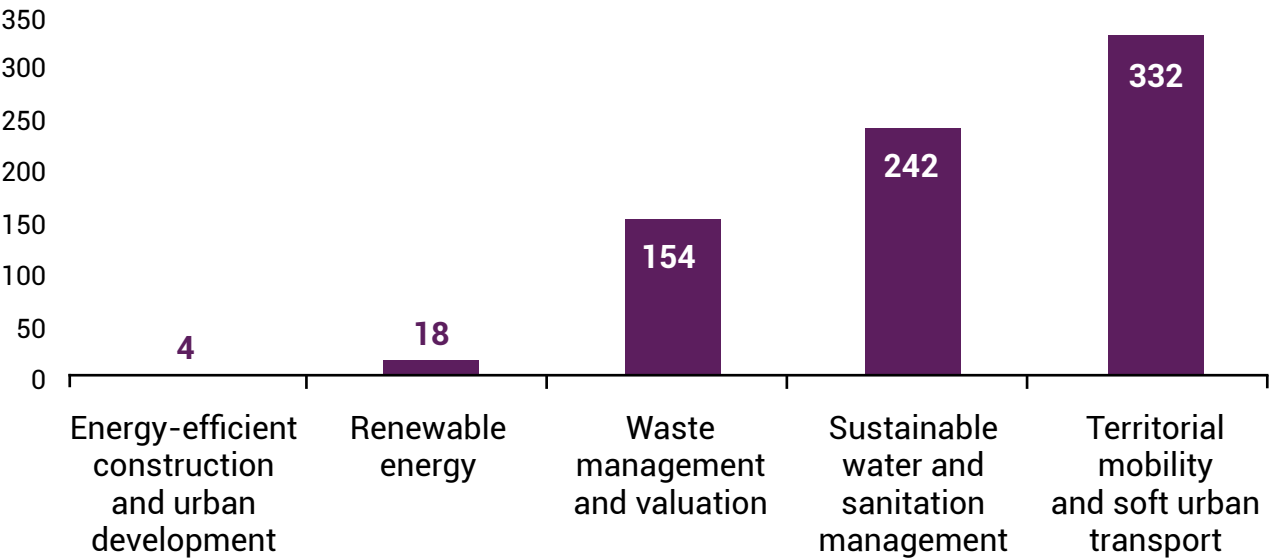
Allocation report for the November 2019 green bond issue

In November 2020, SFIL published the allocation and impact report for this first green bond issue. This report was verified by KPMG.

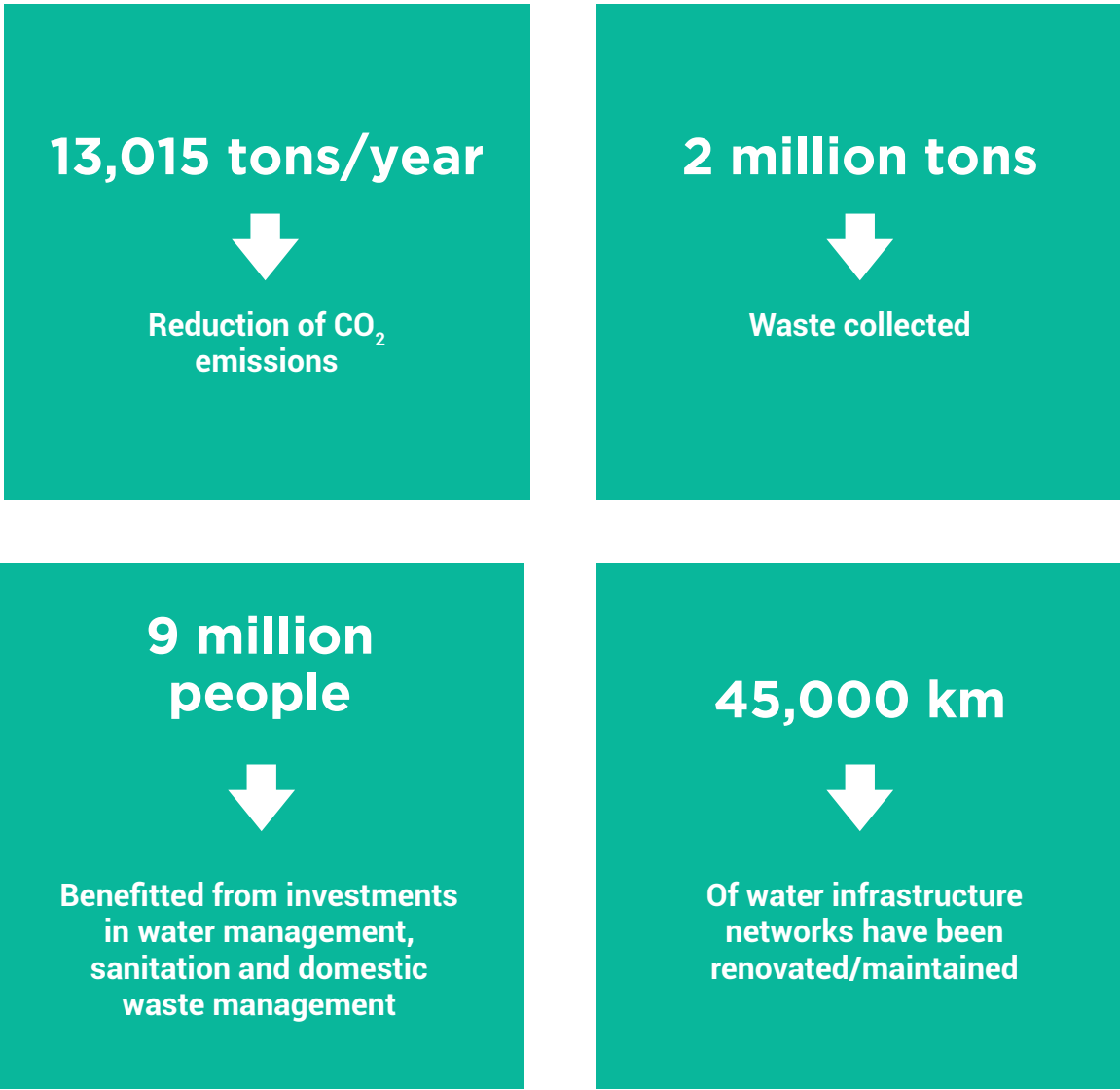
The € 750 million issue financed 156 loans, 139 of which were taken out by groupings of municipalities.

Of the total allocated, € 574 million, or 76 % of the issue, was acquired from La Banque Postale between 2019 and 2020.

Volume allocation by category (€ millions)



Some key figures on the impact of the green bond issue November 2019



A second issue launched in November 2020

In November 2020, SFIL issued its second green bond under the same green bond framework drawn up in 2019.

This bond issue with a volume of € 500 million and an eight-year maturity was

a great success with investors. It is the Group's most oversubscribed issue (5x) since 2013. The transaction attracted nearly 100 different investors, 80 % of which were primarily ESG-focused.

3. CLIMATE RISK ASSESSMENT

Throughout the year, SFIL was attentive to the numerous analyses published on the risks associated with climate change and their impacts on all financial risks. Sustainable finance publications (regulatory watch and publications of international bodies such as the NGFS⁵, TCFD⁶, etc.) were systematically presented to the Regulatory Watch Committee.

When integrating ESG criteria, SFIL shares the regulators' priority to combat global warming and contribute to mitigation measures. For this reason, in 2020, the Credit Risk Department launched an overall climate risk assessment process by drawing up a climate risk roadmap, which was approved in February 2020 by the Risk Committee. It was also presented to the Executive Committee and the CSR Committee.

This roadmap is based on a risk-based management approach, as recommended by the regulators, and is anchored in Groupe CDC's climate policy: the ultimate objective is to assess the impact of climate-related

risks on the portfolio, as well as the actions to be taken to mitigate these risks.

In 2020, SFIL implemented the following measures:

- It produced an initial mapping of physical and transition risks for our entire portfolio
- It conducted a study on transition risks for French local authorities
- It participated in the pilot climate exercise conducted by the French Prudential Supervision and Resolution Authority (ACPR).
- It set up a Climate Risks Operational Committee and participated in the Climate Risks Network set up by Groupe CDC in August 2020.

5. Network for Greening the Financial System: a network of 87 central banks and supervisors as of February 15, 2021.

6. Task Force on Climate-Related Financial Disclosures: a working group appointed by the Financial Security Board (FSB) in December 2015 comprising 32 members from the financial and non-financial sector (asset managers, pension funds, private groups, audit and consulting firms, rating agencies).

Mapping of climate-related risks

The Risk Department has produced a preliminary map of transition and physical risks for the entire portfolio, identifying risks and opportunities by sector over different time horizons.

Analysis of transition risks for local authorities

In 2020, SFIL produced an initial assessment of transition risks, in accordance with the pilot climate exercise conducted by the ACPR, using a scenario-based analysis (risk framework method). This method is particularly suited to emerging risks and a forward-looking approach over long time horizons.

To build these scenarios, SFIL drew on the macroeconomic data supplied by the ACPR and the measures provided for in the National Low Carbon Strategy (SNBC), which states that "4/5 of the SNBC's guidelines require the commitment of the territories due to the authority already granted to them, but also the development of a transition model that promotes the relocation of a certain number of activities and decisions as close as possible to the living areas."

These scenarios produced an estimate, until 2050, of the investment effort expected from local authorities to maintain the SNBC's trajectory, as well as the impact








on their financial situation and financing needs. These scenarios will be applied in early 2021 to carry out a stress test exercise using our internal rating systems, in order to measure the impact on the bank's risk metrics.

Ultimately, the lessons learned from this work will be incorporated into the Group's risk appetite, its lending policy and its rating methodologies.

At the same time, SFIL began an analysis of the physical risks faced by local authorities.

Climate risk governance

A Climate Risk Operational Committee was set up to steer and validate the work on the roadmap. This committee brings together the teams responsible for climate risk, CSR, financial analysis, credit modeling and loan management.

| SFIL 2020 goals | 2018 Results Achieved | 2019 Results Achieved | 2020 Results Achieved |
|---|--|---|--|
|  Participating in the financing of public health hospitals, taking into account their «Health Added Value». | ➤ € 477 million in loans to the public healthcare sector | ➤ € 650 million in loans to the public healthcare sector | ➤ € 601 million in loans to the public healthcare sector |
| Supporting the public hospital sector and being a regular issuer in this market segment | N/A | ➤ € 1 billion in social bonds issued on February 12, 2019 ➤ Over 171,000 beds and places financed | ➤ € 1 billion in social bonds issued on April 28, 2020 |
|  Financing investments related to drinking water and public sanitation services | N/A | Example: € 1 million drinking water network renewal project: 590,195 m ³ of water produced ^(*) | ➤ € 242 million in loans ➤ investments in 47,279 km of drinking water, sanitation and rainwater network lines |
|  Financing responsible investments in renewable energy | N/A | Example: € 30 million geothermal grid extension project 11,775 tons of CO ₂ avoided per year ^(*) | ➤ € 18 million in loans ➤ 10,124 tons of CO ₂ avoided per year |
|  Supporting the financing of projects to upgrade and ensure the sustainability of existing infrastructure by using resources more effectively and by using cleaner, more environmentally friendly technologies | N/A | Example: € 2 million school cafeteria construction project: 6 tons of CO ₂ avoided per year ^(*) | ➤ € 3 million in loans ➤ 446 tons of CO ₂ avoided per year |
|  Focusing on projects that have an impact on geographic mobility and environmentally friendly mobility, particularly by considering the alteration of air quality | N/A | Example: € 40.5 million electric bus acquisition project: 2,670 tons of CO ₂ avoided per year ^(*) | ➤ € 332 million in loans ➤ 2,844 tons of CO ₂ avoided per year |
|  Supporting the environmentally sound management of household waste throughout its life cycle | N/A | Example: € 0.7 million installation of voluntary waste collection points project: 3,941 tons of household and similar waste treated ^(*) | ➤ € 154 million in loans ➤ 2,072,641 tons of household and similar waste collected |
|  Supporting the financing of French local public sector projects | ➤ € 3.7 billion in loans | ➤ € 5.7 billion in loans | ➤ € 5.6 billion in loans, of which € 5 billion to local authorities |

(*) Allocation of the green issue in progress at this time.

4. OUTLOOK

The new EU taxonomy

EU Regulation 2020/852, which was published on June 18, 2020, establishes a harmonized classification system for sustainable economic activities (the “EU Taxonomy for Sustainable Activities”).

Effective January 1, 2022, it is intended to be one of the cornerstones on which all progress of the European Commission's sustainable finance action plan will be based.

In this context, SFIL will conduct in-depth mapping of all its financing and investment activities in order to align them with this new regulation.

The local public sector: commitment to the success of the France Relance (French Recovery) plan and the ecological transition

Together with its shareholder, Groupe Caisse des Dépôts, and its partner, La Banque Postale, SFIL will make a significant contribution to France's economic recovery plan.

Of the € 100 billion earmarked for the plan, investments of over € 20 billion are to be made in partnership with local authorities, for which the SFIL/La Banque Postale scheme will be an additional financing instrument.

SFIL Group also plans to contribute € 2 billion to the ecological and energy transition over the next five years through its green loans.

Public health

In the case of French public hospitals, which suffer from chronic underinvestment, and which the national recovery plan seeks to remedy by setting major investment priorities, the LBP/SFIL scheme may also constitute a financing instrument in addition to the government's budget, which has been set at € 6 billion for the health and medico-social sectors.

In addition, pursuant to the "Ségur de la Santé" recommendations, a new plan has been implemented for public hospitals, with a public investment component and a debt assumption component and which

aims to strengthen the self-financing capacity of these institutions (transfer to CADES of € 13 billion in public hospital debt, i.e., approximately one-third of their total outstanding loans).

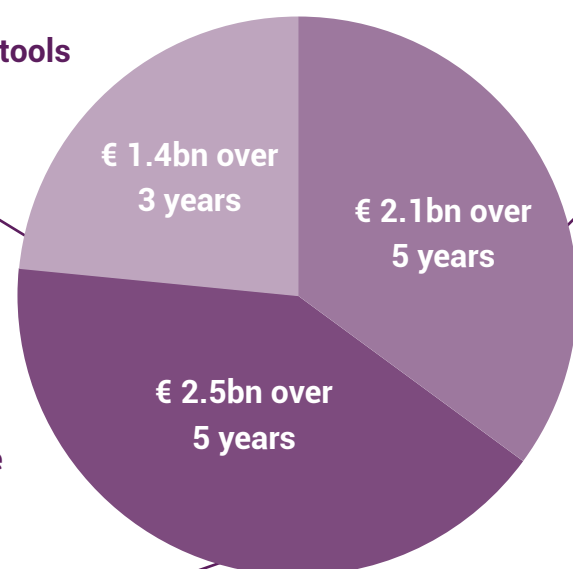


Breakdown by main priorities

Catching up on the lag in interoperability and modernisation of digital tools in healthcare

Transformation, renovation, equipment and digital catch-up in medico-social institutions

Investment in healthcare in the regions: priority hospital projects and city-hospital projects



Export credit: implementation of the French government's new climate policy

In addition to the restrictions discussed above on coal or unconventional hydrocarbons, a new climate plan for export financing will come into force in 2021.

Three measures of this government climate plan apply to SFIL:

- **Trajectory for the scheduled end of hydrocarbon financing:** BPIAE, acting in the name and on behalf of the French government, will stop supporting new hydrocarbon projects according to the following schedule:

- **Starting in 2021:** support halted for oil extracted from bituminous sands and extra-heavy oils (API gravity⁷ less than 10)
- **Starting in 2025:** support halted for oil exploration and production projects
- **Starting in 2035:** support halted for gas exploration and production projects

In accordance with this policy, SFIL will therefore no longer finance any export projects in relation with

new oil exploration and production projects as of 2025 or gas exploration and production projects as of 2035.

- **Restriction on the financing of thermal power plants:** new thermal power plants will be financed through export credit, and therefore refinanced by SFIL, only if the new power plant improves the electricity mix of the country in which it is located.
- **Implementation of a bonus for green projects:** within the limits of European regulations and the OECD arrangement, the French government will apply a climate bonus for green projects, defined as projects that are directly beneficial for the environment. In practical terms, and in the case relevant to SFIL, this climate bonus could take the form of an expansion of the export contract financing base under which sustainable projects would receive greater public support.

SFIL's current exposure to hydrocarbon exploration or production projects represents less than 1.5 % of its export credit commitments (gas projects). Including downstream operations, SFIL's total exposure to hydrocarbons represents less than 4 % of its overall export credit portfolio.

7. Index that expresses the density of crude oil in degrees.

Embracing the new Caisse des Dépôts climate policy

On January 1, 2021, Groupe Caisse des Dépôts published its new climate policy for financial businesses. Under this policy, SFIL makes commitments that exceed those under the public guarantees administered by BPIAE in the name and on behalf of the French government.

Publication of the allocation reports for the second “social” and “green” bond issues

In accordance with its commitments, SFIL Group plans to publish impact and allocation report for its second social bond issue in April 2021.








Similarly, the allocation and impact report for the second green bond issue will be published in November 2021.



1ST PRIORITY OUR PUBLIC POLICY MISSIONS: SDG COMMITMENTS - QUANTIFIED TARGETS FOR 2021

In 2020, the SFIL Group set precise targets for its contribution to the 9 SDGs it has prioritized, and redefined indicators closely linked to its activities and its DNA as a public development bank.

The Group's announced contribution to the ecological transition, in particular through its range of green loans in partnership with La Banque Postale, as well as its continued support for the public health sector, are the major aspects of its contribution to the SDGs in this area.

| SDG | SFIL goals | Indicators | 2021 quantified targets |
|---|---|---|-----------------------------|
|  | Supporting the public hospital sector | <ul style="list-style-type: none"> ➤ Amount of loans granted to the public health sector during the year ➤ Presence of SFIL on the French territory and/or French hospital capacity covered by SFIL | € 600 million > 80 % |
|  | Participating in the financing of the educational system | Financing granted to school-related projects (high schools, middle schools): construction and/or renovation of buildings | € 350 million |
|  | Financing investments in public drinking water and sanitation services | Amount of “Sustainable water and sanitation management” green loans | € 140 million |
|  | Contributing to increasing the share of renewable and carbon-free energy | Amount of “Renewable energy” green loans | € 9 million |
|  | ➤ Supporting investments related to the energy efficiency of buildings | Amount of “Energy efficiency of construction and urban development” green loans | € 14 million |
| | ➤ Financing the deployment of digital infrastructure | Amounts of loans financing optical fiber-related projects | € 70 million |
|  | Financing territorial mobility and soft urban transport | Amount of “Territorial mobility and soft urban transport” green loans | € 210 million |
|  | Financing investments promoting the treatment of household waste | Amount of “Waste management and valuation” green loans | € 90 million |

PRIORITY 2

OUR INTERNAL POLICIES



1. SUPPORTING EMPLOYEES

THE HEALTH CRISIS AND ITS LESSONS FOR SFIL



When the government announced the first lockdown in March 2020, 100 % of SFIL's employees were able to work remotely, in particular as a result of the practices adopted several years ago under the company's teleworking agreement.

Very quickly, videoconferencing solutions were developed for those periods during which everyone was in lockdown, but also to promote work and interactions in hybrid mode when some employees were on site and others worked remotely.

In order to remain attentive to its employees and external service providers, SFIL conducted five micro-surveys entitled "How are you doing?", the results of which were analyzed to enable the company's management to take the most appropriate measures to support all employees as the situation developed.

The company also paid particular attention to individual situations (vulnerable individuals, caregivers, employees with disabilities) to enable them to continue to carry out their activities under the best possible conditions.

Employees who so wished were able to take advantage of the proactive support of the in-house human risk prevention network and the disability advisor or to receive free, anonymous psychological support seven days a week.

Several employees with disabilities received the assistance of an ergonomist to optimize the layout of their teleworking station, in conjunction with the occupational health department.

SFIL paid close attention to maintaining group and team spirit throughout the year and regularly adjusted its work organization in a flexible manner and in compliance with health regulations. Thus, when the government authorized the return to onsite work, SFIL encouraged the gradual return of its employees to the company's premises through a high-quality social dialogue, and fostered acceptance through specific communication deployed by the Human Resources Department and by management.

Lastly, SFIL adapted and continued to offer its employees online yoga and meditation classes.



However, the Group wished to move beyond the changes made under the constraints of the health crisis and turn it into an opportunity for chosen transformation. The Demain@SFIL⁸ project was

launched to perpetuate the best practices identified under the new working conditions.

Given the health situation and lockdown measures, SFIL has adapted its working methods in depth by operating in "hybrid" mode, combining onsite and remote work. This way of working has become the new normal.

The Demain@SFIL project has identified four focus areas to continue SFIL's transformation in this hybrid world:

AXIS 1 **Improve on-site employee experience**

AXIS 2 **Revive innovation dynamics**

AXIS 3 **Renew management practices**

AXIS 4 **Promote cross-functionality**

These areas have contributed to the definition of a new ambition:

- ✓ provide desirable, flexible workspaces that give pride of place to collective working;
- ✓ work with collaborative and connected tools;
- ✓ carry out its missions on site, at home or in another location;
- ✓ maintain cross-functional exchanges between business lines and all levels of employees;
- ✓ adapt meeting formats and facilitation methods to the hybrid world;
- ✓ move towards more agile management practices and performance assessment models;
- ✓ give time to reflection in an over-demanding world

The changes, initially undertaken in crisis management mode, have thus resulted in lasting aspirations for change, shared by all, with engagement, cooperation and innovation at their core.

MAINTAINING A DYNAMIC HR POLICY



Employment overview 2020

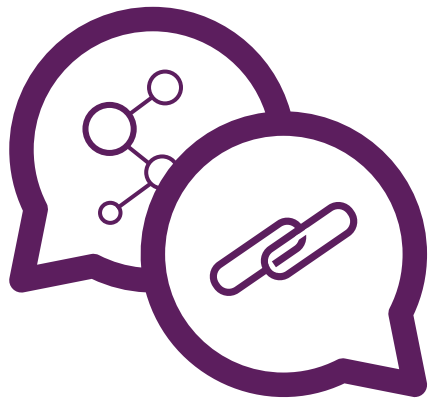


- ➔ **394** employees as of 12/31/2020
- ➔ **87 %** of employees on permanent contracts
- ➔ **41** apprentices and interns as of 12/31/2020, 10 % of employees
- ➔ **8 %** of workforce on permanent contracts work part-time
- ➔ **41,1 %** women received raises, compared with **41 %** of men
- ➔ Gender equality at work score of **93/100**
- ➔ **100 %** of employees took advantage of the teleworking system in 2020
- ➔ **2 %** of workers are persons with disabilities
- ➔ Absenteism rate of **1,8 %**
- ➔ **100 %** of employees trained in regulatory compliance systems
- ➔ Average age : **41,5 years**

Social dialogue and employee representatives

Social dialogue is an important sign of SFIL's identity, as well as a force for managing employee relations, organizational agility and identification with the company's collective enterprise.

The social dialogue momentum was constructive and particularly eventful in 2020:



- ➔ **Specific training** (climate, disability) for elected representatives
- ➔ Deployment of the new **Social and Economic Committee** (CSE)
- ➔ **26** employee representative bodies
- ➔ **70.98 %** participation in labor union representative elections
- ➔ Start of negotiations on **teleworking**
- ➔ **7** collective bargaining agreements concluded

More than ever, the regular, if not daily, exchanges with employee representatives over the past year attest to the investment and quality of social dialogue within the company.

Moreover, 2020 was exceptional as it marked SFIL's integration into the major public Finance Hub: the elected representatives were informed and consulted throughout the merger process, which they supported.

Well-being at work at SFIL

In 2020, SFIL continued to enhance its socially responsible human resources policy by offering new measures to employees:



- Increased measures to support births

At the beginning of the year and in collaboration with its employee representatives, the Group enhanced its measures to support births:

- For women, an automatic guaranteed minimum fixed increase of €1,000 upon return from maternity or adoption leave.
- For men, an innovative working time adjustment plan to encourage work-life balance by enabling them to work part-time (four days per week) during the four months following the birth or adoption of a child, without loss of salary.

- Expanded coverage of subscriptions for soft mobility solutions

In accordance with the commitments made in 2019, SFIL also continued to encourage the development of green transportation by extending

transportation subscriptions coverage to bike sharing programs (Vélib or Vélov), and by covering 50 % of the Véligo pass, an initiative of the Greater Paris Region to encourage the use of electric bicycles.

- A new profit-sharing agreement that incorporates non-financial criteria

In 2020, SFIL entered into negotiations for a new profit-sharing agreement with the goal of promoting socially responsible performance and, together with its employee representatives, defined a formula for calculating profit-sharing that incorporates non-financial criteria.

The gender equality at work index, the reduction in data storage and the development of a "risk attitude" culture are therefore now taken into account in the conditions that trigger the profit-sharing budget, thereby guaranteeing each person's investment in a collective and responsible performance.



"SFILOUX" day

On February 26, SFIL hosted some 50 children of employees aged 6 to 14 for a new Family Day on the theme of sustainable development. The workshops organized throughout the afternoon enabled the children to become aware of the world of tomorrow and to acquire the tools to imagine the best possible future.

The choice of service provider was in line with SFIL's CSR commitment: Futur en Herbe is a social and solidarity-based economy company.



Support for professional development

SFIL continued its partnership with Innership to improve the onboarding of new recruits. This mentoring program combines a digital pathway with outside or in-house coaching during the employee's first six months in the company; around 15 employees took part in 2020. In addition, to take into account the impact of the health context on social ties, SFIL also reactivated its sponsorship program, which allows newcomers who so wish to be sponsored by a more senior person from another branch of the company (regular exchanges, contacts, networking).

After a *test & learn* initiative launched by SFIL's AVEC'L network to deploy mentoring

within the company in conjunction with the Human Resources Department, SFIL joined the seventh cohort of Groupe CDC's "FIDES" mentoring program, an inter-subsidary program deployed by the Alter Egales gender diversity network. SFIL mentors support Groupe CDC mentees and vice versa, which facilitates the circulation of best practices, such as diversity.

Training

The actions deployed by SFIL in 2020 were aimed at optimizing the employability of employees and promoting professional mobility and career development.

Three skills development focuses:

- Contributing to corporate social responsibility
Training to promote women, e-learning, developing awareness of risks
- Supporting the change and transformation of SFIL
Performance management and remote management, developing agility
- Business & regulatory training
Updating employees' technical skills

In 2020, despite the lockdowns, SFIL provided 814 days of training (5,700 hours on the basis of 7 hours/day), i.e., 2.2 days of training per employee.

2020 was unusual given the long periods of lockdown, which led to widespread use of teleworking. Therefore, many training courses that were previously conducted face-to-face had to be adapted to the new situation by digitizing their content.

Performance management

To better reflect its corporate purpose and strategic goals in performance management and to provide its employees with greater transparency, SFIL has modified its annual evaluation process.

Moreover, to promote the transparency of the evaluation model, a specific training program was rolled out for SFIL managers, along with information sessions for all employees. The enhanced transparency of individual evaluations comes in addition to the mediation system that has already been in place at SFIL for the past two years.

Therefore, moving beyond mere competence and individual technical perfor-

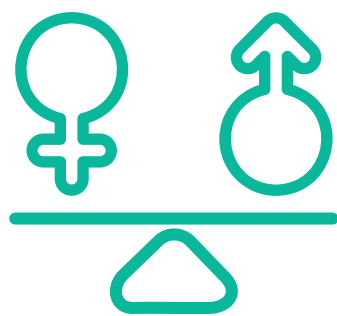
mance, SFIL affirms its commitment to sustainable performance generated by behavior that promotes group values.



Gender equality at work and the promotion of women

Although the majority of SFIL's workforce is still masculine, the percentage of women in the workforce has continued to increase since 2017, particularly among management employees on permanent contracts, and is now 44.2 % of the total workforce.

SFIL ensures gender balance in its mobility and recruitment policy. In 2020, women accounted for 56 % of transfers, including arrivals from the intra-group employment pool (Groupe CDC, La Banque Postale) and 44 % of external hires (permanent and fixed-term contracts). Thus, half of recruitment and transfers concerned women. Despite the fact that the majority of applications received are from men (2/3 of applications), the recruitment process is balanced (external recruitment and transfers).



2020 gender equality at work index

The gender equality at work index is calculated out of 100 points and published annually on the basis of five indicators:

- The gender pay gap;
- The distribution gap for individual pay increases;
- The promotion distribution gap;
- The number of employees given raises on their return from maternity leave;
- Parity among the 10 highest earners.

In 2020, SFIL obtained a score of 93 out of 100. This score, which has risen by 6 points since the indicator was created in 2018 and is above the required minimum of 75 points, illustrates SFIL's ongoing commitment to gender equality at work.

In 2020, during the project to optimize its succession plan⁹, SFIL carried out a second exercise aimed at identifying only female successors. This exercise has thus become a career management tool and should enable SFIL to offer women with potential a dynamic career path and increase the number of women in key finance positions.

Across the succession plan, a woman was identified as a potential successor for 72 % of positions.

The AVEC'L internal network

This internal network, which was created in 2016 and aims to promote gender diversity within the bank, experienced a new momentum this year: renewal of its officers, effective coordination with Alter Egales, Groupe CDC's gender diversity network, joint development and prioritization of the three-year roadmap with all its members (over 40 SFIL employees involved, i.e., 10 % of the workforce) with three priority focuses: awareness initiatives on gender

stereotypes, organization of "literary cafés" aimed at raising awareness of the benefits and strengths of gender diversity, and support for associations that assist women.

Strengthening the system against harassment and sexist behavior

Since its creation, SFIL has implemented a system for detecting and preventing risks to persons, including, in particular, combating discrimination and unequal treatment, bullying and sexual harassment and violence at work.

This dedicated system relies, in particular, on three personal risk advisors, as well as a process associating these in-house advisors to external players, and a membership to the ALLODISCRIM outsourced listening service.

In 2020, SFIL beefed up the existing system with ALLOSEXISM, a 24/7/365 100 % web-based external unit that provi-



⁹. An exercise to ensure the continuity of the organization by identifying key positions, measuring the risk that the persons occupying them will be unable to perform, and taking the necessary actions to ensure their succession.

des information, diagnostics and advice on concrete situations involving discrimination and/or unequal treatment, bullying, violence, and acts or harassment of a sexual or sexist nature by SFIL employees or service providers.

It is available to all SFIL employees, any person who has applied for work with SFIL within the last three months, and all persons who have left SFIL within the last six months. Alerts can also be reported via the Signalement.net external platform, as described in the next section.

SFIL now has two advisors (employer and Social and Economic Committee) responsible for combating harassment and sexist behavior. This system will be

supplemented in 2021 by an additional training system for “frontline players” (HR team, employer sexism and Social and Economic Committee advisors, personal risk advisors).



A digital pathway to raise employee awareness

SFIL has begun deploying, in digital format, among all its employees the “Acting against ordinary sexism” awareness-raising program, which was initially launched within Groupe CDC by

the Alter Egales gender diversity network, in conjunction with the Group’s various human resources departments, as well as with SFIL’s AVEC’L network.

ANCHORING COMPLIANCE SYSTEMS 2. IN THE CSR APPROACH

THE MOMENTUM OF INTERNAL SYSTEMS



A new Code of Ethics and Professional Conduct

In March 2020, the Code of Ethics and Professional Conduct was completely revised with the aim of better guiding and assisting employees to make decisions and perform their duties in compliance with the law and ethical rules applicable to their activities.

This code promotes respect for human rights and the environment, the prevention of conflicts of interest and corruption, the prevention of money laundering and the financing of terrorism, respect for the integrity of markets, the protection of personal data and proper conduct with regard to gifts and invitations and responsible procurement.

These rules go beyond the strict application of the statutes and regulations in force. The code establishes the rules of conduct applicable both within the SFIL Group and the outside world (customers, suppliers, service providers, investors and financial markets, etc.) and, more generally, society as a whole. It comprises four focuses: "day-to-day ethics", "relations with third parties", "protection and reputation of the SFIL Group" and "financial security".

In addition, an Anti-Corruption Code of Conduct has been added. This code describes the challenges for SFIL in terms of preventing corruption and influence peddling and addresses the

cross-functional theme of preventing and managing conflicts of interest.

Employees confirmed receipt of the new code and reiterated their commitment to comply with it by signing an acknowledgment of receipt.

This code is available on the company's intranet site and on the SFIL and CAFFIL websites.

An expanded and secure in-house whistleblowing system

The most recent change to the Code of Ethics and Professional Conduct incorporates the new whistleblowing system.

An in-house whistleblowing system has been in place within SFIL since 2015. Extensively revised in 2019, its deployment required implementing a technical solution that ensures the confidentiality of reports and protects whistleblowers. The "Signalement.net" external platform was chosen and it was deployed in June 2020.

It is available to SFIL employees and has been expanded to corporate officers and external and occasional employees of the SFIL Group, i.e., employees of service providers working for SFIL. The scope of alerts that can be reported has also been expanded.



Optimize training programs to promote a compliance culture

Employees' adoption of the Code of Ethics and Professional Conduct, as well as, more generally, of the compliance mechanisms that contribute to the SFIL Group's CSR approach, requires the deployment of a robust training plan. That is why the e-learning training offer has been expanded to include three new modules on AML/CTF, preventing corruption and personal data protection.

These e-learning courses are intended for all employees and include a knowledge test. In the teleworking context due to the health crisis, this offer made it possible to reach the rate of 100 % of employees trained by the end of December 2020.

Compliance training provided by SFIL



E-learning for all employees



Corruption



Anti-Money Laundering/
Combating the Financing of
Terrorism (AML/CFT)



Face-to-face



Compliance mechanisms
(All employees)



Corruption
(Exposed employees)



Market abuse
(Exposed employees)



AML/CFT
(Exposed employees)

Updates to the anti-money laundering system

Updating the systems periodically, in particular to take regulatory changes into account, contributes to the robustness of the systems in place. With respect to combating money laundering and terrorist financing, following the transposition into

French law of the 5th European directive, SFIL updated its general AML/CTF procedure, which requires implementing enhanced controls when establishing relationships with high-risk third parties. Accordingly, the AML/CTF risk and country risk classifications have been updated.

PROCUREMENT POLICY AND SUPPLIER ASSESSMENT



The procurement policy requires that each new business relationship with a supplier or service provider must comply with a third-party assessment procedure that came into force in November 2019 and was rolled out throughout 2020. In this respect, SFIL conducts due diligence to identify and assess the reputation, integrity and, more generally, the compliance risks created by business relationships with third parties, at the start of the relationship and throughout the relationship.

In order to raise awareness among all employees, the business unit that initiates a relationship is responsible for collecting

the documents and information required for this assessment and forwarding them to the purchasing department. Furthermore, before entering into a relationship, the Compliance Department systematically screens third parties against sanctions lists, politically exposed persons lists and potentially negative information that may concern them.

SFIL also ensures that its suppliers perform their services in compliance with social and tax obligations. For this purpose, the "Provigis" tool has been deployed, which generates systematic reminders and follow-ups about the required certificates.

This supplier and service provider screening is part of the process of harmonizing the Groupe Caisse des Dépôts' systems and management.

Involving suppliers in SFIL's CSR approach

In addition to assessing suppliers on the ethical aspects of CSR, SFIL has begun to consider implementing a more systematic approach to supplier engagement on social and environmental issues.

The development of an internal Supplier CSR Charter is also being considered.

The CSR section of the annual supplier questionnaire was revised to make it easier to use and consultations were launched to set up a tool to help collect and analyze CSR information. The aim is to enable consistent and uniform monitoring over time in order to be able to assess areas for improvement and to engage in a dialogue on all CSR aspects with our key suppliers.

Management of supplier relations during the health crisis

SFIL endeavored to maintain particularly close contact with its suppliers throughout the health crisis in order to provide them with support and put in place appropriate

resources to enable them to continue providing their services.

- Weekly discussions were held with key service providers to share any difficulties they may have been experiencing.
- Intellectual services contracts have been updated to include teleworking with appropriate equipment.
- The internal invoice validation processes have been reviewed and adapted so as not to adversely impact payment terms, which would have been particularly detrimental to many small suppliers.

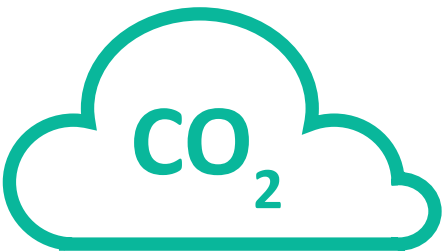
Thanks to the involvement of all stakeholders, business continuity with suppliers was successfully maintained.

3. CONTROLLING OUR CARBON IMPACT

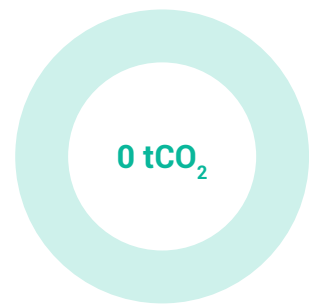
2020 EMISSIONS



In accordance with its roadmap, and in an effort to continuously improve its CSR approach, in 2021 SFIL voluntarily measured its greenhouse gas (GHG) emissions for the third consecutive year, this time for 2020. The measurement concerned its Issy les Moulineaux and Lyon sites, based on the three greenhouse gas emission scopes:

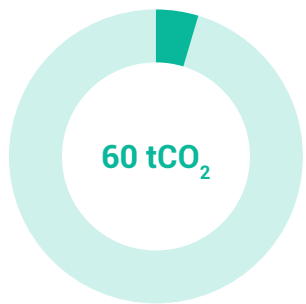


Breakdown of the measurement for 2020¹⁰:



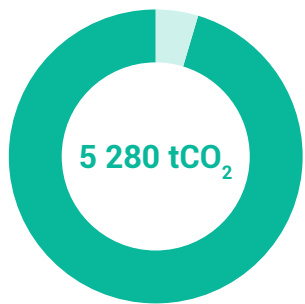
SCOPE 1

Direct emissions linked to the company's activity



SCOPE 2

Indirect emissions linked to energy consumption



SCOPE 3

Other indirect emissions, excluding investments: purchases of goods and services, fixed assets (equipment, buildings, etc.), travel (business travel and commuting)



TOTAL

10. The measurement was validated by Carbone 4 ©, which reviewed i) the application of the carbon footprint accounting principles ii) the scope considered within the meaning of the carbon footprint accounting methodology, and iii) the application of ADEME's updated emissions factors.



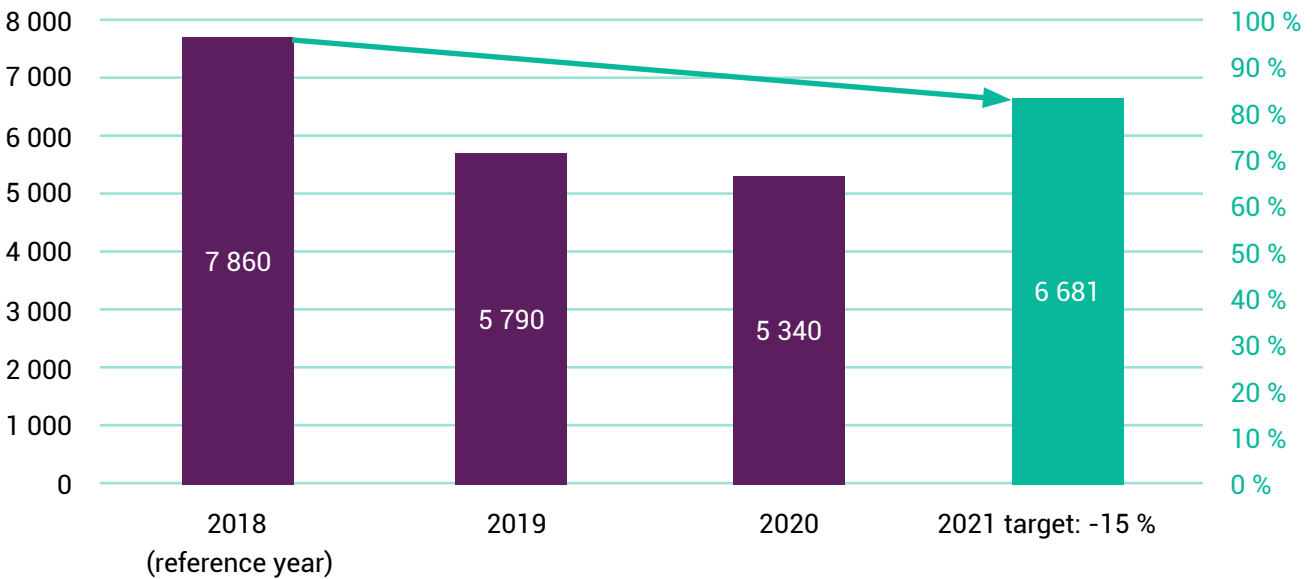
CONTINUATION OF REDUCTION ACTIONS

In 2019, SFIL made a commitment to reduce its CO₂ emissions by at least 15 % over three years, i.e., by the time of the measurement of the 2021 emissions, which will be carried out and published in 2022.






Although positive results have already been achieved, SFIL will continue its efforts to reduce its carbon footprint in the coming year.

Change in the SFIL Group's greenhouse gas emissions - in tons of CO₂ per year

Target: -15 % by 12/31/2021



To this end, a series of actions will be pursued:

| | | |
|---|---|---|
|  | Reduced emissions and costs associated with the use of computer data | Rationalization projects: decommissioning applications, abandoning high-energy consumption old servers, cleaning stored data. |
|  | Teleworking | Teleworking possible 1-2 days a week, subject to manager's approval, not including the exceptional COVID situation. |
|  | Encouraging environmentally friendly mobility | Green bonus for the purchase of an electric bicycle and mileage allowance for employees who commute by bicycle in whole or in part |
|  | Business travel | Systematising travel by train, instead of air travel, for all destinations in mainland France and European locations accessible by rail in less than 3.5 hours |
|  | Procurement policy | Promoting exchanges with suppliers in order to incorporate non-financial criteria |

Focus on the "Clean Data" challenge






With the aim of reducing the environmental impacts of digital technology and raise awareness among its employees, in October, SFIL organized a four-week "flash mobilization", an interdepartmental challenge to clean up the data stored in the company's directories.

The event involved all employees and reduced the targeted data by over 30 % (-8,600 gigabytes).

The operation was not only a success in data reduction terms, it also raised employee awareness of the issue of the exponential increase in data storage. The Group will also implement regular monitoring in order to limit future data increases.



2020 SDG MONITORING INDICATORS

| | SFIL 2020 goals | 2018 Results Achieved | 2019 Results Achieved | 2020 Results Achieved |
|---|--|---|--|---|
|  | Ensuring a feeling of well-being at the company for employees | ➤ 84 % of employees like the balance between their professional and personal lives | ➤ 88 % of employees like the balance between their professional and personal lives | ➤ 85 % of employees reported "feeling good" in response to the periodic "How are you doing?" micro-surveys |
| | Taking measures in terms of human risks | ➤ 3 advisors/mediators | ➤ Over 100 training courses delivered in 2019 | ➤ Personalized support for 15 employees (M/F) ➤ ELEAS psychological helpline ➤ Micro-surveys to measure employee morale (M/F) ➤ Workshops on parenthood during lockdown |
| | Encouraging teleworking | ➤ 58 % of employees on permanent contracts work remotely | ➤ 80 % of employees on permanent contracts work remotely | ➤ 100 % of employees worked remotely in 2020 |
|  | Participating in developing education | ➤ 16 schools and apprentice training centers subsidized | ➤ 15 schools and apprentice training centers subsidized | ➤ 5 schools and 4 specialized organizations (disability, equal opportunity) subsidized |
| | Investing in the training of young people | ➤ 9 % school-to-work employees | ➤ 10 % school-to-work employees | ➤ 10 % school-to-work employees |
| | Ensure ongoing employee training | ➤ 86 % of the workforce trained | ➤ Not continued | ➤ Not continued |
|  | Ensuring gender equality | ➤ 43 % female employees (on permanent contracts) and gender equality index of 87/100 | ➤ 2019 equality index: 92/100 | ➤ 2020 equality index: 93/100 |
|  | Adopting responsible practices in the bank's circular economy | ➤ 120 CO ₂ equivalent tons emitted by the two sites ➤ 7 % of the carbon footprint corresponds to travel (business travel and commuting) | ➤ Travel policy incorporating non-financial aspects: implemented in December 2019 ➤ Study of the 10 largest suppliers: in progress ➤ Replacement of the vehicle fleet with hybrid or electric vehicles: not achieved in 2019 ➤ Production of an eco-actions booklet: not achieved in 2019 | ➤ Expansion of the coverage of subscriptions for environmentally friendly mobility solutions ➤ Reduction of over 30 % in data stored by the company (Clean Data Challenge) |
|  | Considering and reducing SFIL's carbon footprint | ➤ 7,860 CO ₂ equivalent tons emitted by the Group | ➤ 2019 carbon footprint: 5,790 CO ₂ equivalent tons | ➤ 2020 carbon footprint: 5,340 CO₂ equivalent tons |

4. OUTLOOK

Continuation of Demain@SFIL

The Demain@SFIL project has spawned a number of cross-functional initiatives that meet the organization's expectations for improving operational efficiency.

Some 15 projects have been identified as drivers of collective and individual performance, and the following have been prioritized for 2021:

- Negotiation of a new agreement on teleworking at SFIL
- Adapting meeting formats and meeting facilitation methods, inspired by agile methods
- Implementation of feedback (continuous/360) for better performance evaluation and smoother communication between employees/managers



- Making changes to premises, promoting group values and favoring exchanges, maintaining the quality of equipment and comfort recognized and appreciated at SFIL.

In 2021, SFIL will continue to adapt to its environment in order to maintain its performance and anticipate the changes necessary for its long-term future, while ensuring the well-being of its employees.



New teleworking agreement

Continuing the work carried out in connection with Demain@SFIL, management invited the employee representatives to negotiate the future teleworking agreement, which will draw lessons from the changes made necessary by the situation, and which have obliged the company to deploy teleworking on a wider scale.

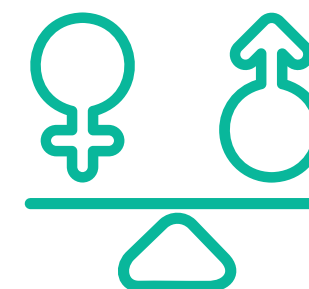
The future agreement will be based on the following basic principles:

- Preservation of the social link within the company;
- Respect for privacy;
- Equity;
- Equal treatment of employees;
- Right to disconnect for each employee.

Gender equality at work

In 2021, SFIL will maintain its goals and actions in the area of gender equality by improving the 100 % female succession plan and strengthening its efforts to maintain:

- The ambitious target of 2/3 women in staff movements (external recruitment, promotions, transfers) in the highest collective bargaining classifications
- Identification and training programs specific to the female population (e.g., the "be the actor of your ambition" training program) and defining dedicated support (assessment, coaching if necessary).
- Initiatives to increase the percentage of women in finance professions through the schools policy and the use of apprenticeships.



Training

The significant expansion of the e-learning format for training and the decentralization of technical training within the business units have made it necessary to modernize the training management tool.

The new tool chosen, Syfadis, which is used by Caisse des Dépôts, will be integrated during the first half of 2021 and will provide an intuitive and user-friendly interface for more efficient and operational management of all training courses.

Carbon offset





SFIL is committed to the principle of contributing to the trajectory towards carbon neutrality through the three-pronged “measure, reduce, offset” initiative.

In addition to the actions already taken to reduce its own emissions, SFIL is studying the launch, in 2021, of a project to offset part of its greenhouse gas emissions through a forest rehabilitation project, in collaboration with Caisse des Dépôts and Société Forestière.



2ND PRIORITY: OUR INTERNAL POLICIES: SDG COMMITMENTS - QUANTIFIED TARGETS FOR 2021

In 2020, the SFIL Group set precise targets for its contribution to the 9 SDGs it has prioritized, and redefined indicators closely linked to its activities and its DNA as a public development bank.

| SDG | SFIL goals | Indicators | 2021 quantified targets |
|---|---|---|--|
|  | Contributing to the well-being of our employees | Percentage of employees on permanent contracts who work remotely | > 80 % |
| | | Survey employees on their feeling about the balance between their professional and personal lives | twice a year |
| | | Absenteeism rate over the year | < 3.4 % |
|  | Internal functioning - Promoting training, diversity and equal opportunity | Number of school-to-work employees hired during the year | > 5 % of the workforce |
|  | Promoting gender equality at work and gender parity | Gender equality index within the company | >= 90 % |
|  | Reducing our carbon footprint | Reduction in our CO ₂ emissions (in CO ₂ equivalent tons) | - 15 % over 3 years (between the 2019 and 2021 measurements) |

PRIORITY 3

ENGAGING OUR EMPLOYEES



SFIL has an “Employee Engagement” group, which brings together company employees who wish to contribute to the collective momentum in terms of solidarity, awareness and improvement of practices in the area of sustainable development. With over 20 members from all departments, it meets three to four times a year to discuss and promote initiatives throughout the company.

1. MOBILIZATION

EMPLOYEE SOLIDARITY IN RESPONSE TO THE HEALTH CRISIS



The solidarity days-off donation “Stand together for the most vulnerable” campaign

In the face of the health and economic crisis, SFIL wished to propose a solidarity-based system. In conjunction with the employee representatives, the Group signed an amendment to the “well-being at work” agreement, thus enabling employees to give up one or more days off in exchange for a financial donation in support of the “Stand together for the most vulnerable” initiative launched by Fondation de France.



The aim of this operation is to help vulnerable people who have been adversely impacted by the health and economic crisis. To support this solidarity initiative, SFIL contributed 100 % of all sums collected. With 56 contributing employees, over € 43,000 was raised.

RESTONS UNIS
POUR LES PLUS VULNÉRABLES

OTHER SOLIDARITY INITIATIVES



The Odyssée race

For the first time, AVEC'L, SFIL group's gender diversity network, became an ambassador for the initiative launched in 2015 by Alter Egales, Groupe Caisse des Dépôts' gender diversity network, to organize an “Odyssée 2020” online race in support of breast cancer research.

A total of 50 SFIL employees participated in the initiative, which was held from October 1 to 4, 2020 in "Connected Challenge" format (individual participation) due to the health restrictions.

Odyssée is a non-profit association created in 2002 whose funds are used to fund research programs for new treatments for breast cancer and to improve patient care.



Continuation of the salary rounding initiative

Since 2018, SFIL has offered its employees the opportunity to round their salaries via the "Microdon" platform.

The funds raised are donated to two associations chosen by employees: "Etoile de Martin," which supports research against cancer in adolescents, and "Planète Urgence," which develops environmental protection programs.

As of 2020, 15 % of employees participate in the initiative, which made it possible to:

- Collect € 1,901 for the "Etoile de Martin" association
- Plant 975 trees by the "Planète Urgence" association in connection with their ecosystem rehabilitation programs in Indonesia, Cameroon and Madagascar.



2. SUPPORT

SPONSORSHIP INITIATIVES



The "Campus de l'Innovation" for high schools: social inclusion through knowledge

The "Campus de l'Innovation" for high schools project of the Collège de France is part of a partnership agreement signed with the Ministry of National Education, Higher Education and Research.



COLLÈGE
DE FRANCE
—1530—

The project aims to share with high school students in general technological and professional high schools located in urban and rural priority education areas, as well as their teachers, "access to knowledge in the

making” in order to raise awareness among these students of the necessary questioning inherent to any academic approach.

SFIL has provided financial support for the “Campus” for three years. The support provided makes it possible to finance a portion of the visits to high schools, the recording of courses and the production of teaching videos, and a portion of the costs of drafting and formatting the economics chapters.

Last year, this support doubled, making SFIL the leading funder of the program, along with BNP Paribas.

The “Campus” initiative is divided into two main areas: talks by teachers in high schools and sharing knowledge with high school students, and more broadly the public, in various forms (particularly via courses) on different media (in particular on the Collège de France website).

March 2019 to March 2020 review
Talks in high schools: summary by subject



ECONOMICS

- 10 high schools visited
- 1,020 pupils and 120 teachers benefited from the program



**LIFE AND EARTH
SCIENCES**

- 12 high schools visited
- 930 pupils and 80 teachers benefited from the program



HISTORY
begun in 2020

- 3 high schools
- 115 pupils and 9 teachers benefited from the program

**March 2019 to March 2020
report – Production of
resources for high school
students**

In parallel with these visits, the “Campus” initiative contributes to developing new economic and social sciences (ESS) programs for high schools. These resources are offered in the form of an open access manual on the Collège de France website and on the website of the French Ministry of Education. They will be particularly useful to ESS teachers and their students, but may also be of significant interest to a wider public in France and abroad, particularly in French-speaking countries.

Over the March 2019 - March 2020 period, nine chapters of ESS materials were produced and made available to high school students.

**Exceptional support for the
Pik-Pik association during
the health crisis**

SFIL is aware of the major financial difficulties experienced by the non-profit sector due to the pandemic. Since SFIL was unable to use their services to organize employee awareness initiatives as it does every year, at the end of 2020 the

company made an exceptional donation of € 5,000 to support the *Pik-Pik Environnement* organization, which aims to educate employees about eco-citizenship and the urban environment.

PROMOTING THE INTEGRATION AND SUCCESS OF YOUNG PEOPLE



“REP” and “REP+” middle school interns hosted

In connection with its actions to support priority urban areas, the government set a target of 30,000 vocational observation internship offers in 2020 for middle school students in their last year who are enrolled in Priority Education Network (REP) and Enhanced Priority Education Network (REP+) schools.

Although the observation internship in a professional setting is mandatory for all middle school students in their last year, students from priority urban areas face greater difficulties in finding high-quality internships due to a lack of personal networks able to guide or host them.



During one week in February 2020, SFIL hosted 8 interns, including 6 students in the last year of middle school from REP+ schools.

A customized program was prepared for them for the week, including a presentation of each SFIL department, meetings with inspiring persons, an introduction to mediation, a presentation of the CSR approach and, finally, a morning immersion in the department of their choice.

The wweeddoo “Endure or Act” call for projects

In June, SFIL participated in the *Endure or Act* call for projects launched by “wweeddoo”, a collaborative platform dedicated to the success of young people's projects, whose goal is to support positive initiatives.

SFIL chose to support the climate section of the event. An internal jury composed of

10 employees members of the “Employee Engagement” group was set up and voted for the three best projects in the category among the ten finalists.



Continuation of youth support and sponsorship programs

Since 2013, SFIL has also participated in the Campus l'Envol project with its partner La Banque Postale. Each year, L'Envol helps with the schooling of over 150 talented and hard-working young people from low-income backgrounds, in both rural and urban areas, by coaching them individually from high school to their entry into a highly selective field throughout France, including the French overseas territories. Mentoring by staff volunteers is also one of the pillars of the program.

In 2020, several SFIL employees were asked to participate in a new “bridging

sponsorship” system, which in 2021 will provide remote support to groups of high school students in career orientation or to improve their English.

Lastly, the Institut Télémaque scheme, through which SFIL's employees mentor talented young middle and high school students from disadvantaged backgrounds, continued in 2020, with 9 mentoring relationships, compared to 6 in the previous year.

Occupational reintegration of the long-term unemployed

SFIL continued its exchanges with CABAT (the French Army's Wounded Personnel Support Unit) and formed a new partnership with the ADH Association (Beyond Our Disabilities), which supports the revitalization and social and professional reintegration of psychically wounded members of the “uniformed services”, as described below in the “Commitment to Persons with Disabilities” section.

3. AWARENESS-RAISING

PRESERVING THE PLANET'S RESOURCES



Due to the COVID-19 pandemic, certain employee awareness initiatives initially scheduled for 2020 could not be held. Nevertheless, SFIL made every effort to continue to inform and educate its employees about sustainable development issues during the teleworking period.

Zero Waste Conference

In June, SFIL organized a "Zero Waste" conference facilitated by a professional speaker. Initially scheduled to take place in person at the end of March, it was held via three videoconference sessions between June and September. Nearly 50 employees participated in the conferences, which aimed to familiarize them with waste reduction practices they can apply on a day-to-day basis.

The campaign to reduce plastic in the company

The issue of plastic pollution has been identified as a priority for 2020 at SFIL and has been the subject of a campaign on the intranet, social networks and at SFIL's offices to encourage employees to reduce their use of disposable plastic in favor of sustainable containers.



In addition, for meetings and training sessions held at SFIL's premises, orders for plastic bottles were replaced by orders for glass bottles, and the availability of all types of single-use cups has been completely discontinued.

Also, as part of the traditional end-of-year gift, reusable water bottles were distributed to each employee in December 2020.

Rationalization of equipment and digital sobriety awareness

In order to reduce the number of mobile phones used by the company, SFIL continued to offer the *Bring Your Own Device* (BYOD) program in 2020, which enables employees to use their own mobile phone to receive and process their work messages through a dedicated and segregated application. Around 100 employees participate in this program.

In addition, all computers purchased or replaced by SFIL in 2020 carry the TCO and EPEAT labels, which guarantee a manufacturing process that incorporates environmental aspects, as well as criteria such as energy consumption, the absence of hazardous substances, and the lifetime of the equipment.

In May, SFIL carried out its first actions on digital sobriety, with the "Green IT" certification of an employee. The company then began a gradual employee awareness-raising program and, in 2020, remotely held:

- 5 digital sobriety awareness sessions (60 employees participated)
- 4 collaborative workshops of the "Digital Fresco" (32 participants in total)



Recycling in 2020

In 2020, the system for collecting and recycling cans, coffee capsules, cups, stoppers and plastic bottles at the Issy-les-Moulineaux site was renewed for the fourth year, resulting in the recovery of 462 kg of

waste. Due to the fact that the entire staff was teleworking for most of the year, the amount collected naturally fell by nearly half compared to 2019.

| | 2018 | 2019 | 2020 |
|-----------------|-----------|----------|----------|
| Paper | 10,2 tons | 9,4 tons | 4,5 tons |
| Plastic bottles | 121 kg | 168 kg | 70 kg |
| Aluminum cans | 36 kg | 73 kg | 17 kg |
| Coffee capsules | 267 kg | 456 kg | 316 kg |
| Cups | 101 kg | 93 kg | 46 kg |
| Batteries | 60 kg | 60 kg | 60 kg |
| Stoppers | N/A | 43 kg | 11 kg |

From pens... to street furniture

For over a year, SFIL has participated in the *Writing Instrument Recycling Program* launched by TerraCycle® and Bic®.

In 2020, nearly 4 kg of pens, markers and highlighters were collected

within the company in a dedicated bin made available to employees. For these items, which are rarely recycled, a second life begins... in the form of urban furniture, since they are converted into 100 % recycled and 100 % recyclable outdoor furniture.

2020 Sustainable Development Week

For the European Sustainable Development Week, which was held this year over three weeks in September, employees were made aware of the issue of plastic pollution, the environmental impacts of digital technology and the principle of digital sobriety, through communications and posts on the intranet.

Biodiversity




In 2020, SFIL continued its sponsorship of three traveling beehives with an independent beekeeper located in the Cher region, whose production is certified organic (Ecocert® certification). This sponsorship contributes to the protection of pollinating insects, about which employees are made aware during the year through various posts on the intranet. In 2020, as the annual sale of honey could not be held due to the pandemic, the honey pots from SFIL's beehives were offered to employees as part of their year-end holiday gift.





COMMITMENT TO PEOPLE WITH DISABILITIES

In 2020, SFIL continued its many partnerships:

| | | |
|---|---|---|
|  | Etre Entreprises Club | Exchange of best practices between the disability units (Mission Handicap) of 200 large companies |
|  | SOTRES 92 | Lending employees with disabilities for specific assignments |
|  | HANDECO Pas-à-Pas | Promotion of responsible procurement from the protected and adapted sector |
|  | Audiconsult | IT consulting assignments carried out by persons with autism |
|  | HASC (Disability in the Service of Skills) | Raising employee awareness and training elected employee representatives |

In addition, in 2020 SFIL formed a new partnership with the Au-Delà de nos Handicaps (ADH) association, which complements the existing partnership with CABAT.

This is an association under the Act of 1901 that supports the revitalization and social reintegration of wounded soldiers, in particular through the practice of outdoor activities and alternative therapies.

It offers one-week internships to wounded personnel with post-traumatic syndrome (PTSD) focusing on three main types of activities: working the land, aquatic activities and alternative therapeutic activities (yoga, meditation, breathing techniques, etc.), with the aim of promoting the social and professional reintegration of these wounded persons.

This partnership is reflected in the joint financing of the internship held from September 7 to 11, and by the participation in this internship of a SFIL employee, who was able to recount his own successful transition experience, which resulted in his being hired by the company after an internship with CABAT.

SFIL has also signed a three-year partnership with the ESSEC business school to take part in the "Disability & Talents Certificate" week (conferences, legal information, company testimonials) and to mentor students with disabilities. In this context, in November, SFIL took part in the ESSEC Open Forum, an all-day 100 % online event

dedicated to the employment of persons with disabilities. An intern has been identified for an internship that will take place in 2021.

The Employment of Persons with Disabilities Week (SEEPH): "DuoDay" and awareness-raising workshops

In connection with the SEEPH and in the current health context, SFIL participated in DuoDay 2020, during which the company hosted students and professionals with impairment for a one-day internship at the company.

Initiated in Ireland ten years ago, the aim of DuoDay is to change attitudes towards disability and to overcome prejudice. During one day, a disabled person is paired with an employee of a private or public company in order to discover their professional activity by participating in the company's usual tasks and/or observing their work. This meeting may also lead to proposals for discovering professions, internships and, at times, employment.

During the week, SFIL also held remote workshops on mental disability. These workshops, led by a consultant from *DFD Consulting* using the Beekast tool, were aimed at demystifying and identifying what a mental disability is, and what it is not.



2020 SDG MONITORING INDICATORS

| | SFIL 2020 goals | 2018 Results Achieved | 2019 Results Achieved | 2020 Results Achieved |
|---|--|--|---|---|
| 11 SUSTAINABLE CITIES AND COMMUNITIES | Participating in a sustainable ecosystem | <ul style="list-style-type: none"> ➤ 87.5 % of the departments represented on the Sustainable Development Committee ➤ 100 % of the departments involved in decision-making | <ul style="list-style-type: none"> ➤ 80 % of departments represented in the "Employee Engagement" group | <ul style="list-style-type: none"> ➤ 100 % of departments represented in the "Employee Engagement" group |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Improving consumption patterns and reducing the environmental impact | <ul style="list-style-type: none"> ➤ 10 tons of paper collected and recycled with 0 CO₂ ➤ 568 kg of waste recycled | <ul style="list-style-type: none"> ➤ Reduction in the number of printers: 45 % of printers removed ➤ Optimization of waste recycling and recovery initiatives: +48 % waste sorted and recovered | <ul style="list-style-type: none"> ➤ Waste recycling and recovery: -45 % waste sorted and recovered |

4. OUTLOOK

Raising employee awareness

In the first half of 2021, SFIL plans to implement an e-learning module dedicated to CSR and sustainable development issues for all its employees.

Continuation of "Green IT" actions

A comprehensive review and "Green IT benchmark" will be launched in January 2021, with the following objectives, at the end of the first semester:

- Quantifying the environmental footprint of the SFIL information system
- Assessing the maturity of the teams
- Positioning itself relative to other companies
- Assessing the room for improvement
- Developing an action plan for SFIL

Preservation of resources

➤ In order to improve the results of waste recycling in the company and raise awareness among employees about improving their practices, SFIL will post sorting signs on the office bins in the first quarter of 2021. The aim is to direct employees to the appropriate sorting bin to be used, and thus maximize the use of the systems in place for current waste (paper, plastic, aluminum).



➤ In line with the measures taken in 2020 to reduce plastic use, starting in early 2021, SFIL will install, in the common areas of the building, new water fountains produced by *Castalie®*, a social and solidarity-based economy French start-up.

Coupled with the distribution of drinking bottles at the end of 2020, the implementation of this new, more modern and efficient equipment aims to revitalize the use of water fountains by employees, and to continue efforts to reduce plastic use in the company.



3RD PRIORITY ENGAGING OUR EMPLOYEES: SDG COMMITMENTS - QUANTIFIED TARGETS FOR 2021

In 2020, the SFIL Group set precise targets for its contribution to the 9 SDGs it has prioritized, and redefined indicators closely linked to its activities and its DNA as a public development bank.

| SDG | SFIL goals | Indicators | 2021 quantified targets |
|---|--|---|---|
|  | Internal functioning: promoting training, diversity and equal opportunity | <p>Collège de France: number of high school students from Priority Education Areas who receive joint teaching for each subject covered by the program (*unless restricted by the healthcare situation)</p> <p>Number of last-year middle school interns form REP (Priority Education Networks) and REP+ schools hosted during the year (*unless restricted by the healthcare situation)</p> | <p>>= 1,400 students</p> <p>2 sessions</p> |
|  | Internal functioning: contributing to the circular economy | Organize one collection event each year (clothes, toys, supplies) for an association and one object repair workshop for employees | 2 actions |

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