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CNP Assurances strengthens its framework for investments in fossil fuels

In order to take into account the latest scientific reports published on the climate, in particular the scenario of a global temperature rise of 1.5°C published in June 2021 by the International Energy Agency, which recommends – in order to comply with the Paris Agreement – the immediate stopping of the development of new gas or oil sites, CNP Assurances is strengthening its sector policy on oil, gas and thermal coal.

As a player committed to the energy transition, CNP Assurances adopted a policy on thermal coal in 2015. The criteria for this policy have since been strengthened regularly. In February 2021, CNP Assurances adopted a sector policy on oil and gas, based on an unconventional fossil fuel exclusion policy and a shareholder engagement policy.

Olivier Guigné

Group Chief Investment Officer of CNP Assurances



"To achieve the goals of the Paris Agreement, it is necessary to gradually reduce the use of fossil fuels. The measures adopted today by CNP Assurances aim to contribute to this by acting on the supply. In order to act on the demand for fossil energy, we call on governments to end fossil fuel subsidies and extend the carbon market across different sectors of the economy."

Strengthening the oil and gas sector policy

In order to take into account the latest scientific reports published on the climate, in particular the scenario of a global temperature rise of 1.5°C published in June 2021 by the International Energy Agency (IEA), CNP Assurances is strengthening its sector policy on oil and gas by making the following four commitments:

1/ In accordance with the IEA 1.5°C scenario, and in order not to contribute to the growth of the global supply of oil and fossil gas, **CNP Assurances is ending immediately:**

- **the financing any new oil or fossil gas exploration or production project (conventional or unconventional)**
- **any new direct investment in a company in the sector as long as it develops new oil or fossil gas exploration or production projects (conventional or unconventional)**

Nevertheless, in order to support companies in their transition to a low-carbon economy, CNP Assurances shall be able to continue to invest directly in a company in the sector:

- via a subsidiary dedicated exclusively to the development of renewable energy
- via a green bond, to ensure that the funds raised are channelled into the development of renewable energy.

Every year, CNP Assurances will publish the amount invested directly or indirectly in the oil and gas sector.

2/ **Continue to play its role as a demanding shareholder vis-à-vis companies in the sector, by asking them to immediately stop any new oil or fossil gas exploration or production project (conventional or unconventional)**

3/ **Continue to play its role as a demanding shareholder by asking GRTgaz to:**

- support the sectors involving renewable gas resulting from the fermentation of waste or biomass, and green hydrogen produced from renewable energy, the growth of which will require the development of adapted transport infrastructure
- continue efforts to reduce methane leaks on its pipeline network, to achieve a target close to net zero methane emissions

4/ **Engage with governments, particularly as a member of *Net-Zero Asset Owner Alliance*, to ask them to:**

- end fossil fuel subsidies
- implement public policies to gradually reduce demand for fossil fuels from companies and households
- expand the carbon market across different sectors of the economy

Strengthening the sector policy on thermal coal

In 2020 CNP Assurances made a commitment to exit thermal coal definitively by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

To achieve this, CNP Assurances has asked the companies in which it is directly invested, whether they are electricity producers or mining companies, to publish a plan to exit thermal coal in line with these deadlines. 21 letters were sent in 2020 and 10 letters in 2021. While progress has been noted regarding a number of these companies, others have not yet published a rigorous exit plan.

CNP Assurances is therefore strengthening its sector policy on thermal coal by now excluding any new direct investment in a company that has not adopted a plan to exit thermal coal by 2030 in EU and OECD countries, and by 2040 in the rest of the world. This new exclusion criterion complements the current criteria established under the sector policy, in particular the absolute thresholds (more than 5 GW of electricity generation capacity from thermal coal, more than 10 million tonnes of thermal coal production per year) and relative thresholds (more than 10% of turnover related to thermal coal) that must not be exceeded.

CNP Assurances announces that it has met or exceeded 3 of its 5 main climate change targets:

- CNP Assurances has committed to reducing the carbon footprint of its directly-owned equity and corporate bond portfolio by 25% between 2019 and 2024: it is well on track to achieve this with the reduction between 2019 and 2021 being consistent with the multi-year target.
- CNP Assurances has committed to reducing the carbon footprint of its directly-held real estate portfolio by 10% between 2019 and 2024, to 17 kg CO₂/sq.m by the end of 2024: this target was reached three years ahead of schedule at the end of 2021, with the carbon footprint having decreased by 10% between 2019 and 2021.
- CNP Assurances has committed to reducing the carbon intensity of the electricity producers held directly in its portfolio by 17% between 2019 and 2024, to 216 kgCO₂eq/MWh by the end of 2024: this target was exceeded three years ahead of schedule at the end of 2021, with the carbon intensity having decreased by 35% between 2019 and 2021.
- CNP Assurances has committed to making a total of €20 billion in green investments by the end of 2023: the rate of achievement of this target was 99% at the end of 2021.
- CNP Assurances has committed to engaging with 8 companies and 2 asset managers to encourage them to adopt a strategy aligned with a 1.5°C scenario by the end of 2024: the dialogue initiated in 2021 will continue in 2022.

Today, CNP Assurances is announcing it will seek approval for its decarbonisation roadmap from the Science Based Targets Initiative (SBTi), and it is raising its green investment target to €25 billion by the end of 2025.

About CNP Assurances

A leading player in the French personal insurance market, CNP Assurances operates in 19 countries in Europe, particularly Italy and in Latin America – where it is very active in Brazil, its second-largest market. As an insurance, coinsurance and reinsurance provider, CNP Assurances has more than 36 million insured parties in personal risk/protection insurance worldwide and more than 12 million in savings/pension. In accordance with its business model, its solutions are distributed by multiple partners and adapt to their physical or digital distribution method, as well as to the needs of customers in each country in terms of their protection and convenience.

CNP Assurances has been listed on the Paris Stock Exchange since October 1998 and is a subsidiary of La Banque Postale. It reported net profit of €1.35 billion in 2020.

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