Insuring a more open world

Sustainable Investment

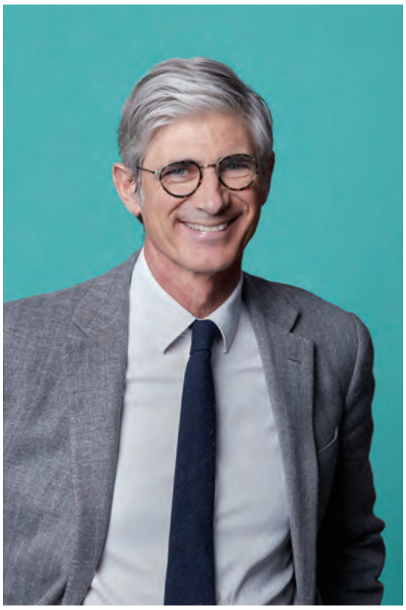
2022 report

Contents

Our corporate mission, now enshrined in CNP Assurances' Articles of Association, commits us to taking a long view. We are setting out on a new path of improvements and innovations....

"As a responsible insurer and investor, driven by the community values of our Group, we work with our partners to create an inclusive and sustainable society, providing solutions to as many people as possible to protect and support them on their chosen paths."

Editorial



As a responsible investor, the CNP Assurances Group is stepping up the financing of the energy and ecological transition

Climate change is one of the most urgent challenges facing humanity today. Temperatures are rising fast around the world, extreme weather events are becoming more frequent and ecosystems are disrupted. If we fail to take immediate action to mitigate the effects of climate change, the consequences for future generations could be catastrophic.

One key way to address climate change is to increase the financing of the energy and ecological transition. Accounting for the majority of greenhouse gas emissions, fossil fuels must be replaced by renewable energy sources such as solar, wind, hydroelectric and geothermal. It is urgent that governments, companies and investors around the world increase their investments in this direction. By being attentive to a just transition, this momentum can create new jobs in the renewable energy and clean technology sectors, boosting economic growth while protecting the planet.

It is also vital that funds intended for the energy and ecological transition be used in a transparent and responsible manner. Investments must be focused on projects with a real and measurable impact on reducing greenhouse gas emissions and with no negative impacts on local communities and ecosystems.

As a player for an inclusive and sustainable society, the Group is proud to have published for the first time in February 2023 its overall performance combining financial and non-financial indicators. With regard to the planet, CNP Assurances is committed to taking action against global warming and protecting the living world by committing to the ecological transition. As a responsible investor, the Group harnesses all its subsidiaries in France, Europe and Latin America to mitigate the effects of climate change and has committed to reaching €30bn in green investments [1] by the end of 2025. At end-2022, the CNP Assurances Group had invested €25.2bn in favour of the environment, exceeding its previous target of €25bn by three years.

Mitigating the effects of climate change calls for substantial investments in the energy and ecological transition, and international cooperation is necessary to tackling this global challenge. By working together, we can protect our planet for future generations and ensure a sustainable future for all.

Stéphane Dedeyan

Chief Executive Officer

(1) Green bonds, buildings with energy or environmental certification, forests, funds classified as Article 9 in accordance with the SFDR and with an environmental sustainable investment objective, infrastructure and unlisted companies whose main activity is linked to the environment. These green investments are broader in scope than those of the European Taxonomy.

This report presents information on the incorporation of sustainability in CNP Assurances' investment strategy:

- Information on the integration of environmental, social and governance quality criteria into the investment policy, in accordance with Decree no. 2021-663 of 27 May 2021 specifying the information requested by Article 29 of Law no. 2019-1147 of 8 November 2019 on energy and the climate;
- Due diligence policy on the adverse impacts of investment decisions on sustainability factors in accordance with Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019.

CNP Assurances also publishes the following documents on its website:

- Policy for integrating sustainability risks into investment decisions, in accordance with Article 3 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019;
- Information on how remuneration policies are consistent with the integration of sustainability risks in accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019.

This report covers CNP Assurances' investments, without including its French subsidiaries CNP Retraite, CNP Caution and MFPrévoyance.

The presentation of the information in this report is distinguished by asset class, with no distinction between portfolios that support equity and those supporting euro-denominated funds. The responsible investment strategy is the same for all portfolios. For the same reason, the procedures implemented are common to CNP Assurances and its subsidiaries. Many parts of this report also correspond to a global analysis by CNP Assurances and its French subsidiaries. CNP Assurances' commitments (policies and objectives) and risk analyses are monitored and measured across the overall scope of French entities. For information purposes, the investments of CNP Assurances account for 94% of the investments of the French entities of the CNP Assurances Group.

Consistent with these policies and objectives, some indicators are monitored only at the global level of CNP Assurances and its French subsidiaries. The indicators measured for the overall scope are marked with an * in this report.

For this report, CNP Assurances has made its best efforts and indicates the scopes for calculating the indicators communicated. The company has implemented an improvement plan aimed at industrialising ESG indicator measurements over a broader scope within the limits of the available data communicated by issuers and/or data providers.

This report presents the information recommended by the *Task Force on Climate-related Financial Disclosure* (TCFD). Governance, strategy, risk management, climate-related indicators and targets in investment operations are reported using the following acronyms:

TCFD **Governance**

TCFD **Strategy**

TCFD **Risk management**

TCFD **Indicators and targets**

Section

1

Sustainable investment strategy

Information resulting from the provisions of Article 29 of the Energy and Climate Act (sections A to G and I)

1.A General policy of the entity on integrating environmental, social and governance quality criteria

1.A.1 Overview and key figures

CNP Assurances is a personal insurance company and a long-term investor. As such, it manages investments on behalf of its policyholders and shareholders, either directly, or indirectly by delegating asset management to external asset managers.

With more than **€300bn** invested in all sectors, CNP Assurances is a major player in the financing of the real economy. Since 2006, CNP Assurances has implemented a responsible investment strategy spanning the various asset classes. It has undertaken numerous initiatives to strengthen the responsible investment policy, combat climate change and protect biodiversity. By setting quantitative targets in the short and medium term, CNP Assurances regularly updates its ambitions, convinced that sustainability factors generate financial risks that it must guard against in order to meet its long-term commitments to its policyholders.

Our key features as a responsible investor

- We have established and follow a committed responsible investment strategy.
- We manage our investments from a long-term perspective on behalf of our policyholders and shareholders.
- We hold the majority of our investments directly, making it easier to apply our responsible investment strategy.
- We dialogue with asset managers to encourage them to strengthen their responsible investment approach.

SUSTAINABILITY

90%
Percentage of our investments managed with ESG filters in the scope of our euro and unit-linked portfolios

26% *
Percentage of resolutions at the Annual General Shareholders' Meeting which we opposed

118 countries
Number of countries excluded from our investments based on ESG criteria

4,740 companies
Number of companies excluded from our investments based on ESG criteria

€3.1m *
Annual budget allocated by CNP Assurances to ESG services, research and data

€3.4bn *
Assets under management with a social theme (social or sustainable bonds) in our portfolios

CLIMATE

2050
Carbon neutrality target horizon for our investment portfolio

2.0°C *
Estimated temperature of our directly held equity and corporate bond portfolio

€25.2bn(1)
Green investments(2) in our portfolios

88% *
Proportion of our investments subject to climate risk analysis

92% *
Share of our engagements with companies having addressed climate change issues

10.2%
Share of our investments in economic activities eligible for the Taxonomy (based on revenue)

POLICYHOLDERS

73% *
Share of our unit-linked vehicles classified as Article 8 or 9 under the SFDR

60%
Share of our unit-linked vehicles with a sustainable finance label (SRI, Greenfin, Finansol)

EMPLOYEES

75% *
Share of CNP Assurances employees trained in sustainable finance

18.6 FTEs*
Dedicated to sustainable finance at CNP Assurances

BIODIVERSITY

90% *
Percentage of directly-held corporate securities subject to biodiversity footprint measurement

3.5 MSA.m² per €k invested*
Dynamic land biodiversity footprint of directly held corporate securities

42%
Share of French forest assets held by CNP Assurances subject to biodiversity measurement

38% *
Share of our dialogue with companies having addressed biodiversity protection issues

(1) *CNP Assurances Group scope.*
(2) *Green bonds issued by governments or corporates, forests with sustainable management certification, buildings with energy or environmental certification, Article 9 funds under the SFDR with an environmental sustainable investment objective, infrastructure and unlisted companies whose main activity is linked to the environment. These green investments do not necessarily meet the technical criteria of the delegated acts of the Taxonomy regulation.*

1.A.2 Summary of our responsible investment strategy

CNP Assurances leads a global responsible investment approach according to procedures adapted to the specific nature of each asset class. This approach contributes to seven of the United Nations Sustainable Development Goals.

The approach is based on the principles of the CNP Assurances Responsible Investment Charter (see appendix) and guided by the principles of the Global Compact:

- respect for human and citizen rights as defined in the Universal Declaration of Human Rights;
- respect for the principles of the International Labour Organization (ILO), including the freedom of association and the right to collective bargaining, the elimination of forced labour, child labour and discrimination;
- promotion of environmental protection and the environmental and energy transition, initiatives to reduce or adapt to climate change;
- contribution to the fight against corruption.

This approach is enhanced by CNP Assurances' commitments to the *Principles for Responsible Investment* (PRI), the *Net Zero Asset Owner Alliance* (NZAOA) and the *Finance for Biodiversity Pledge*.

CNP Assurances' responsible investment strategy aims to reduce sustainability risks and adverse impacts on sustainability factors:

Sustainability risk

An environmental, social or governance (ESG) event or situation that, if it occurs, could have an actual or potential material adverse impact on the value of an investment

Adverse impact on a sustainability factor

The adverse impact of an investment decision on a sustainability factor, i.e. an environmental, social or governance (ESG) issue

CNP Assurances' responsible investment strategy is based on three pillars:

- the exclusion policy: CNP Assurances excludes certain countries and companies from its investments based on ESG (environmental, social or governance) criteria. Some countries are excluded for reasons of fiscal opacity, corruption or failure to respect democratic rights and freedoms. Some companies are excluded due to their involvement in weapons, tobacco, coal, oil, gas or do not comply with the United Nations Global Compact;
- the shareholder engagement policy: when participating in the general meetings of listed companies, CNP Assurances defends the interests of its policyholders and implements its ESG commitments, for example by opposing the excessive remuneration of certain executives or inadequate gender equality on certain boards of directors;
- investment selection policy based on ESG criteria: For example, CNP Assurances verifies that the development of the company in which the money will be invested does not come at the expense of its employees or the planet, i.e. that the company practices responsible development.

CNP Assurances has applied these policies to the various asset classes since 2006, drawing on the non-financial expertise of asset management companies. At the end of 2022, 90% of CNP Assurances investments were managed with ESG filters. Application to each asset class can be summarised as follows:

Asset class	Country exclusion	Company exclusion	Fund exclusion	ESG rating analysis	Systematic ESG integration in investment decisions	Outstandings at end-2022
Directly owned real estate [1]	✓			✓	✓	€15bn
Directly owned forests	✓			✓	✓	€0.6bn
Directly held listed equities	✓	✓		✓	✓	€13bn
Directly held corporate bonds	✓	✓		✓	✓	€89bn
Unlisted equities and infrastructure	✓	✓		✓		€16bn
Sovereign bonds held directly	✓					€83bn
Dedicated funds	✓	✓	✓			€24bn
Open-ended funds	VEILLE	VEILLE	✓			€21bn
Underlying unit-linked securities	✓	✓		✓	✓	€7bn
Underlying unit-linked funds	VEILLE	VEILLE	✓			€35bn

(1) Or through wholly owned vehicles.

Countries excluded for reasons of fiscal opacity, corruption or failure to respect democratic rights and freedoms.

Companies excluded because they are involved in weapons, tobacco, coal, oil and gas or fail to comply with the principles of the United Nations Global Compact.

Funds excluded because they speculate on agricultural commodities.

Investments are subject to ESG analysis and/or rating.

ESG analysis and/or rating systematically impact the investment decision.

Targets for combating climate change

In 2019, CNP Assurances became a member of the *Net Zero Asset Owner Alliance*, and committed to making its investment portfolio carbon-neutral by 2050. Joining the Alliance involves the implementation of three initiatives:

- regularly measure the alignment of the investment portfolio with the Paris Agreement and report on progress made;
- conduct shareholder dialogue with companies to ensure that they are also focused on carbon neutrality;
- call for public policies in favour of a transition to a low-carbon economy.

The protocol on setting objectives defines the way in which Alliance members will set an initial series of climate targets up to 2025, aligned with scientific knowledge.

TCFD
Indicators and targets

Asset class	Objectives	Level reached at end-2022
Directly held listed shares corporate bonds and infrastructures	• Reduce the carbon footprint by a further 25% between 2019 and 2024[(1)]	- 49% * between 2019 and 2022
	• Reduce the carbon intensity of electricity producers by 17% between 2019 and 2024	- 38% * between 2019 and 2022
	• Engage with eight companies and two asset managers every year to encourage them to adopt a strategy aligned with the 1.5° C global warming scenario by the end of 2024	in progress
Directly owned real estate	Reduce the carbon footprint by a further 10% between 2019 and 2024	- 16% * between 2019 and 2022
Green investments[(2)]	Reach €30bn in green investments by the end of 2025	€25.2bn[(3)]

(1) According to SFDR methodology. Infrastructures are included from 2022.
(2) Green bonds issued by governments or corporates, forests with sustainable management certification, buildings with energy or environmental certification, Article 9 funds under the SFDR with an environmental sustainable investment objective, infrastructure and unlisted companies whose main activity is linked to the environment. These green investments do not necessarily meet the technical criteria of the delegated acts of the Taxonomy regulation.
(3) CNP Assurances Group scope.

Biodiversity protection objectives

CNP Assurances has committed to protecting biodiversity by signing the *Finance for Biodiversity Pledge* in 2021.

Asset class	Objectives	Level reached at end-2022
Directly-held listed shares	Measurement of biodiversity footprint on all securities by end-2023	90% *
Directly held corporate bonds	Engage with five companies every year to encourage them to adopt a strategy aligned with international biodiversity agreements by the end of 2024	in progress
Directly owned logistics platforms	Conduct an inventory and analysis of the impact on biodiversity by end-2022	100% *
Directly owned French forests	Measure the biodiversity of all forest assets by end-2025	42%
	Assign 3% of forested land to ageing islands and natural evolution areas by end-2025	1.35 %

Timeline of our responsible investment strategy

	Our commitments	Our actions
2003	**Signing of the United Nations Global Compact**	CNP Assurances Group is committed to respecting the human and citizens' rights defined in the Universal Declaration of Human Rights, and more specifically the principles of the International Labour Organization (ILO) and the labour regulations specific to each country
2005		First statement of greenhouse gas emissions for the CDP
2006		First implementation of a *best-in-class* ESG approach across the entire equity portfolio
2008		Exclusion of manufacturers of cluster munitions and anti-personnel mines
2011	**Signatory of the *Principles for Responsible Investment* (PRI)**	
2014		Exclusion of *offshore* financial centres

	Our commitments	Our actions
2015	**Signing of the *Montreal Carbon Pledge***	• First climate strategy with quantitative objectives for green investments and reductions in the investment portfolio's carbon footprint • First policy on coal sector investments
2016	**Supporting member and signatory member of the CDP**	First public report on the incorporation of ESG criteria in the investment strategy
2017	**Member of Climate Action 100+**	
2019	**Members of the *Net Zero Asset Owner Alliance* and *Finance for Tomorrow***	• Commitment to achieving a carbon neutral investment portfolio by 2050 • Adoption of a stricter coal policy • Increase in the green investment target
2020	**Signing of the *Tobacco-Free Finance Pledge*** **Support for the *Task force on Climate-related Financial Disclosures* (TCFD)**	• First publication of the shareholder engagement policy • Adoption of a thermal coal exit plan
2021	**Signing of the *Finance for Biodiversity Pledge*** **Founding member of the first global engagement coalition on the just transition (*Investors for a Just Transition*)**	• Publication of 2025 targets to achieve carbon-neutral investment portfolio by 2050 • First oil and gas policy • First biodiversity strategy with quantitative targets
2022	**Have decarbonisation trajectory validated by the *Science Based Target initiative* (SBTi)**	• Strengthening of the fossil fuel exclusion policy • Increase in the green investment target

Charter, code or initiative adopted by CNP Assurances *	Description
Global Compact	United Nations Corporate Sustainability Initiative. The Global Compact calls on companies to align their strategies and operations with the ten universal principles of human rights, labour, environment and anti-corruption, and to take measures to advance societal objectives and implementation of SDGs. Signatory companies renew their commitment every year and communicate on their progress. https://www.unglobalcompact.org/what-is-gc/participants/2234#cop
Principles for Responsible Investment (PRI)	The Principles for Responsible Investment, supported by the United Nations, call on signatory investors to integrate ESG issues into investment analysis and decision-making processes. Signatories report annually on their responsible investment activity. https://stpublic.blob.core.windows.net/pri-ra/2020/investor/public-tr/(merged)_public_transparency_report_cnp%20assurances_2020.pdf
Montreal Carbon Pledge	PRI initiative to measure and disclose the carbon footprint of investment portfolios. Signatories undertake to annually publish the carbon footprint of their portfolio on their website.
CDP	The *Carbon Disclosure Project* is an organisation calling on companies to publish a climate report for investors. CNP Assurances has answered this call since 2005 and has used CDP data in its investments since 2016. https://www.cdp.net/fr/responses?queries%5Bname%5D=cnp+assurances
Climate Action 100+	*Climate Action 100+* is an initiative aimed at encouraging the world's largest greenhouse gas emitters to take the necessary action on climate change. On behalf of signatory investors, it calls on companies to improve their climate change governance, reduce their emissions and improve their climate-related financial disclosures. CNP Assurances usually takes part in one or two *Climate Action 100+* dialogues each year.
Net Zero Asset Owner Alliance (NZAOA)	The *Net Zero Asset Owner Alliance* is a coalition of institutional investors committed to achieving the carbon neutrality of their investment portfolio by 2050. It is supported by UNEP FI (United Nations Environment Programme Finance Initiative). Signatories undertake to help build methodologies based on scientific scenarios limiting the rise in global temperature to +1.5 °C. They must set targets for end-2025 and every five years and publish their achievement rates. https://www.cnp.fr/cnp/content/download/9412/file/communiqu%c3 %a9 %20cnp%20assurances%20-%20objectifs%202025 %20nzaoa%20-%2001 %2002 %202021 %20vf.pdf
Institute of Sustainable Finance (formerly Finance for Tomorrow)	Paris financial centre initiative organising collaboration between members to strengthen and innovate in sustainable finance. CNP Assurances participates in working groups on natural capital and the just transition.
Tobacco Free Finance Pledge	Global initiative for the transition to tobacco-free investment portfolios. CNP Assurances excludes any new investment in the tobacco sector.
Task Force on Climate-related Financial Disclosures (TCFD)	The *Task Force on Climate-related Financial Disclosures* has issued recommendations for corporate disclosures on governance and initiatives taken to reduce their climate-related risks. The TCFD was created in 2015 by the G20 Financial Stability Board. TCFD supporters are committed to improving their disclosures and following these recommendations. CNP Assurances has supported the TCFD since 2020 and follows the TCFD recommendations in this report (see cross-reference table in section 4.4). https://www.fsb-tcfd.org/supporters/
Finance for Biodiversity Pledge	Signatories undertake to protect and restore biodiversity through their financing and investment activities. They must participate in efforts addressing impact assessments, and integrate biodiversity into ESG policy and shareholder engagement. In this document, CNP Assurances reports its contribution in 2022 to the various commitments of the *Finance for Biodiversity Pledge* (see table in section 1.G).
Investors for a Just Transition	The first global coalition of investors committed to the just transition launched by *Finance for Tomorrow*. The purpose of the coalition's shareholder engagement strategy is to encourage companies to integrate the social impacts of the transition to a low-carbon economy into their strategy.

1.A.3 Responsible investment in our products

CNP Assurances adopts a responsible investor approach:

- in euro-denominated vehicles through the integration of ESG criteria into its investment policy;
- in unit-linked vehicles through the integration of ESG criteria into its unit-linked listing policy.

Policyholders can explicitly express state their interest in giving meaning to their savings by choosing responsible, green or solidarity-based unit-linked products. In accordance with French regulations, these units of account are available to them in all policies currently being marketed by CNP Assurances.

1.A.3.1 Policyholder communication

General information

CNP Assurances provides the following information on its institutional website www.cnp.fr:

- the Group's annual CSR assessment;
- a brochure explaining how responsible savings work. It highlights CNP Assurances' responsible savings offers for the general public, the different types of green, responsible and solidarity-based unit-linked products,and the responsible investor approach implemented in the euro-denominated fund. The brochure also provides an explanation to the general public on the acronyms used (SRI, ESG, etc.) and the differences between the various sustainable finance certifications (SRI, Greenfin, Finansol).

Information provided when insurance contracts are taken out

In accordance with the SFDR, pre-contractual information has addressed the incorporation of sustainability since March 2021. For multi-vehicle life insurance policies, CNP Assurances provides pre-contractual information on investment vehicles promoting environmental or social characteristics (Article 8) or having a sustainable investment objective (Article 9) online at https://dic.cnp.fr.

Information over the life of the policy

To inform its policyholders about the integration of ESG criteria into its investment decisions, CNP Assurances provides annual information on the sustainability of their life insurance, retirement or endowment policy. Since the end of 2021, the annual status report has thus included a summary of the responsible investment policy as well as the SFDR classification of the product (Article 8 or 9 defined below).

For multi-vehicle life insurance policies, CNP Assurances provides the annual reports of investment vehicles promoting environmental or social characteristics (Article 8) or having a sustainable investment objective (Article 9) online at https://dic.cnp.fr. These reports include additional information on how the main adverse impacts on sustainability factors were taken into account during the past year, as well as the results of sustainable investment objectives where applicable.

1.A.3.2 Range of responsible unit-linked and euro-denominated vehicles

Euro funds

The lion's share of CNP Assurances' assets under management is euro-denominated, accounting for €192bn in AuM at end-2022.

CNP Assurances applies the responsible investment policy described in this report to its euro-denominated vehicles: exclusion policy, shareholder engagement policy and investment selection based on ESG criteria.

At end-2022, of CNP Assurances' AuM in euro-denominated products subject to the SFDR, 99.9% promote environmental or social characteristics (SFDR Article 8) and 0% have a sustainable investment objective (SFDR Article 9).

Unit-linked products

At end-2022, the unit-linked vehicles offered by CNP Assurances in its policies and having obtained sustainable finance certification represented €19bn, i.e. 60% of the assets of unit-linked vehicles in the form of funds. This level can be explained by both policyholder demand for responsible savings vehicles and by the efforts of asset managers, particularly LBPAM and Ostrum AM, to certify and integrate a responsible investment strategy into existing funds.

At end-2022, of CNP Assurances' AuM in unit-linked products subject to the SFDR, 65% promoted environmental or social characteristics (SFDR Article 8) and 8% had a sustainable investment objective (SFDR Article 9).

1.A.3.3 List of financial products mentioned under Article 8 and 9 of the Disclosure Regulation (SFDR)

Part I of the information resulting from the provisions of Article 29 of the Energy and Climate Act

Life insurance policies are considered to promote environmental or social characteristics (article 8 of the SFDR) if they offer at least one investment euro-denominated or unit-linked vehicle promoting environmental or social characteristics. In life insurance, this classification covers single-vehicle and multi-vehicle policies.

CNP Assurances has insurance policies classified as Article 8 within the meaning of the SFDR regulation, listed in the following table:

ACTIVAL	AIKIDO	AMPLI GRAIN 9
ASCENDO	ASSISTANT OBSÈQUES	ASSURDIX
ASSURDIX 2	ASSURECUREUIL	ASTER ONE
ASTER ONE CAPI	BON INVESTISSEMENTS PER	BON INVESTISSEMENT PER CE PARIS
BON INVESTISSEMENT ECUREUIL	BPE ÉMERAUDE	CACHEMIRE
CACHEMIRE 2	CACHEMIRE PATRIMOINE	CANOPIA
CANOPIA (MIG)	CANOPIA (NET)	CANOPIA CAPI
CANOPIA CAPI (MIG)	CAPECUREUIL	CAPEOR PREMIER
CAPI ONE SELECT	CAPIPOSTE	CAPIPOSTE 2
CAPIPOSTE 3	CARCEPT	CERTIVAL
CNP ONE	CNP ONE CAPI	CNP ONE VERTUO CAPI
CNP PATRIMOINE CAPI	CNP PATRIMOINE LIBERTÉ PLUS	CNP TRÉSOR GÉNÉRATIONS
CNP TRÉSOR PERFORMANCE	CNP TRÉSOR PROJETS	COMPLEA
COMPTA7	COMPTE SICAV PRÉVOYANCE ECUREUIL	EASYVIE
ECUREUIL PERFORMANCE GARANTIE	ECUREUIL PROJECT	ECUREUIL REVENUS GARANTIS
SAVINGS/PENSIONS	EPI	EXCELIS CAPITALISATION
EXCELIS VIE	EXCELIUS 1	EXCELIUS 2
EXCELIUS 3	EXCELIUS 4	EYDEN
EYDEN 2 CAPI	EYDEN 2 VIE	EYDEN CAPI
FIPAVIE SÉRÉNITÉ	FIPAVIE SÉRÉNITÉ CAPI	FLORIVAL
GARANTIE RETRAITE ECUREUIL	GARANTIE RETRAITE ECUREUIL EURO	GMO
INITIATIVES PLUS	INITIATIVES TRANSMISSION	LIVRET ASSURANCE VIE
MULTISUPPORTS CNP	MUTUELLES	NUANCES
NUANCES 2	NUANCES 3D	NUANCES CAPI

NUANCES GRENADINE	NUANCES PLUS	NUANCES PRIVILÈGE
OCEOR ÉVOLUTION	OCEOR HARMONIE	OCEOR VITALITÉ
OPTIVAL	OPTIVIE	PALATINE DIMENSIONS
PATRIMONIO CRESCENTE	PEA CAPI	PEP ECUREUIL PRÉVOYANCE
PEP ECUREUIL RETRAITE	PEP ÉVOLUTION	PEP POSTE
PEP POSTE PLENAVENIR	PEP POSTE PRIME UNIQUE	PEP TRANSMISSION
PER	PERSPECTIVE CAPI	PERSPECTIVE VIE GÉNÉRATION
PERSPECTIVES ECUREUIL	PERSPECTIVES ECUREUIL RETRAITE CE PARIS	PFR1
PLEIN TEMPS	PLEIN TEMPS PER	PLURIVAL
POINTS RETRAITE ECUREUIL	POINTS RETRAITE PROFESSIONNEL	POSTE AVENIR
PPC	PREFON SAVINGS	PRÉFON PEP
PRÉFON UC	QUIÉTUDE AUTONOMIE	RENTE DIFFÉRÉE 015
RENTE DIFFÉRÉE 315	SUPPLEMENTARY PENSION	RICOCHET
SAINT HONORÉ INNOVATION	SAINT HONORÉ INNOVATION CAPI	SATINIUM CAPITALISATION
SATINIUM VIE	SELECTION CINTO	SELECTION CINTO CAPI
SELEXANCE 1818 / IXIS EXCELLENCE	SELEXIO	SG INNOVATION CAPI
SG INNOVATION VIE	SOLESIO VIE	TOSCANE VIE
TRANSTLANTIQUE CAPI PATRIMOINE	TRANSTLANTIQUE VIE PATRIMOINE	TRÉSOR CAPITALISATION
TRÉSOR ÉPARGNE	TRÉSOR ÉPARGNE CAPITALISATION	TRÉSOR ÉPARGNE INDIVIDUEL
TRÉSOR PATRIMOINE CAPI	TRÉSOR PRÉVOYANCE ASSURAVIE 3	TRÉSOR PRÉVOYANCE GARANTIE OBSÈQUES 2
TRÉSOR VIE	TRÉSOR VIE PROFESSIONNELS	VALORYS
VEGA PATRIMOINE	VIAGERYS	VIE ONE SELECT
VIVACCIO	YOGA	

CNP Assurances does not have life insurance policies classified as Article 9 within the meaning of the SFDR.

In its life insurance policies, CNP Assurances offers nearly 2,000 euro funds and units of account classified as Article 8 or 9 within the meaning of the SFDR. The ranking of all these funds is available at https://dic.cnp.fr. The table below lists the ten largest funds in terms of assets under management at end-2022 in each category. Note that no euro fund is classified as Article 9.

Euro fund Article 8	Unit of account Article 8	Unit of account Article 9
CACHEMIRE 2 EUROS	VIVACCIO ISR ACTIONS	LBPAM ISR ACTIONS ENVIRONNEMENT D
GMO EUROS	LBPAM ISR DIVERSIFIÉ R	EPARGNE FONCIERE
ASSUR EURO	LBP IMMO DIVERSIFICATION ISR B	LBPAM ISR ACTIONS EURO D
NUANCES SECURITE	DNCA SRI EURO QUALITY R(D)	MIROVA EUROPE ENVIRONNEMENT D
CACHEMIRE EUROS	LBPAM ISR DIVERSIFIE PLUS R	SCPI PRIMOPIERRE
INITIATIVES TRANSMISSION	LBPAM ISR ACTIONS FOCUS FRANCE R	FEDERIS ISR EURO L
VIVACCIO EUROS	LBPAM ISR ACTIONS DIVERSIFIE A	MIROVA EMPLOI FRANCE D
ASCENDO EUROS	TONI ACTIONS ISR 100 R	CARMIGNAC INVESTISSEMENT E EUR
PRIVILEGE SECURITE	LBPAM ISR ACTIONS US R	LBPAM ISR ACTIONS SOLIDAIRE C
POSTE AVENIR	LBPAM ISR ACTIONS FOCUS EURO R	MIROVA EUROPE ENVIRONNEMENT C

1.B Internal resources implemented by the entity

Internal resources

In 2022, 18.6 FTEs* were assigned to sustainable finance at CNP Assurances. They are divided between the CSR division, the Investment division and the Risk division. In addition, under the asset management mandate between CNP Assurances and Ostrum AM, 17 FTEs are dedicated to sustainable finance at Ostrum AM.

The budget allocated by CNP Assurances to ESG services, research and data, particularly climate and biodiversity, was €3.1m in 2022.

Training

The network of SRI correspondents has been expanded in the Investment division since 2019. These employees are called upon and associated with working groups carrying out studies on regulatory changes (taxonomy, biodiversity), metrics (carbon sinks in forests), climate-related risks and their impacts on the portfolio (physical risks).

In 2020, more than 50% of employees in the Investment division and the Engineering and Wealth Management division, in charge of financial planning for unit-linked products, were trained in sustainable finance and climate issues.

In 2021, sustainable finance training was offered to all employees. 2,487 employees, i.e. 75% of the workforce, received this training. The programme focused on sustainable development issues, consumer and investor expectations in terms of sustainable development, and the fundamentals of finance.

In addition, workshops on the Fresque du Climat have been organised since end-2021 for 145 employees of CNP Assurances. Based on collective intelligence, these workshops aim to help understand the causes and consequences of climate change by interacting with a small group.

In accordance with the SFDR, which informs clients about the integration of ESG criteria in the investment policy for their contract, advisors from the Amétis network (CNP Assurances employee network) received special sustainable financial training in 2021: exclusions, sustainability risks, product certifications.

1.C Policy on integrating environmental, social and governance quality criteria relative to the entity's governance

1.C.1 Governance of our responsible investment strategy

The responsible investment strategy is established along with the investment strategy approved by senior management and the Board of Directors.

Responsible investment governance is implemented to enable the Board, senior management, the relevant committees and the investment teams to integrate ESG issues into decision-making and business processes.

01 SUPERVISION

Board of Directors chaired by an independent director and including a director in charge of CSR issues

Audit and Risk Committee chaired by an independent director and including a director in charge of CSR issues

02 MANAGEMENT

Chief Executive Officer

Executive Committee

Strategic Allocation Committee chaired by the CEO

Investment Committee chaired by the Deputy CEO

03 OPERATIONAL OVERSIGHT

CSR division reporting to the Strategic Transformation division

Climate and Biodiversity Risk Committee Risk division, Investment division, CSR division and Technical division

External SRI Committee Investment division, Risk division, Investment division, CSR division and asset management companies

External Portfolio Management Committee Investment division, asset management companies

1.C.1.1 Supervision

In 2022, the Board of Directors of CNP Assurances and its specialised committees worked actively on sustainability issues, placing the CSR strategy at the heart of their work throughout the year through significant actions and decisions:

- approval of the objectives and KPIs used to implement the corporate mission of CNP Assurances operationally, with a mid-year review (January and September 2022);
- special due diligence in the area of CSR entrusted to a director (February 2022);
- monitoring of CSR issues and risks for the CNP Assurances Group, in particular the climate strategy (February 2022);
- integration of sustainability criteria in the CNP Assurances Group's remuneration policy (February 2022);
- training on new sustainable finance regulations applicable to the CNP Assurances Group (April 2022);
- monitoring of ESG criteria within the CNP Assurances Group's risk appetite framework (May and December 2022);
- approval of the investment policy, including the integration of ESG criteria in investment decisions (December 2022).

In accordance with the ACPR's recommendations on climate risk governance, the Board of Directors, the Executive Committee and the key functions have been informed of and trained on issues and risks related to climate change. Within the Executive Committee, the Head of Strategic Transformation is in charge of monitoring climate-change risks.

CNP Assurances has implemented a risk management policy that is incorporated in the Group's decision-making processes. The strategic priorities for risk management are decided by the Board of Directors based on the contributions of its Audit and Risk Committee. The Board of Directors reviews how ESG criteria are included in asset management as part of its annual review of the investment strategy.

Internal Rules of the Board of Directors

The internal rules of the Board of Directors state that it must take into consideration the social and environmental impacts of its activities, which requires the Board to exercise its duty of supervision over these matters. It is informed of market developments, the competitive environment and the main challenges facing the company, including in the area of social and environmental responsibility (CSR). Each year, the Board of Directors reviews the company's management report, containing in particular the non-financial performance statement, which presents information on how CNP Assurances addresses the social and environmental consequences of its activities.

The Board of Directors may assign a specific CSR due diligence assignment to one of its members, ensuring that the Company's core purpose as set out in its Articles of Association as well as the social and environmental impacts of its activities, are addressed by the General Management and the Board of Directors, particularly in the decisions they make.

In order to carry out this specific assignment, the member in question may speak with the Company's operational or functional managers, who are in charge of the main social and environmental issues and risks faced by the CNP Assurances Group.

In addition, the Audit and Risk Committee is tasked with monitoring the identification of social and environmental risks, which are covered in a special annual presentation.

The responsible investment strategy, its objectives and its implementation are presented to the Board of Directors and the Audit and Risk Committee once a year.

Supervision of climate-related issues

TCFD
Governance

The Group's climate strategy is subject to approval by the Chief Executive Officer, then the Board of Directors.

Climate-related issues and a summary of the work done by the Climate and Biodiversity Risk Committee are presented once a year to the Board of Directors and the Audit and Risk Committee of CNP Assurances when they review the Group's CSR approach and the non-financial performance statement. In particular, the commitments made to combat global warming are presented, enabling CNP Assurances' governance bodies to monitor the action taken and the level of achievement relating to these commitments. In July 2021, the Audit and Risk Committee approved the integration of climate risk into the CNP Assurances *Risk Appetite Statement* .

Knowledge and expertise of governance bodies

An assessment of the Board of Directors' collective expertise in terms of integration of ESG issues in the investment activity was carried out in early 2022. The Board of Directors' collective expertise was assessed at 80.4% *.

In addition, the Executive Committee and the Audit and Risk Committee of CNP Assurances received training on climate-related risk in 2019 and the Board of Directors of CNP Assurances received training in 2020.

1.C.1.2 Management

The Chief Executive Officer is responsible for the operational and effective implementation of the responsible investment processes. The CEO is assisted by the Chief Investment Officer, a member of the Executive Committee, who supervises the organisation of the responsible investment strategy and ensures its implementation.

The Corporate Social Responsibility (CSR) division of CNP Assurances reports to the Strategic Transformation division. The Head of CSR reports to the Chief Executive Officer and the Board of Directors on the main ESG issues and risks and the implementation of the Group's CSR approach.

The SRI department of CNP Assurances reports to the Chief Investment Officer of CNP Assurances.

The CSR division and SRI department draft the Group's responsible investment policy and ensure the integration of ESG criteria in asset management.

A review of the responsible investment strategy is presented annually to the Strategic Allocation Committee, chaired by the Chief Executive Officer, which is responsible for setting guidelines for the strategic investment allocation. This committee validates proposals for changes to the responsible investment strategy.

The Investment Committee decides on investments. It is chaired by the Chief Executive Officer or the Deputy Chief Executive Officer. It observes the risk-taking process and is assisted by the Group Risk division.

This committee ensures that non-financial criteria are incorporated in the decision-making process.

Accordingly, through the various mechanisms implemented, ESG management is highly integrated into the operational management and investment processes.

Oversight of the assessment and management of climate-related and biodiversity risks

TCFD
Governance

The CSR division oversees climate-related and biodiversity issues at Group level. To that end, it relies on the Climate Risk Committee, which CNP Assurances Group set up in early 2019. This committee was expanded in 2021 to include biodiversity-related risks. The committee oversees the actions implemented to integrate the risks related to climate change and biodiversity loss across all business areas, including investment, insurance and internal operations.

In addition to the Investment division and CSR division, the Climate and Biodiversity Risk Committee benefits from the expertise of the Group Risk division, Technical and Innovation division, and actuarial function. The sharing of information (monitoring of industry-wide projects, regulatory watch, stakeholder expectations, commitments) at this quarterly committee encourages interaction and exchanges between the various operational functions:

- the Investment division is responsible for the investment portfolio;
- the actuarial function is responsible for assessing technical provisions and supervising underwriting;
- the Group Risk division is responsible for the measurement and cross-functional management of risks. It assesses the impact on solvency and oversees work on climate *stress tests*.

The Climate and Biodiversity Risk Committee's roadmap sets out actions for the company's various activities, such as risk mapping and measurement, and adjustments to the strategy to reduce risks. Progress in terms of the roadmap is monitored during committee meetings and regularly supplemented with new action.

CNP Assurances' Climate and Biodiversity Risk Committee met four times in 2022. In addition to monitoring climate and biodiversity issues, it addressed the following points:

- the European Union's Sustainable Finance Action Plan, including the implementation of the Taxonomy Regulation;
- collaboration with the ACPR on the climate *stress test* exercise;
- mapping of CNP Assurances' climate-related risks in liabilities;
- CNP Assurances' participation in the work of the *Net-Zero Asset Owner Alliance*;
- new fossil fuel and biodiversity targets;
- the assessment of shareholder engagement, including the positions on climate resolutions at general meetings.

1.C.1.3 Operational oversight

A network of operational staff

Within the Investment division, the SRI department and a network of correspondents for each asset class implement the investment strategy. They deploy the strategy with partner asset management companies that hold investment mandates for the various asset classes (equities, bonds, real estate, woodland).

The Group Risk division performs *ex-post* controls on the proper application of exclusion rules in asset portfolios.

The CSR division develops and applies CNP Assurances' engagement and voting policy. It is responsible for exercising voting rights at general meetings and for shareholder engagement. The voting policy is presented to the Board of Directors and the voting decisions proposed by the CSR division for each general meeting are validated by the Investment division.

The Climate and Biodiversity Risk Committee comprises all CNP Assurances stakeholders focusing on climate and biodiversity risk to share regulatory news and marketplace initiatives, and to monitor the climate roadmap conducted by the entire company. It is described in C.1.2.

In addition, the Investment division has set up a green finance reporting process to measure and inform internal stakeholders on the progress achieved on key climate indicators.

Portfolio management delegated to asset managers with oversight by CNP Assurances

External portfolio management committees support CNP Assurances' Investment division in overseeing tactical asset management. CNP Assurances asset managers report on non-financial portfolio management.

For the management of listed assets, the Investment division oversees the mandate's ESG processes with Ostrum AM. drawing on the expertise of its own SRI analysts. On a quarterly basis, it informs the external SRI Committee of portfolio ESG ratings, sector developments and challenges, and securities at risk.

For the management of real estate assets, CNP Assurances selects portfolio management mandates with ESG criteria: real estate management mandates require the asset manager to apply strict ESG criteria. Accordingly, the asset manager must comply with the mandate clause governing the socially responsible investment approach. If the asset manager does not undertake to do so, it may not enter into a contract with CNP Assurances.

1.C.2 Remuneration

CNP Assurances has published information since March 2021 on how remuneration policies are consistent with the integration of sustainability risks, in accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Employee remuneration is aligned with CNP Assurances sustainability challenges at several levels.

Individual variable remuneration of members of the CNP Assurances Executive Committee

The criteria for determining the individual variable remuneration of Executive Committee members include a balance between financial criteria and sustainability criteria. Sustainability criteria refer to:

- either the core purpose of CNP Assurances and the commitments made to its various stakeholders (clients, partners, employees, shareholders, society, planet);
- or environmental, social or material governance issues that are significant for CNP Assurances.

Individual variable remuneration of CNP Assurances risk takers

CNP Assurances' remuneration policy aims to ensure sound and effective risk management for all types of risks (financial risks, operational risks, sustainability risks, etc.), in particular by providing that a significant portion of the variable remuneration paid to employees whose activity has a significant impact on the company's risk profile is flexible, deferred and adjustable.

Collective variable remuneration of all CNP Assurances employees

The criteria for determining collective variable remuneration include a balance between financial criteria and sustainability criteria. Sustainability criteria refer to:

- either the core purpose of CNP Assurances and the commitments made to its various stakeholders (clients, partners, employees, shareholders, society, planet);
- or environmental, social or material governance issues that are significant for CNP Assurances.

At the Investment division, the variable remuneration of over 30 employees is calculated using an objective linked to responsible investment.

The remuneration of Amétis advisors includes a fixed portion and a variable portion. The variable portion is not linked to the sale of any specific contracts or investment vehicles. As for CNP Assurances' other contracts or investment vehicles, the AMETIS network's investment contracts or vehicles promoting environmental or social characteristics or with a sustainable investment objective are proposed in the client's interest.

In 2022, CNP Assurances signed a new incentive agreement based on CSR criteria with three representative trade unions. This scheme establishes a clear link between each employee's contribution and the company's performance. In 2019, for the first time, the proportion of investments managed with an ESG criterion, a key indicator of the responsible investment strategy, was included in the incentive criteria. In 2021, the percentage of employees who completed sustainable finance training was included in the incentive criteria. In 2022, an incentive indicator was introduced to encourage employees to contribute to the reduction of greenhouse gas emissions generated by the company's internal operations.

1.D Engagement strategy with issuers or management companies and its implementation

CNP Assurances' shareholder engagement policy is one of the pillars of the responsible investment approach.

CNP Assurances' shareholder engagement is reflected in:

- voting at general meetings;
- dialogue with companies.

In accordance with the provisions of the PACTE Act, CNP Assurances publishes details of its shareholder engagement policy, which covers both the voting policy and dialogue with companies, online at www.cnp.fr.

1.D.1 Voting at general meetings

As a responsible investor holding an equity portfolio with a market value of €13bn (i.e. 4% of total investments), CNP Assurances leads an active voting policy at the general meetings of listed companies in which it is a shareholder, via euro-denominated portfolios including equity for all its activities in France.

The principles set out in the voting policy aim not only to defend CNP Assurances' rights as a minority shareholder, but also to promote companies' sustainable development by supporting growth strategies that take into account their impacts on all stakeholders (clients, employees, suppliers, the environment, etc.).

In 2022, CNP Assurances voted at 103 * general meetings held by 102 * companies operating in 11 countries. These companies account for 97% * of the assets under management in CNP Assurances' directly-owned equity portfolio.

More specifically, CNP Assurances voted at:

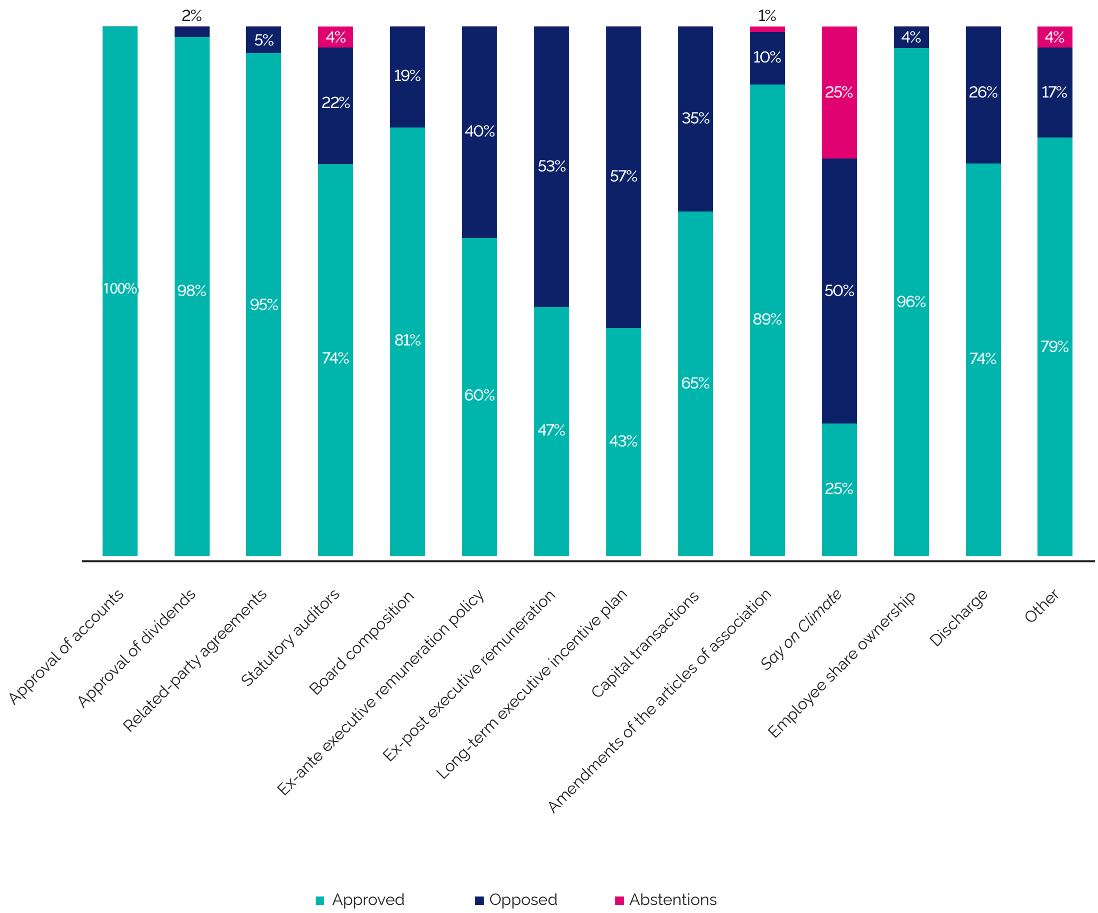
- 49 * general meetings of 49 * French companies;
- 54 * general meetings of 53 * European companies outside France.

CNP Assurances analysed 2,003 * resolutions:

- CNP Assurances approved 1,463 * resolutions, i.e. 73.0% * of the proposed resolutions;
- CNP Assurances opposed 530 * resolutions, i.e. 26.5% * of the resolutions proposed;
- CNP Assurances abstained on 10 * resolutions (1 abstention and 9 do not vote), i.e. 0.5% * of the resolutions proposed.

Coverage	Analysis
97% * of AuM	2,003 * resolutions
11 * countries	103 * general meetings
102 * companies	

DISTRIBUTION OF VOTES CAST BY CNP ASSURANCES *



Details of the votes cast by CNP Assurances are available in the minutes of the shareholder engagement policy online at cnp.fr.

The main sustainability factors addressed in the exercise of voting rights are detailed in section 2.D.

1.D.2 Dialogue with companies and *asset managers*

CNP Assurances engages with the companies in which it is a direct shareholder or creditor, as well as with the asset management companies in which it invests in open-ended funds. The scope covers CNP Assurances' euro-denominated portfolios, i.e. €103bn in market value, corresponding to 36% of total investments.

Dialogue requires an in-depth analysis of each company's ESG issues and risks, and in 2022 it was focused on the most relevant companies in terms of level of sustainability risk or adverse impacts on sustainability factors.

By promoting direct dialogue with these companies, CNP Assurances pursues the following objectives (see details in the shareholder engagement policy published on cnp.fr):

- support CNP Assurances' climate and biodiversity strategy by encouraging companies and *asset managers* to implement ambitious decisions to combat and adapt to climate change, publish their greenhouse gas (GHG) emissions and communicate relevant information on climate-change risks, support employees in the transition and loss of biodiversity to which they are exposed;
- improve the governance of companies for which CNP Assurances has the most opposing votes at general meetings.

In 2022, CNP Assurances:

- conducted 11 * bilateral dialogues with nine companies (two of which conducted by Ostrum at the request of CNP Assurances);
- conducted two * bilateral dialogues with two asset managers;
- sent letters to 11 * companies asking them to halt the development of new projects on the exploration or production of oil or fossil gas and inform them of the exclusion of their shares in new investments;

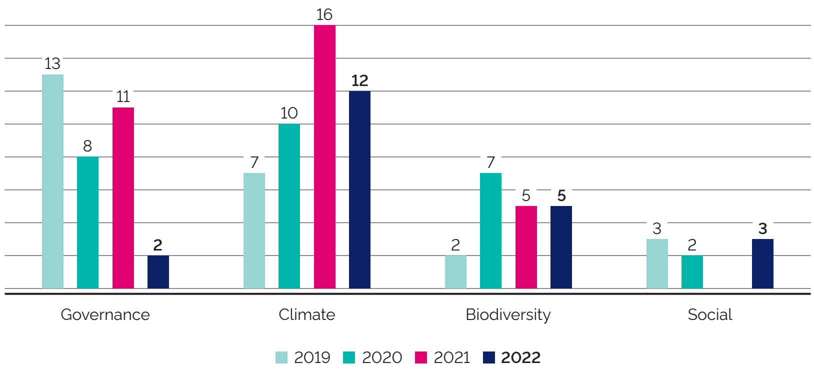
- sent letters to the 21 * companies with the highest greenhouse gas emissions in the directly held equity portfolio ahead of the voting campaign to encourage them to submit a *Say on Climate* resolution and specify to them the criteria enabling us to support this resolution;
- sent letters to four * companies to explain the reasons for the votes cast at the general meeting;
- supported two * collaborative campaigns with companies on the reduction of their greenhouse gas emissions and two other campaigns with governments to implement more ambitious policies to combat climate change and protect biodiversity;
- participated in two * collaborative dialogues with companies in the automotive and energy sectors *via* the *Investor for a Just Transition* initiative.

In 2022, dialogues with companies covered around 8% * of assets under management (equities, bonds, direct infrastructure) and 41% * of the GHG emissions of directly held securities (equities, corporate bonds and infrastructure).

Details of the dialogues and their results are published in the 2022 shareholder engagement policy report.

As part of the 11 bilateral dialogues, climate issues were addressed in 92% * of cases, biodiversity in 23% * of cases, social issues in 23% * of cases, and governance topics in 15% * of cases.

SUBJECTS ADDRESSED IN DIALOGUES WITH COMPANIES AND *ASSET MANAGERS* (NUMBER *)



1.E European Taxonomy and fossil fuels

1.E.1 European Taxonomy

The Taxonomy Regulation (EU) 2020/852 of 18 June 2020 sets out the criteria for determining whether an economic activity is considered environmentally sustainable. According to this regulation, the following constitute environmental objectives:

1. climate change adaptation;
2. climate change mitigation;
3. sustainable use and protection of aquatic and marine resources;
4. the transition to a circular economy;
5. pollution prevention and reduction;
6. the protection and restoration of biodiversity and ecosystems.

For 2022, only the first two environmental objectives apply.

An economic activity is considered environmentally sustainable or aligned with the Taxonomy if said activity:

- is eligible for the Taxonomy, i.e. mentioned in the delegated acts of the Taxonomy regulation;
- contributes substantially to one or more of the environmental objectives;
- does not cause significant harm to any of the environmental objectives;
- is exercised in accordance with certain minimum guarantees;
- complies with the technical criteria of the delegated acts of the Taxonomy regulation.

As of 2023, this information on the activities eligible for the Taxonomy will be supplemented by information on activities aligned with the Taxonomy.

CNP Assurances has made its best efforts to publish information on the Taxonomy regulation based on existing regulatory texts and on dialogue with other insurance companies with a view to sharing the interpretation of the texts.

Investment indicators cover environmental objectives for climate change adaptation and mitigation. They cover the scope of CNP Assurances' euro and unit-linked portfolios and are based on the following methodology:

- outstanding investments correspond to insurance business investments net of derivative liabilities and cash, plus unrealised capital gains on investment property and securities classified as *held-to-maturity* (HTM);
- sovereign bonds, including green or sustainable bonds, are not considered eligible for the Taxonomy;

- the list of companies required or not required to publish non-financial information is provided by ISS ESG based on the characteristics of companies (European, listed, public-interest, number of employees, revenue, balance sheet);
- for the sake of simplicity, companies held by the CNP Assurances Group *via* unlisted assets (infrastructure funds, *private equity*funds) are assumed to not be required to publish non-financial information.

In accordance with Article 8(4) of Delegated Regulation (EU) 2021/2178 of 6 July 2021, indicators relating to investments in economic activities eligible for the Taxonomy must be based on the most recent information published by counterparties.

The regulatory reporting published below is based on the data published by companies and underpinned by the following principles:

- buildings and forests held by CNP Assurances for operating or investment purposes are considered eligible for the Taxonomy as economic activities specified in 1 and 7 of Appendices I and II respectively of the delegated acts of the Taxonomy regulation,
- equities and bonds, held directly or *via* funds, of companies required to publish non-financial information, consistent with the percentage of their revenue or investment expenditure corresponding to economic activities eligible for the Taxonomy, are considered eligible for the Taxonomy. These percentages are published by companies and collected by the ISS ESG data provider without any estimate;
- equities and bonds, held directly or *via* funds, of companies required to publish non-financial information, consistent with the percentage of their revenue or capital expenditure corresponding to economic activities not eligible for the Taxonomy, are considered ineligible for the Taxonomy. These percentages are published by companies and collected by the ISS ESG data provider without any estimate;
- at this stage and given the limited information on the Taxonomy regulation published by companies, green or sustainable corporate bonds are not treated differently from other corporate bonds.

The share of outstanding investments in economic activities eligible for the Taxonomy is published according to two methods in accordance with Delegated Regulation (EU) 2021/2178 of 6 July 2021:

- by weighting the assets invested in equities and corporate bonds by the percentage of their revenue corresponding to economic activities eligible for the Taxonomy (revenue base);
- by weighting the assets invested in equities and corporate bonds by the percentage of their capital expenditure corresponding to economic activities eligible for the Taxonomy (capital expenditure base).

Eligibility ratios are calculated on the basis of total investments.

	Regulatory ratio (mandatory) based on counterparty publications (revenue base)	Regulatory ratio (mandatory) based on counterparty publications (capex base)	Scope
Share of total assets of exposures to economic activities eligible for the Taxonomy	10.2%	11.9%	CNP Assurances
Share of total assets of exposures to economic activities not eligible for the Taxonomy	16.0%	14.3%	CNP Assurances
Share of total assets of exposures to central governments, central banks or supranational issuers	35.9%	35.9%	CNP Assurances
Share of total assets of derivatives	0.8%	0.8%	CNP Assurances
Share of total assets of exposures to corporates not required to disclose non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU	33.3%	33.3%	CNP Assurances
Unallocated assets[1]	3.8%	3.8%	CNP Assurances
TOTAL	**100.0%**	**100.0%**	**CNP ASSURANCES**

(1) Unallocated assets correspond to investments for which CNP Assurances does not have published and sufficiently precise data to allocate them to the various categories in the table, in particular
a) equities and bonds, held directly or via funds, of companies required to publish non-financial information but whose data has not been published or has not been collected by the ISS ESG data provider
b) non-look-through funds.

1.E.2 Sector policy and coal exposure

Exclusion policy

CNP Assurances has implemented a policy to reduce its exposure to thermal coal in its financial portfolios since 2015, in accordance with the recommendations of the French Insurance Federation and the Paris Financial Market Declaration on 2 July 2019.

In an effort to go even further and align with a scenario[1] compatible with global warming limited to 1.5 °C, in 2020 CNP Assurances undertook to achieve zero exposure to thermal coal in its investment portfolio by 2030 in EU and OECD countries, and by 2040 in the rest of the world.

CNP Assurances is accelerating its withdrawal from thermal coal each year *through* an exclusion and dialogue policy:

- since 2015, it has gradually implemented a thermal coal exclusion policy by regularly revising the exclusion criteria. CNP Assurances has completely divested companies earning more than 20% of their revenue from thermal coal and thus excludes any new investments in companies:
  - deriving more than 5% of their revenue from thermal coal related activities,
  - having thermal coal-fired electricity generation capacity exceeding 5 GW,
  - producing over 10 million metric tons of thermal coal a year,
  - developing new coal plants, coal mines or infrastructure contributing to the use of thermal coal,
  - or not having adopted a plan to exit thermal coal by 2030 in European Union and OECD countries and by 2040 in the rest of the world;
- in addition, in 2020 and 2021, CNP Assurances asked all directly-owned companies to publish by end-2021 a thermal coal exit plan by 2030 in EU and OECD countries, and by 2040 in the rest of the world. 21 letters were sent in 2020 and 10 in 2021 with a response rate of 90% over both years.

The following chart shows the results of letters sent to companies in 2020 and 2021:

COAL EXIT PLANS FOR DIRECTLY OWNED COMPANIES AT END-2021

After two years of dialogue between CNP Assurances and the 18 * directly owned companies, the situation at end-2021 was as follows:

- 14 companies had published a thermal coal exit plan by 2030/2040, an improvement compared to end-2019 (nine companies);
- two companies had published an inadequate thermal coal exit plan (based on our expectations), an improvement compared to end-2019 (five companies);
- two companies had not published a thermal coal exit plan, an improvement compared to end-2019 (four companies).

At end-2021, the four companies still failing to meet CNP Assurances' expectations were excluded from new investments. At the request of CNP Assurances, Ostrum AM pursued dialogue in 2022 with the two remaining companies with no exit plan. One of the companies finally provided for an exit plan, though the latter remains insufficient, and the shares of the second company were sold.

By combining these actions, CNP Assurances is contributing to the gradual withdrawal from the coal sector. CNP Assurances' commitment corresponds to a scenario compatible with global warming limited to 1.5 °C, as developed by *Climate Analytics*: end of coal activity by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

(1) Developed by Climate Analytics.

Sector exposure

At end-2022, CNP Assurances' direct exposure to thermal coal through euro-denominated portfolios was estimated at €24m (i.e. 0.01% of total investments), down nearly half compared with 2021. The calculation covers directly held equities and corporate bonds, which account for 36% of CNP Assurances' investments. CNP Assurances measures exposure to these direct investments by covering the entire value chain and weighting the exposure to each company by the share of revenue linked to thermal coal.

The methodology differs from the indicator of the principal adverse impacts of fossil fuels (PAI see 3.B.1), which considers the entire activity of companies and not just the share related to thermal coal. In addition, the PAI indicator is measured for equities and bonds held directly and through funds and accounts for all fossil fuels, including oil and gas.

1.E.3 Sector policy and oil and gas exposure

Exclusion policy

In February 2021, CNP Assurances adopted its first oil and gas sector policy, based on an exclusion policy for non-conventional fossil fuels and a shareholder engagement policy. In February 2022, and to incorporate the IEA's 1.5 °C scenario[1], CNP Assurances strengthened this policy by extending it to the exploration and production of conventional fossil fuels.

CNP Assurances now excludes any new investment in the following activities:

- Producing companies:
  - direct investments in a company in the oil and gas sector that develops new oil or fossil fuel gas exploration or production projects (conventional or unconventional);
  - direct investments in sector companies (exploration, drilling, extraction, processing, refining) deriving more than 10% of their revenue from unconventional fossil fuels (oil sands, shale oil and gas, oil and gas from the Arctic region);
  - nevertheless, to support companies in their transition to a low-carbon economy, CNP Assurances may continue to directly invest in sector companies *through* a subsidiary dedicated exclusively to developing renewable energies or *through* a green bond enabling the funds raised to be channelled into the development of renewable energies.
- Infrastructure:
  - investments dedicated to a new oil or fossil fuel gas exploration or production project (conventional or unconventional);
  - investments dedicated to a *greenfield* or *brownfield* infrastructure dedicated to unconventional fossil fuels;
  - investments dedicated to a *greenfield* oil infrastructure.

Sector exposure

CNP Assurances measures this direct and indirect exposure to euro and unit-linked portfolios, covering the entire value chain and weighting the exposure to each company by the share of revenue related to oil or gas. This percentage corresponds to NACE 4, taken from company publications or estimates collected by service provider Sequantis for listed companies or by asset management companies for funds holding unlisted securities. The distinction between fossil fuel gas and low-carbon gas (biomethane, gas with CO_2 capture, hydrogen, etc.) is not available.

At end-2022, CNP Assurances' direct and indirect exposure to oil and gas in euro and unit-linked portfolios was estimated at €7,549m (2.4% of total investments). The calculation covers equities and corporate bonds held directly and indirectly for which data is available, accounting for 34% of CNP Assurances investments.

The methodology differs from the fossil fuel PAI (3.B.1), which considers the entire activity of companies and not just the share of oil and gas activity. In addition, the PAI indicator is measured for equities and bonds held directly and through funds, but includes all fossil fuels, including coal.

(1) *Net Zero by 2050, A Roadmap for the Global Energy Sector (2021).*

1.F Strategy on aligning with the international objectives of Articles 2 and 4 of the Paris Agreement on the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are fully made on French territory, its national low-carbon strategy referred to in Article L.222-1 B of the French Environmental Code

TCFD **Strategy**

TCFD **Indicators and targets**

1.F.1 Commitment to become carbon neutral by 2050

In 2019, CNP Assurances joined the *Net Zero Asset Owner Alliance*, and committed to making its investment portfolio carbon-neutral by 2050.

Launched in September 2019 at the United Nations Climate Action Summit, the *Net Zero Asset Owner Alliance* comprises 86 institutional investors with a total of $11,000bn in investments, committed to making their investment portfolios carbon neutral by 2050. By targeting the transition of their portfolios to net zero greenhouse gas emissions by this date, the members of the Alliance wish to help limit global warming to 1.5 °C in line with the Paris Agreement.

The Alliance aims to bring together a large number of institutional investors in order to quickly achieve critical mass and thus play a key role in decarbonising the global economy and investing in climate resilience.

As part of this long-term commitment, CNP Assurances and the other members of the Alliance will take into account advances in available scientific knowledge, particularly the conclusions of the IPCC, and will regularly report on the progress made by setting interim objectives every five years to 2050.

Joining the Alliance involves implementing three action levers: regularly measuring the investment portfolio's alignment with the Paris Agreement and publishing the progress made, engaging with companies to ensure they are also targeting carbon neutrality, and calling for public policies that promote the transition to a decarbonised economy.

After consulting stakeholders in October 2020, the *Net Zero Asset Owner Alliance* published its first target-setting protocol in January 2021. The protocol defines the way in which Alliance members must set an initial series of climate targets up to 2025 and aligned with current scientific knowledge. In the coming years, the Alliance plans to continue to improve this protocol to increase its coverage and take into account progress in available scientific knowledge, including in particular the findings of the IPCC. Accordingly, targets for 2030 will be set in 2025.

In February 2021, CNP Assurances committed to the following quantitative targets, which extend the significant efforts already made over the past five years:

- reduce the carbon footprint (Scopes 1 and 2) of its directly-owned equity and corporate bond portfolio by an additional 25% * between 2019 and 2024, i.e. a target of 60 kgCO_2eq * per €k invested by end-2024 vs. 80 kgCO_2eq * per €k invested at end-2019. The target of reducing the carbon footprint by 25% * over five years is in line with the IPCC's 1.5 °C temperature rise trajectories; the scope was expanded in 2022 to include directly owned infrastructure.
- reduce the carbon footprint (Scopes 1 and 2) of its directly held real estate portfolio by a further 10%* between 2019 and 2024, i.e. a target of 17 kg_{CO2}eq/m^2 * by end-2024 vs. 19 kg CO_2eq/m^{2*} at end-2019. The target of 17 kgCO_2eq/m^2 * by end-2024 is in line with the 1.5° C trajectory of the *Carbon Risk Real Estate Monitor* (CRREM), taking into account the type and geographical location of the properties owned by CNP Assurances;
- reduce the carbon intensity (Scopes 1 and 2) of electricity producers in which CNP Assurances is a direct shareholder or creditor by 17%* between 2019 and 2024, i.e. a target of 216 kgCO_2eq/MWh * by end-2024 vs. 259 kgCO_2eq/MWh * at end-2019. The target of 216 kgCO_2eq/MWh * by end-2024 is consistent with the 1.5°C trajectory of the *One-Earth Climate Model* (OECM), taking into account the geographical location of directly owned electricity producers;
- engage with eight* companies (six* directly and two * *via* a collaborative initiative) and two * *asset managers* to encourage them to adopt a strategy aligned with a 1.5 °C scenario by 2024, i.e. committing to carbon neutrality by 2050 and setting intermediate targets aligned with current scientific knowledge. The scope was expanded in 2022 to include an infrastructure fund *asset manager*.

CNP Assurance publishes the level of achievement of these targets each year:

Target achievement rate	2020	2021	2022
Target to reduce the carbon footprint of the directly held equity, corporate bond and infrastructure[(1)] portfolio by 25% between 2019 and 2024	65% *	125% *	196% *
Target to reduce the carbon footprint of the directly held real estate portfolio by 10% between 2019 and 2024	58% *	100% *	150% *
Target to reduce the carbon intensity of directly held electricity producers by 17% between 2019 and 2024	172% *	212% *	230% *

(1) According to SFDR methodology. Infrastructures are included from 2022.

The alignment methodologies are detailed in 1.F.4.

CNP Assurances has also undertaken to have its decarbonisation trajectory validated by the *Science-Based Targets initiative* (SBTi).

1.F.2 Implied temperature of the investment portfolio

Methodology

In order to estimate the implied temperature of the investment portfolio, CNP Assurances relies on S&P Trucost, which provides the history and projections of corporate greenhouse gas emissions.

Greenhouse gas emissions data (Scopes 1 and 2) are provided by companies. When incomplete, these data may be supplemented by estimates (for example, if an issuer publishes a carbon footprint excluding part of its activities, Trucost estimates the GHG emissions from these activities in proportion to the revenue generated). An issuer's future GHG emissions are estimated using targets published by the company and production data. If no future information is available, Trucost extrapolates the trend from past carbon intensity. Trucost conducts an annual and systematic dialogue with issuers.

Issuer securities are then compared with benchmark scenarios. In accordance with the recommendations of the *Science-Based Targets initiative,* two distinct methods are used on a complementary basis:

- for sectors with homogeneous production (when the emission intensity of a single-sector issuer can be defined using a physical unit, in metric tons of CO_2 per production unit) and for which there is a specific decarbonisation trajectory given by the IEA and inspired by IPCC scenarios, Trucost uses the *SDA (Sectoral Decarbonization Approach) method*. For each company, this method is used to define carbon intensity levels per physical unit of activity (e.g. tCO_2/ GWh for energy production or tCO_2 per tonne of cement for cement manufacturers) compatible with a given global warming target. This method applies to the highest GHG-emitting sectors such as iron and steel, aluminium production, energy production, cement and air transport;
- for other sectors, or when a company's emissions cannot be described by a single physical unit (company with multiple business lines), Trucost uses the GEVA *(Greenhouse Gas Emissions per Value Added)* method defining a trajectory using the scenarios of the fifth IPCC report (RCP2.6, RCP4.5, RCP6 and RCP8.5). This method serves to define an annual carbon intensity reduction target (in tCO_2 per €m of added value) compatible with a given global target, for each company irrespective of its business sector. For example, according to the RCP2.6 scenario, carbon intensity needs to decrease by 4.2% per year from 2021. This method applies to lower-emitting sectors such as consumption, finance, healthcare, industry (other than iron & steel and cement), real estate, energy distribution, and information & telecommunication technologies.

For each issuer, the theoretical trajectories that need to be followed, as determined using one of the two methods described above, are compared with the issuer's actual or estimated emissions between 2012 and 2025. Differences between the actual trajectory and the different theoretical trajectories, representing different global warming forecasts, serve to determine each issuer's alignment. At portfolio level, these differences, synonymous with over or under-consumption of the carbon budget under the different scenarios, are used to determine the portfolio's alignment.

Application to CNP Assurances' portfolio

Trucost data combine the implicit temperatures determined for each issuer. The analysis covers 80% of the directly held equity and corporate bond portfolio at end-2021.

Estimated implied temperature of equities and corporate bonds held directly by CNP Assurances	Estimated implicit temperature of equities held directly by CNP Assurances
2.0° C *	1.9° C *

The measurement of the investment portfolio's implicit temperature is based on several strong assumptions and/or approximations and has certain limitations that must be taken into account when interpreting the results. It is based in particular on variable quality data published by companies or estimated by data providers. There are currently several methodologies for measuring the implicit temperature of investment portfolios; however, they do not yield identical or consistent results. Consequently, implicit temperature should not be seen as an unfailing indicator of the investment portfolio's alignment with the Paris Agreement.

Unlike the carbon footprint, which is a retroactive indicator, implicit temperature is a forward-looking indicator, based on projected GHG emissions between 2012 and 2030, on a constant portfolio basis. Emissions aligned with a 1.5 °C trajectory between 2012 and 2022 are therefore not sufficient to be aligned with a 1.5 °C trajectory between 2021 and 2030. Furthermore, these projections do not account for any potential arbitration decisions made between 2023 and 2030.

1.F.3 Alignment with the French low-carbon strategy

CNP Assurances' investment strategy is highly concentrated in French assets (around 70% of gross exposure). It is therefore consistent to compare CNP Assurances' targets with the latest national low-carbon strategy[1] (SNBC), France's roadmap to reduce its greenhouse gas emissions, which includes:

- a long-term target: carbon neutrality by 2050;
- a trajectory to achieve this target;
- 45 guidelines covering governance at national and local levels, all business sectors and cross-business issues (carbon footprint, investments, regional development, R&D, education and training).

In accordance with SNBC's request to avoid financial flows from investments that are unfavourable to the climate, CNP Assurances has implemented a thermal coal exit policy as well as a policy of divestment from oil and fossil fuel gas (see section 2.E.2). This policy guides its strategy for achieving the goals of the Paris Agreement and supporting European and international equities.

The SNBC expects GHG emissions to be reduced 22% compared to 2015 levels by 2028 and 35% by 2033. The actual 54% * reduction in the carbon footprint of CNP Assurances' directly held equity portfolio between 2014 and 2020 and the 49% reduction between 2019 and 2022 go well beyond these targets.

In the real estate sector, CNP Assurances has developed a green charter (see section 2.2) in line with SNBC recommendations to develop the use of less carbon-intensive renovation and insulation products and carbon storage materials. The SNBC sets an ambitious objective for reducing emissions in this sector, with a target of -49% between 2015 and 2030, i.e. an annual average of -4.4%. CNP Assurances is in line with this reduction rate. Renovations have enabled CNP Assurances to reduce the carbon footprint of its directly owned real estate assets by an average of 7% per year between 2015 and 2022.

As regards management of woodland assets, the "CNP Forests - Acting for the Future" charter is aligned with SNBC recommendations.

SNBC	"CNP Forests - Acting for the Future" Charter
Maintain carbon capture	Maintain or increase carbon sequestration in forest assets
Direct captured carbon towards long-term uses (3x between 2015 and 2050)	Gain a better understanding on the use of wood products sold and aim to expand the life cycle in order to increase carbon storage in wood materials and the resulting impacts of substitution
Assess impact on biodiversity	Measure the biodiversity of woodland assets (100% at end-2025) using a recognised method (inventories of potential biodiversity) and ensure at the very least that the initial level is maintained while seeking to improve it
Protect wetlands	Contribute to wetland restoration through partnerships with local associations

(1) March 2020 version, adopted by decree on 21 April 2020.

1.F.4 Convergence towards a 1.5 °C trajectory

This summary shows comparisons between CNP Assurances' targets and a national or international 1.5 °C alignment scenario, which calls for carbon neutrality by 2050.

CNP Assurances would point out that, at this stage, ESG and climate risk modelling requires a number of detailed assumptions to be made on the climate impact of each company's activities by sector, region and life cycle.

To assess the consistency of CNP Assurances' investments with the 1.5 °C trajectory, the criteria were analysed against the following 1.5 °C scenarios by sector or equivalent:

- the International Energy Agency (IEA) Net *Zero Emission* by 2050 (NZE) scenario. Source: *Net Zero by 2050, A Roadmap for the Global Energy Sector* (2021);
- the 1.5 °C scenario of the Intergovernmental Panel on Climate Change (IPCC). Source: *IPCC Special Report on Global Warming of 1.5 °C* (2018);
- the 1.5 °C scenario, developed by Climate Analytics. Source: *Global and Regional Coal Phase-Out Requirements of the Paris Agreement: Insights from the IPCC Special Report on 1.5 °C* (2019);
- the 1.5 °C scenario of the *Carbon Risk Real Estate Monitor* (CRREM). Source: https://crrem.org;
- the *1.5 °C scenario of the One-Earth Climate Model* (OECM). Source: https://oneearth.uts.edu.au.

In general, CNP Assurances' targets are based on the recommendations of the *Net Zero Asset Owner Alliance* set out in the *Inaugural Target Setting Protocol*: https://www.unepfi.org/publications/aoapublication/inaugural-2025-target-setting-protocol/.

As data are not always available for all asset classes, this exercise has been carried out with a view to continuous improvement. CNP Assurances' participation in the work of the *Net Zero Asset Owner Alliance* will enhance these results each year. CNP Assurances has also undertaken to have its decarbonisation trajectory validated by the *Science-Based Targets initiative* (SBTi).

At end-2022, around 35% * of CNP Assurances' investment portfolio was covered by a target aligned with the Paris Agreements.

Methodology for aligning the carbon footprint reduction of the corporate portfolio

The target of reducing the carbon footprint of the directly held equity and corporate bond portfolio by 25% between 2019 and 2024 is aligned with the IPCC trajectories, with little to no risk of global warming of more than 1.5 °C (IPCC *Special Report on Global Warming of 1.5 °C*).

The target covers Scope 1 emissions (direct emissions) and scope 2 emissions (indirect energy-related emissions), when these data are published by companies.

Methodology for aligning the carbon footprint reduction of the real estate portfolio

The goal of reducing the carbon footprint of the directly owned real estate portfolio by 10% between 2019 and 2024 is aligned with the *Carbon Risk Real Estate Monitor* (CRREM) 1.5 °C trajectories.

CNP Assurances modelled its trajectory using the CRREM scenarios, based on the type of asset (office, commercial, housing, logistics) and geographic location of the buildings owned by CNP Assurances. The modelled trajectory requires an average carbon footprint of 17 $kgCO_2eq/m^2$ at the end of 2024 to limit the risk of exceeding global warming above 1.5 °C, representing a 10% reduction relative to the carbon footprint of CNP Assurances' real estate portfolio in 2019 (19 $kgCO_2eq/m^2$).

The target covers Scope 1 emissions (direct emissions) and Scope 2 (indirect energy-related emissions).

Methodology for aligning the carbon intensity reduction of electricity producers

The goal of reducing the carbon intensity of electricity producers directly owned by CNP Assurances by 17% between 2019 and 2024 is aligned with the *One-Earth Climate Model* (OECM) 1.5 °C trajectory.

CNP Assurances modelled its trajectory using OECM scenarios, based on the geographic implementation of the capacities of direct-owned electricity producers, estimated at 50% in Europe and 50% in the rest of the world. The modelled trajectory averages the 1.5 °C trajectories for the World and for Europe. The modelled trajectory requires an average carbon intensity of 216 $kgCO_2eq/MWh$ at end-2024 to limit the risk of exceeding global warming above 1.5 °C, representing a 17% reduction relative to the average carbon intensity of electricity producers directly held by CNP Assurances in 2019 (259 $kgCO_2eq/MWh$).

The target covers scope 1 emissions (direct emissions) and scope 2 emissions (indirect energy-related emissions) generated by electricity production. Only data published by companies are used.

	1.5 °C scenario	CNP Assurances
All assets	Limiting global warming to +1.5 °C requires achieving carbon neutrality by 2050	Membership in the *Net Zero Asset Owner Alliance* and commitment to make the investment portfolio carbon-neutral by 2050
Energy	**Coal** Climate Analytics 1.5 °C scenario: end of coal activity by 2030 in European Union and OECD countries, and by 2040 in the rest of the world	**Coal** Zero exposure to thermal coal in the directly held investment portfolio by 2030 in European Union and OECD countries and by 2040 in the rest of the world
	Oil & gas International Energy Agency (IEA) *Net Zero Emissions by 2050* scenario: end of the development of oil fields or fossil fuel gas starting in 2021 (new sites or extensions)	**Oil & gas** Exclusion of project financing and investments in companies developing new oil or fossil fuel gas exploration/production projects
	Electricity producers 1.5 °C trajectories of the *One-Earth Climate Model* (OECM), taking into account the geographic location of directly owned electricity producers: 216 kgCO_2eq/MWh by end-2024	**Electricity producers** Target achieved to reduce carbon intensity by 17% * between 2019 and 2024 to reach 216 kgCO_2eq/MWh * by the end of 2024. Carbon intensity decreased by 38% * between 2019 and 2022, reaching 160 kgCO_2eq/MWh * at end-2022
Corporate securities	**- 22% to - 32%** **between 2020 and 2025** Reduction of global GHG emissions (IPCC *Special Report on Global Warming of 1.5 °C*: trajectories with little to no risk of exceeding global warming of 1.5 °C)	**-25%*** **between 2019 and 2024** Target met on reducing the carbon footprint of directly owned equity, corporate bonds and infrastructure portfolio by 25% * between 2019 and 2024 to 80 kgCO_2eq/K€* by end-2024. Between 2019 and 2022, the carbon footprint decreased by 49% * to 55 kgCO_2eq/€K * at end-2022
Real estate	**17 kg CO_2eq/m^2** **by end-2024** *Carbon Risk Real Estate Monitor* (CRREM) 1.5 °C trajectories, based on the type and geographic location of directly owned buildings: 17 kgCO_2eq/m^2 by end-2024	**17 kg CO_2eq/m^2*** **by end-2024** Target met on reducing the carbon footprint of the directly held real estate portfolio between 2019 and 2024 by 10%* to 17 kg CO_2eq/m^2 * by end-2024. Between 2019 and 2022, the carbon footprint decreased by 16% *, reaching 16 kgCO_2eq/m^2 * at end-2022.

1.G Strategy on aligning with long-term biodiversity objectives

The activity of CNP Assurances, like that of any company, is dependent on services provided by nature, also known as ecosystem services. Conversely, CNP Assurances' activity has direct or indirect impacts on biodiversity. These relationships are complex and have not been extensively researched up to now.

For several years, scientific reports, including those of the IPBES *(Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services)*, have alerted companies to the accelerated loss of biodiversity, raising awareness of the risks associated with biodiversity loss and the need to control their impacts on the diversity of ecosystems and species. These impacts, or sources of pressure, on biodiversity can be divided into five categories:

1. land use;
2. overuse of resources;
3. pollution;
4. climate change;
5. invasive alien species.

In line with its commitment to the United Nations Global Compact, CNP Assurances analyses the actions it can take to effectively protect biodiversity. CNP Assurances also seeks to assess its dependence on services provided by nature to reduce this risk.

An initial analysis conducted in 2015 highlighted the most material issues for CNP Assurances as: taking biodiversity into account in the management of our investments and raising awareness among our stakeholders on the protection of biodiversity.

CNP Assurances has committed to protecting biodiversity by signing the *Finance for Biodiversity Pledge* in 2021.

Commitment	Contribution in 2022*
Collaborate on impact assessment methodologies	Participation in *Finance for Tomorrow*'s working group on natural capital, CDC Biodiversity's B4B+ Finance Club and preparation of France Assureurs' Insurance and Biodiversity Guide
Integrate biodiversity into ESG policy	Monitoring of the integration into the management mandate with Ostrum AM on directly held listed assets Support for the biodiversity fund of LBPAM and Tocqueville Integration of biodiversity into CNP Assurances' corporate mission
Integrate biodiversity into shareholder dialogue	Organisation of five shareholder dialogues on biodiversity
Assess the positive and negative impact of investments on biodiversity and identify loss factors	Measurement of the biodiversity footprint of the equity and corporate bond portfolio for the third consecutive year by expanding the scope from year to year and integration of a new measurement tool Initial measurement of the dependence of the equity and corporate bond portfolio on the loss of biodiversity
Publish science-based objectives having a significant impact on biodiversity	Publication of biodiversity protection targets in September 2021 Publication in February 2022 of new exclusion criteria for combating climate change in line with scientific scenarios for limiting global warming to +1.5° C

CNP Assurances has strengthened its commitments to biodiversity by setting targets over the next five years. Targets for 2030 will be set at a later date.

Oversight of CNP Assurances' biodiversity protection targets

Target achievement rate	2021	2022
Target to measure the biodiversity footprint of 100% of the entire directly held equity and corporate bond portfolio by end-2023	58% *	90% *(1)
Target to conduct an inventory and analysis of the impact of directly owned logistics platforms biodiversity by end-2022	100% *	100% *
Target to measure the biodiversity of all French woodland assets by end-2025	18%	42%
Target to devote 3% of French woodlands to ageing islands and natural evolution areas by end-2025	15%	45%

(1) Calculation performed in March 2023 on the portfolio at end-2022, after publication of the 2022 DPEF.

CNP Assurances' strategy to preserve biodiversity is in consistent with the global biodiversity framework adopted at COP15 in Montreal in 2022, particularly regarding aspects relating to education, cooperation, financial resources, information exchange, identification measures and conservation actions.

CNP Assurances intends to contribute to the achievement of the three objectives of this international agreement:

- conservation of biological diversity;
- the sustainable use of biological diversity components;
- the fair and equitable sharing of benefits arising from the use of genetic resources.

CNP Assurances is therefore contributing to five of the 23 targets set by the United Nations Convention on Biological Diversity in Montreal:

- Target 8: Combating climate change through nature-based solutions;
- Target 10: Sustainable forest management;
- Target 15: Measurement and transparency on the impacts of biodiversity;
- Target 19: Financing;
- Target 21: Training, dialogue and cooperation.

The presentation below shows the strategies and actions implemented by CNP Assurances for each of these targets.

1.G.1 Combating climate change through nature-based solutions (Target 8)

CNP Assurances has implemented numerous initiatives to combat climate change in its investment strategy, both through targets on the reduction of the carbon footprint of its financial portfolios and *through* exclusion policies on fossil fuels or targeted shareholder engagement in these sectors. These actions are detailed in section 1.F.

In its forests, the fight against climate change is based on a solution based on the natural CO_2 sequestration of trees during photosynthesis.

CNP Assurances monitors the annual carbon absorption of woodland assets: calculated by estimating the forest's organic growth during the year and then converting this biomass growth into absorbed CO_2. As a result, gross annual CO_2 absorbed by CNP Assurances' woodland assets amounted to 503,935 tonnes of CO_2 in 2022.

Life cycle of wood products sold

The CNP Assurances Group is also attentive to the use of the wood products that it sells to manufacturers. CNP Assurances asked Société Forestière to conduct a survey of the 50 largest clients in terms of revenue to establish an assessment of the products it sells. An investigation methodology was implemented in 2022 and four manufacturers have already been surveyed.

This survey will improve the assessment of the carbon footprint of woodland assets, particularly by refining the life cycles of the wood products sold.

Forests are not used by CNP Assurances for carbon offsetting purposes but for the recovery of services and wood. Each investment is accompanied by a management plan (which is renewed, amended or implemented) prohibiting arbitrary and excessive wood cutting and ensuring the forest is maintained by replanting species in line with the cuts authorised by the managing authority.

Forests also stand as a solution for reducing the risk of disasters related to climate change such as soil erosion and water pollution. Managing our forests in a sustainable and diversified manner is a true solution for adapting to climate change.

1.G.2 Sustainable forest management (Target 10)

The 57,736 hectares of woodlands owned by CNP Assurances at end-2022 are sustainably managed by Société Forestière de la Caisse des Dépôts.

The aims of this sustainable and multifunctional approach to forest management are to:

- ensure the constantly renewed supply of wood – an intrinsically and virtuously renewable resource – combining performance, sustainability and adaptability;
- continuously maintain the ecosystem services offered by forests.

Biodiversity preservation is one of its management objectives (see section 2.H.4.2.3).

1.G.2.1 Sustainable management charter on biodiversity

The Sustainable Woodland Management Manual describes the actions to be taken to identify outstanding habitats and species so they can be taken into account in the management policies implemented. Accordingly, Société Forestière de la Caisse des Dépôts conducts pro-biodiversity initiatives each year. It has undertaken to regularly retain both standing and fallen ageing or dead trees in its forests, as they host very specific biodiversity (more than a quarter of woodland animal and fungal species) recognised as being of major interest by scientists and nature protection associations.

These actions are paying off, and have been supplemented by the identification and upkeep of trees or other remarkable elements. The 2018 launch of this inventory campaign has served to build a geographic database with the aim of protecting these elements from any forestry operations.

In addition to monitoring specific actions to promote biodiversity, species diversity is also a good indicator of sustainable management. Each main species of a forest stand is associated with one or more habitats. There is therefore a close correlation between the diversity of the main species and biodiversity.

Each investment is accompanied by a management plan (which is renewed, amended or implemented) prohibiting arbitrary and excessive wood cutting and ensuring that the forest is maintained by replanting species in line with the cuts authorised by the managing authority.

The recent renewal of the management mandate assigned to Société Forestière de la Caisse des Dépôts provided for an action plan and biodiversity conservation targets covering the next five years in a sustainable management charter in France. Through this charter, CNP Assurances charter undertakes to:

- interrupt forest work during the reproduction periods of the most sensitive species;
- prohibit the substitution of a hardwood stand with an exclusively softwood stand;
- prohibit herbicides and fungicides and limit insecticides to health emergencies only;
- build ecological corridors;
- keep standing or fallen ageing or dead trees, hosting very specific biodiversity, in forests;
- devote 3% of the forest surface area to ageing islands and natural evolution areas by the end of 2025;
- contribute to wetland restoration through partnerships with local associations.

While developing training and methodologies to achieve these objectives, CNP Assurances launched its initial actions in 2021 as described below.

1.G.2.2 Conservation initiatives *in the field*

Fight against invasive species

A form for listing the eight major invasive plant species (including Japanese knotweed, ambrosia and ailanthus) was implemented in 2021 and 2022 to geo-reference the existence of these species. In 2022, no invasive species were found on the domain.

Species protection

CNP Assurances partnered with regional environmental organisations in 2022 to monitor populations, assess habitats and restore environments. Six partnership projects have been signed or are being finalised across France.

Ornithological research was conducted at Mont-Saint-Laurent, a special “Natura 2000” protection zone conducive to the development of bird populations in collaboration with the Perche Regional Natural Park. The objective is to list species in compliance with the frameworks and guidelines in this area. Analysis of the bird population is used to map the distribution of species, including the presence or absence of priority species, and to provide management advice.

Some 57 species were referenced. The presence of species important to the community, such as the Saint-Martin buzzard, the black stork, the European nightjar and the black woodpecker, was established through extensive observation, inventorying and listening stations.

Further naturalist agreements were established relative to CNP Assurances’ woodland assets in 2022. In the Verrières uplands, partnerships were established with the Vienne Nature organisation to compile an inventory of odonates and with the LPO Poitou-Charentes for ornithological inventories. Among the many other actions carried out over the past several years, the most notable consisted in identifying remarkable trees that notably help to conserve nurturing fir trees. Similarly, the study of batrachians serves to identify and assess ponds and launch restoration projects.

Lastly, the seasonality of forest work is restricted by breeding periods, particularly those of birds. Accordingly, "tranquillity clauses" have been maintained so as to limit any disturbances for birds, particularly the great tetras, from 15 December to 30 June. In 2022, a collaborative effort was also initiated with the Conservatoire des Espaces Naturels de Bourgogne on research in the Morvan region to identify at-risk forest areas.

Strong headway was made in 2022 on preparations for analyses of green and blue infrastructure (training, mapping, etc.), making it possible to roll out the initial analyses of the new management plans. Green and blue infrastructure analysis consists in identifying the challenges for fauna and flora, notably by taking a macro view of biodiversity reservoirs and ecological corridors allowing the movement of wildlife and areas of disruption (urban walls, roads, railways, etc.). The study then maximizes forest management with the preservation of environments for wildlife in the area, and avoids harming their ecosystems by maintaining covered passageways between habitat sites (borders, hardwood corridors, islands, etc.).

Restoration

At end-2022, 45% of the target for ageing islands and natural evolution areas by end-2025 had been achieved.

Several partnership projects were launched across France in 2022 to restore aquatic environments. These environments are intricately linked with forests through the presence of rivers, ponds or wetlands, including peat bogs and lagoons. Because forestry operations can significantly impact the quality of these environments, through the choice of species and during work, it is vital to implement mechanisms to protect these areas. Numerous commitments in CNP Assurances' "Acting for the Future" charter indirectly help to promote the preservation of these environments (for example, through the choice of species and inputs).

Two partnerships are currently being led with Conservatoire des Espaces Naturels de Bourgogne to preserve wetland in the Bontin uplands and to preserve newts in the Quienon uplands, together with the restoration of the Brevant river catchment to limit the risk of flooding.

Forest pond in the Corneux massif.

1.G.3 Measurement and transparency of impacts on biodiversity (Target 15)

As part of the global biodiversity framework, financial institutions are expected to provide transparent disclosures on their dependence and their impacts on biodiversity.

1.G.3.1 Investments in companies

CNP Assurances has since 2015 integrated climate change pressure on biodiversity into its strategy of decarbonising investments in equities and bonds. With the aim of reducing the impact of its investments on the environment, CNP Assurances decided to reduce its exposure to unconventional fossil fuels as from 2021: oil sands, shale oil and gas, and Arctic oil and gas. Use of these resources has an adverse impact on biodiversity and the climate. CNP Assurances has undertaken to exclude new investments companies in the oil and gas sector (exploration, drilling, extraction, processing, refining) generating more than 10% of their revenue from unconventional fossil fuels.

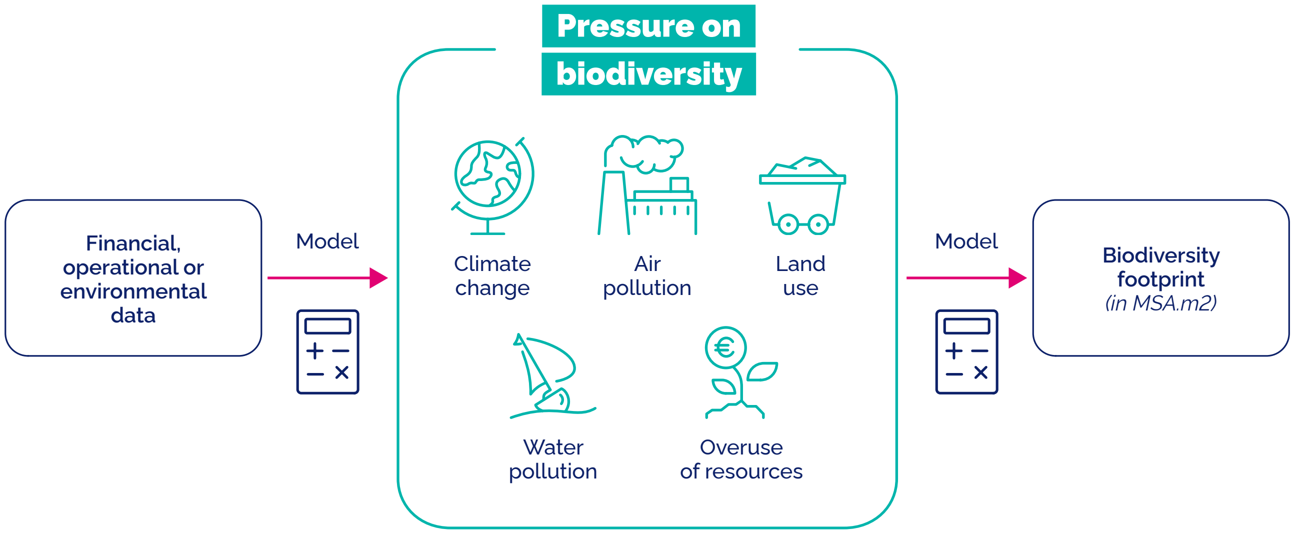
Biodiversity-related issues are also included in the ESG ratings of companies produced by the Ostrum AM teams. The following are also taken into account, in addition to climate-related issues:

- activities disrupting large or fragile areas;
- programmes in place to protect biodiversity and land use;
- controversies over the use or management of natural resources;
- water dependence;
- treatment of discharges into water.

In late 2020, CNP Assurances carried out an initial biodiversity footprint measurement on 11% of its directly held equity and corporate bond portfolio. It gradually extended the measurement to cover nearly 90% of the portfolio at the end of 2022. Note: CNP Assurances has undertaken for end-2023 to measure the biodiversity footprint of its entire portfolio of directly-held equities and corporate bonds, encouraging companies to improve transparency on these issues.

The biodiversity footprint has been measured since 2022 using Carbon4 Finance's BIA-GBS™ tool based on the methodology of CDC Biodiversité's *Global Biodiversity Score* (GBS). This metric includes the main sources of pressure on land and freshwater biodiversity, as indicated in IPBES reports: land use change, resource use, contribution to climate change, atmospheric pollution and freshwater ecosystem pollution. Pressures on marine ecosystems, eco-toxicity and invasive species are not covered.

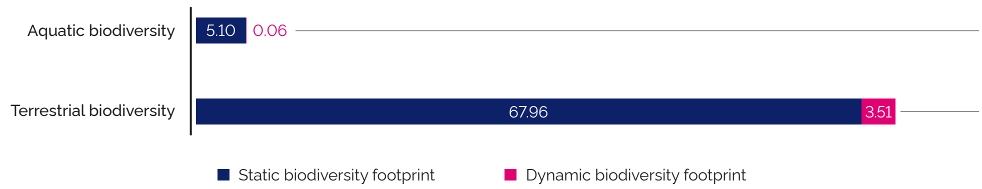
Pressures are analysed across the value chain, as with the GHG Protocol on carbon footprints. The tool estimates these sources of pressure based on the financial, operational and environmental data published by companies or models, taking into account the business sector, the geographic location of companies and their upstream and downstream impacts (Scope 3). The impact is measured in MSA.m^2. MSA *(Mean Species Abundance)* is a metric created by the Dutch Environment Institute (PBL) to measure the average abundance of species. The company's direct or indirect impact on biodiversity is expressed as a negative value of MSA.m^2. This value corresponds to the artificial development of 1 m2 of virgin natural space. This scientifically recognised metric is used to compare companies across several sectors.



The footprint accounts for two types of impact for companies held at the end of 2022:

- static impacts, which correspond to the entirety of the impacts of companies through 2022;
- dynamic impacts, corresponding to the additional impacts resulting from new activities of portfolio companies in 2022.

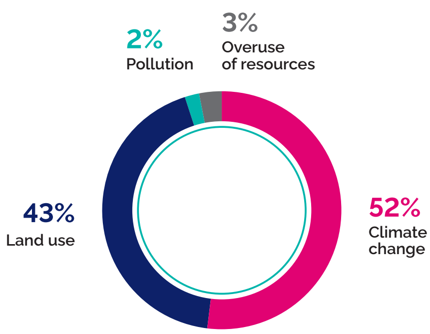
BIODIVERSITY FOOTPRINT OF THE DIRECTLY HELD EQUITY AND CORPORATE BOND PORTFOLIO IN MSA.M² FOR €1K INVESTED *



The biodiversity footprint at end-2022 covers 90% * of the directly held equity and corporate bond portfolio.

But this average footprint conceals significant disparities by sector and type of pressure.

BREAKDOWN OF FOOTPRINTS ON BIODIVERSITY BY TYPE OF PRESSURE



The highest-impact sectors in CNP Assurances' portfolio are manufacturing and mining and quarrying.

The measurement made in late 2022 is not comparable with the previously published measurements as the latter were carried out using a different methodology that, among other things, aggregates past and future impacts and covers different pressures.

The measurement of the biodiversity footprint of the investment portfolio is based on several strong assumptions and/or approximations and presents certain limitations that must be taken into account when interpreting the results. The varying level of transparency between companies on their activities and environmental impacts is supplemented by normative modelling, which serves to compare their performance on a like-for-like basis but results in a variable level of quality in terms of the final measurement.

The BIA-GBS tool is constantly evolving and the nascent and upscalable nature of biodiversity footprint measurements require an extremely meticulous analysis of the results obtained. But these measurements do make it possible to identify the main points, determine priorities and establish an approach on measuring the impact of an exclusion or engagement policy. They can be used to position a company within its sector and identify the challenges of its business activities as well as the sources of their impact on biodiversity, which can be used as a basis for initiating engagement policies with these companies focused on reducing their impact.

Lastly, this type of impact measurement encourages companies, particularly in sectors with the greatest impact, to increase transparency on biodiversity, supporting regulatory requests in this area.

CNP Assurances also measures its dependence on biodiversity loss. This is detailed in section 2.H.6.

1.G.3.2 Real estate investments

Real estate has a significant impact on biodiversity during both the construction and operation phases. CNP Assurances has published a "Green Works" charter imposing rules on its real estate portfolio management companies aimed at protecting biodiversity: respecting ecosystems during the construction phase, choosing materials that have a limited impact on the environment, and reducing waste and water consumption. The charter also provides for the study of technical solutions that favour plants and promote biodiversity, the circular economy (reuse of materials) and ecosystem services for buildings and green spaces.

CNP Assurances has chosen to focus its action on logistics platforms, whose impact on biodiversity through soil artificialisation must be controlled amid the expansion of e-commerce:

- for logistics platforms currently in the portfolio, carry out an inventory and analysis of their impact on biodiversity by end-2022, with a view to implementing a plan to protect and/or restore biodiversity. The target was achieved at end-2021 and action plans were established in 2022;
- for any new investment in a logistics platform, CNP Assurances systematically takes into account the impact on biodiversity in the pre-investment analysis.

In its Angers operating offices and its region, CNP Assurances asks service providers in charge of maintaining green spaces to commit to maintaining and improving the ecological quality of the sites (responsible mowing, use of biocontrol products, etc.).

1.G.3.3 Forest investments

In France, CNP Assurances is committed to measuring the biodiversity of 100% of its woodland assets by the end of 2025 using a recognised method (Potential Biodiversity Inventories, IBPs) and maintaining or improving the level of biodiversity thus measured.

CNP Assurances moved ahead in 2022 with a second biodiversity inventory campaign using the IBP method developed by the National Forest Property Centre (CNPF). Following special training, the teams are now making every effort to inventory all the Group's properties in five years. IBP surveys consist in preparing an inventory of biodiversity elements in woodlands that can serve as habitats for wildlife. These are combined into 10 biodiversity indicators, covering management factors (species diversity, presence of standing and fallen dead trees, trees with very large diameters, micro-habitats such as habitats for woodpeckers, mushrooms, moss or lichen, vulture nests, etc.) and contextual factors (age of wooded area, presence of aquatic or rocky environments).

For this second year of inventory, nearly 42% of the surface area of woodland assets was inventoried. To date, Société Forestière de la Caisse des Dépôts employees have prepared over 3,945 IBP inventories on CNP Assurances woodlands spanning more than 1,750 km. These woodlands boast substantial habitats, with 24,200 dendro-microhabitats housing local fauna having been identified.

1.G.4 Financing (Target 19)

Because meeting the targets of the global biodiversity framework requires substantial financing, it is necessary to increase financial resources, notably by encouraging private finance and innovative systems such as green bonds.

CNP Assurances has committed to investing in €30bn in green investments by the end of 2025, through green bonds, forests, certified buildings and green infrastructure such as renewable energy projects and transport and mobility with low CO_2 emissions.

At end-2022, this target was 84% achieved[1], with AuM in green investment of €25.2bn. Of these green investments, AuM in green bonds dedicated to biodiversity amounted to €134m *.

CNP Assurances is also supporting the launch of the biodiversity fund launched in autumn 2022 by LBPAM and Tocqueville Finance through an investment of €120m *. This new fund targets companies that provide solutions to the challenges of preserving biodiversity through the themes of agriculture and sustainable food, the circular economy, green buildings and environmental services and solutions.

(1) *CNP Assurances Group scope.*

1.G.5 Training, dialogue and cooperation (Target 21)

Training

CNP Assurances regularly carries out employee awareness-raising initiatives on biodiversity, as well as training for Investment division staff. Following the collective work of the internal working group on biodiversity in investments set up in 2021, asset managers benefited from several presentations on biodiversity issues in 2022. The members of the Climate and Biodiversity Risk Committee receive quarterly reports on the impacts of biodiversity loss on the economy, investments and insurance.

Dialogue

Externally, CNP Assurances has incorporated biodiversity in its shareholder engagement policy, and more specifically in direct dialogue with the companies in which it is a shareholder: the goal is to support CNP Assurances' strategy for biodiversity (including *through* the fight against climate change) by encouraging companies to implement ambitious decisions to protect biodiversity and to publish information on risks related to biodiversity loss.

Since 2021, CNP Assurances has undertaken to engage with five companies every year to encourage them to adopt a strategy aligned with international biodiversity agreements by end-2024.

In 2022, CNP Assurances engaged with five companies on their biodiversity policy, consistent with its commitment, i.e. in 38% of direct engagement initiatives. While these companies have implemented action plans aimed at protecting biodiversity, their strategy is not yet aligned with international agreements.

CNP Assurances undertakes to encourage infrastructure companies in which it holds a significant share and is a director to measure and manage their biodiversity footprint. In 2022, it engaged with companies accounting for 60% * of its infrastructure holdings. They are active in addressing biodiversity issues and are members of the CILB (Linear Infrastructure and Biodiversity Club). As such, they have made individual commitments to control or reduce their biodiversity footprint, and measurement of the footprint is still under consideration.

Cooperation

In addition, CNP Assurances supports various initiatives aimed at measuring the biodiversity footprint of our investments:

- since its creation in 2016, CNP Assurances has been a member of the B4B+ (*Business for Positive Biodiversity*) Club, which comprises companies committed to positive biodiversity, centred on CDC Biodiversité.
- in May 2020, CNP Assurances joined the coalition of institutional investors calling for the creation of biodiversity impact assessments, observing principles in terms of methodology transparency;
- CNP Assurances participates in financial centre groups aiming to improve integration of biodiversity issues in the financial sector, such as *Finance for Tomorrow's* natural capital and biodiversity working group and the French Insurance Federation's biodiversity working group;
- in September 2021, CNP Assurances joined *Finance for Biodiversity Pledge*, thus committing to:
  - collaborate and share knowledge on methodologies for measuring and setting targets related to biodiversity,
  - integrate biodiversity into responsible investment policy and shareholder dialogue,
  - assess the positive and adverse impacts of investments on biodiversity,
  - publish science-based objectives to increase positive impacts and reduce the negative impacts of investments on biodiversity,
  - report annually on the level of achievement of these targets in investment portfolios.

CNP Assurances shares the results of these actions to preserve biodiversity in its annual reports on responsible investment.

In November 2022, CNP Assurances signed the Global Investor Statement at the COP15 Biodiversity summit. The statement, drafted by the PRI, UNEP FI and the *Finance for Biodiversity* Foundation, is supported by 154 financial institutions. The aim is to alert governments on the urgency to agree on an ambitious global framework, the *Global Biodiversity Framework* at COP15. It calls for coordinated action by governments to curb biodiversity loss and its link to climate change. It reiterates the role of the financial community in contributing to the protection of biodiversity and restoration *through* financing activities.

Section

2

Managing sustainability risks in investments

Information resulting from the provisionsof Article 29 of the Energy and Climate Act (section H)

2.H Policy on integrating environmental, social and governance quality criteria into risk management, and in particular physical, transition and liability risks related to climate change and biodiversity

2.H.1 Identification, assessment and prioritisation of sustainability risks in investment management

TCFD
Risk management

A sustainability risk is an environmental, social or governance (ESG) event or situation that, if it occurs, could have an actual or potential material adverse impact on the value of an investment. CNP Assurances has identified the main sustainability risks on which it focuses its efforts and resources so it can implement a responsible investment strategy. In operational terms, it implements this strategy through the shareholder engagement policy, the exclusion policy and the selection of investments based on ESG criteria.

Sustainability risk	Shareholder engagement policy (voting and dialogue)	Exclusion policy	Selection of investments based on ESG criteria			
			Equities	Bonds	Buildings	Forests
Climate change	✔	✔	✔	✔	✔	✔
Loss of biodiversity	✔	✔	✔	✔	✔	✔
Depletion of natural resources (water, raw materials)			✔	✔	✔	✔
Poor governance	✔	✔	✔	✔	✔	✔
Terrorism financing and money laundering		✔	✔	✔	✔	✔
Tax avoidance		✔	✔	✔	✔	✔
Corruption		✔	✔	✔	✔	✔
Failure to respect human rights		✔	✔	✔	✔	✔
Lack of diversity	✔		✔	✔		
Non-compliance with labour law		✔	✔	✔	✔	✔
Harm to the health or safety of persons		✔	✔	✔	✔	✔

The policy for integrating sustainability risks into investment decisions applies to all CNP Assurances euro-denominated vehicles.

For unit-linked products, policyholders are advised to refer to the information available in their policy information notice and in the pre-contractual information documents of each investment vehicle in order to identify how sustainability risks are incorporated into the investment decisions of each unit-linked vehicle.

Special oversight is conducted for risks related to climate change and biodiversity loss, which are presented in sections 2.H.5 and 2.H.6.

2.H.1.1 Listed equities and bonds

The sustainability risks of the companies and countries in which CNP Assurances invests *via* directly held listed equities and bonds are identified, analysed and prioritised by CNP Assurances' internal teams in accordance with the exclusion and shareholder engagement policies, as well as by Ostrum AM's SRI teams in charge of managing these securities.

The SRI approach implemented by Ostrum AM for the purposes of the CNP Assurances portfolio management mandate is based on a risk/opportunity approach. Achievement of sustainable development targets involves the integration of two objectives, which can often be supplemented:

- Capturing opportunities: positioning in technological and societal innovation when it becomes a building block of economic planning allows companies to capture opportunities associated with ongoing transitions.
- Managing risks: "re-internalisation of external social and environmental impacts", often by managing the widespread challenges of sustainable development, helps limit the risks associated with ongoing transitions. This analysis structure, which assigns equal importance to opportunities and risks, is the first perspective in the interpretation of sustainable development issues.

The aim of the risks and opportunities analysis is to focus on the areas most likely to have a tangible impact on the assets under consideration and on society as a whole. Moreover, the challenges faced by the various economic agents are very different from one sector to the next and may even differ significantly within the same sector. The analysis process thus focuses on a limited number of issues tailored to the specific characteristics of each asset under review.

In order to identify issues liable to have an impact on an asset, the analysis of environmental and social issues must cover the entire product and service life cycle, from extraction of raw materials to end of life. The non-financial rating of issuers carried out by Ostrum AM is based on a special methodology ("GREaT") serving to conduct a practical and differentiating analysis of companies with respect to sustainable development issues, including sustainability risks. The pillars of the methodology are specified in 2.H.4.2.1.

For bond issuers, ESG aspects are systematically included in the analysis, if they are considered material, i.e. as having an impact on the issuer's credit risk. Each analyst is responsible for assessing the materiality of ESG criteria, drawing on a multitude of sources selected by Ostrum AM's entire portfolio management team (qualitative and quantitative data), as well as on his/her own research and in-depth knowledge of the ESG issues facing sectors and issuers. Next, in addition to this research, an analytical framework has been established to ensure the consistency of analysis and fairness in the assessment of issuers.

The approach used combines:

- An issuer-by-issuer approach that enables each analyst to identify material ESG aspects and therefore determine an issuer's strengths and weaknesses with regard to specific ESG issues;
- a sector approach defined and shared by all analysts. The credit research team has identified and formalised ESG issues specifically impacting each sector and sub-sector.

In addition, in 2019, Ostrum AM produced a scale for assessing ESG risk and material opportunities: the ESG materiality score. To improve transparency and the comparability of ESG risks and opportunities between issuers, the credit research team set up this new assessment scale, which is available to all investment staff on an in-house platform. This score is used to monitor developments with each issuer. This assessment is accompanied by an analysis of the quality of each E, S and G aspect, which is included in the dedicated reports written by our analysts, issuer by issuer.

ESG materiality score	ESG factor impacting the sector or issuer	ESG factor impacting an issuer's credit profile
ESG 0	No impact	-
ESG 1	Impact	ESG factors having an impact on the sector but little impact on credit risk
ESG 2	Impact	• Limited impact • Or ESG risks and opportunities are high but the issuer manages them well, so the impact on credit risk is limited • Or there will be a material impact over the long term
ESG 3	Impact	ESG factors have an impact on the fundamental score Or they are combined with other factors

Before investing in bonds, the asset management company looks at the issuer's GREaT rating as well as the credit analysis carried out by the credit research team and the ESG materiality score. If the materiality score is ESG3, the portfolio manager contacts the sector analyst to better assess materiality risk. The portfolio manager does not systematically exclude ESG3 materiality risks but will decide on whether or not to invest in the issuer based on the outcome of the discussion with the analyst.

2.H.1.2 Real estate

For many years, CNP Assurances has prioritised the safety of people and property, and preservation of the environment, in its real estate activity. In its real estate investments, CNP Assurances also significantly addresses other sustainability risks (see table of sustainability risks at the start of section 2.H.1).

Before any acquisition, the asset management companies submit a detailed review to CNP Assurances incorporating a technical, environmental and health impact analysis of the building. This file identifies the building's environmental risks, energy performance (mandatory assessment), greenhouse gas emissions and its status with regard to new environmental regulations (green lease, certification, labels), as well as health risks with regard to asbestos, lead, termites, soil pollution, etc. As appropriate, this ESG information may be supplemented with an audit, a benchmarking comparison, international references (labels) or other information from external experts.

The building's technical, environmental and health impact analysis helps CNP Assurances identify the risks specific to the building and, above all, assess the amount and feasibility of the work needed to meet CNP Assurances requirements.

The risk assessment on the safety of users and assets has been carried out since 2016, *through* an HSE analysis on a large percentage of its directly owned buildings.

These prioritisations, determined by expert judgement, are confirmed by questions on real estate activities in the PRI and GREBS.

2.H.1.3 Forests

Société Forestière de la Caisse des Dépôts manages CNP Assurances woodland assets *under* a management agreement. Under this agreement, it manages the assets in a socially responsible and environmentally friendly manner. Since 2001, Société Forestière de la Caisse des Dépôts has also followed an ISO 9001 certified Sustainable Woodland Management Manual. This document incorporates the main areas of ESG analysis: governance, oversight and organisation of relations with clients and other stakeholders, as well as the implementation of forestry practices that take into account outstanding habitats and species (see table of sustainability risks at the start of section 2.H.1).

The new sustainable forest management charter "CNP Forests - Acting for the Future" implemented in 2020 aims to ensure sustainable and renewed wood resources amid climate change and societal transformation.

2.H.2 Description of the main sustainability risks integrated into the Group's risk management framework

TCFD **Strategy**

TCFD **Risk management**

Sustainability risks and, more broadly, environmental, societal and governance risks, are integrated into the company's risk management framework through Group risk mapping and its operational implementation, carried out by the Risk division with the assistance of CSR and the company's other Group functions.

2.H.2.1 Mapping

Risk mapping is the starting point for cross-functional risk management processes, consisting notably in determining risk appetite, carrying out internal risk assessment work, and supporting risk monitoring.

In 2022, the company expanded its mapping by integrating a specific ESG risk family, unlike in previous years, where only environmental risks were monitored.

Risks are assessed in three ways:

- SCR of the standard Solvency 2 formula (preferred): risk impact estimated for the Group's coverage rate;
- coverage ratio sensitivity: used for risks not captured in the standard formula when an impact study was available;
- expert judgement, based on discussions and expert opinions.

This approach has been supplemented by expert analysis, which may take into account the frequency of occurrence of the risk as well as image, human, regulatory and legal aspects or any other relevant item.

The residual rating is the residual risk, resulting from the gross rating mitigated by the remediation actions implemented to manage the risk, which serves as the basis for all internal exercises and external communications.

The rating of a risk family is determined by taking the highest rating among the risks constituting the family.

The environmental risks of the risk mapping have been enhanced this year as part of this report. They were assessed by experts from the investment, risk and CSR business lines. The experts notably reviewed the proportion of the assets concerned in CNP Assurances' portfolio. This was supplemented by internal analyses and reports to determine the impact on investments (risk of a decline in the value of assets) and on the financial system (market risk induced by climate change).

This year's exercise consisted in understanding the risks associated with climate change as a priority in order to meet regulatory requirements and in the light of the company's objectives. Further ESG risk aspects will be gradually developed in the years to come depending on market progress, encompassing biodiversity, social and societal, and governance risks.

Physical risk	Transition risk
Refers to the financial effects of climate change (including the increase in extreme weather events and gradual climate changes) and environmental degradation (air, water and land pollution, water stress, biodiversity loss and deforestation).	Refers to the financial loss that an institution may incur, directly or indirectly, as a result of the process of adapting to a low-carbon and more environmentally sustainable economy. This loss may result from the relatively sudden adoption of climate and environmental policies, technological progress or shifts in market sentiment and preferences.

2.H.2.2 *Risk Appetite Statement*

The CNP Assurances Group has introduced a *Risk Appetite Statement* (RAS), applicable since 2021. This statement has been gradually enhanced and adapted to cover all risks deemed major or critical for CNP Assurances Group.

Risk appetite is determined by the level and type of risks that CNP Assurances Group is prepared to accept in order to achieve its strategic objectives and fulfil its corporate mission while taking into account its ability to manage risks and its business model.

The purpose of the statement is to formally establish at CNP Assurances Group level its appetite for actual and potential risks as part of its existing business activities and in the coming year. It also specifies the Group's risk tolerance, i.e. the maximum level of risk it is willing to take on.

Risk appetite indicators or metrics are subject to an alert threshold or a limit. The Risk Appetite Statement includes ESG risks.

2.H.2.3 ORSA

In accordance with EIOPA recommendations, CNP Assurances has included ESG risks, particularly climate change risk, in its internal risk assessment process.

In 2022, CNP Assurances initiated an approach to identifying risks related to climate change in line with the EIOPA opinion of April 2021 and the August 2022 guidance. Consisting in establishing a correspondence between the physical and transition risks related to climate change and prudential risks, this work served to break down each physical and transition risk into prudential sub-risks. The sub-risks identified are primarily financial.

For each sub-risk, materiality is assessed and a risk monitoring system specified, along with the actions taken to limit it. These efforts served to establish that the current risk management systems (ORSA in particular) are sufficiently conservative to cover the occurrence of a physical and/or transition risk.

2.H.2.4 Solvency 2 risk management policies

Published in 2021 and entering into force in August 2022, the amendment to Delegated Regulation 2015/35 is part of a broader sustainable development initiative on the part of the European Commission. It is based on EIOPA's technical opinion (of 3 May 2019), which concluded that additional clarification is required regarding the integration of sustainability risks and factors into the Solvency 2 Delegated Regulation.

- three definitions have been introduced: “sustainability factors”, “sustainability risk” and “sustainability preferences”;
- three articles have been amended to ensure that Solvency 2 risk management policies incorporate sustainability risks;
- an article has been added to take sustainability into account in investment strategies.

2.H.3 Sustainability risk management

TCFD **Governance** TCFD **Risk management** TCFD **Indicators and targets**

2.H.3.1 Sustainability risk management policy

CNP Assurances has implemented a risk management policy that is incorporated in the Group's decision-making processes. The strategic priorities for risk management are decided by the Board of Directors based on the contributions of its Audit and Risk Committee. The purpose of this committee is to monitor the identification of social and environmental risks, which are covered by a specific presentation.

The Board of Directors reviews how ESG criteria are included in asset management as part of its annual review of the investment strategy.

Mindful of the urgent need to reduce the current and future effects of climate change, the Group set up a Climate Risk Committee in 2019. This committee meets each quarter to review the roadmap to be implemented to manage climate risks across all aspects of the business. Its members include representatives of the CSR division, the Investment division, the Technical division and the actuarial function. Since 2021, the remit of the Climate Risk Committee has been expanded to include monitoring the progress of subsidiaries' work on management of climate-related and biodiversity risks (see Governance section 1.C.1).

CNP Assurances' strategy for the integration of sustainability risks in investment decisions is based on the following, each of which reduces sustainability risks:

- the shareholder engagement policy;
- the exclusion policy;
- investment selection based on ESG criteria.

Risk levels are determined by experts using market research and discussions with the SRI analysts of our asset management companies. On climate risk, CNP Assurances conducted several studies of its portfolio of investments that highlighted the exposure of certain governments, companies, buildings or forests to different climate-related and transition risks CNP Assurances' objective, based on the studies and data currently available, is to limit this exposure *through* appropriate investment decisions. These decisions are reflected in exclusion policies, the shareholder engagement policy and investment selection based on ESG criteria.

The table below describes the strategy adopted based on the level of sustainability risk:

	New investments	Investments in the portfolio
Very high sustainability risks	Exclusion policy	Exclusion policy
High sustainability risks	Selection of investments based on ESG criteria	Shareholder engagement policy (voting and dialogue)
Low sustainability risks		Shareholder engagement policy (voting)

Although CNP Assurances' strategy for integrating sustainability risks into its investment decisions aims to reduce these risks, CNP Assurances draws its policyholders' attention to the fact that the investment portfolio nevertheless remains exposed to sustainability risks. Regardless of the investment vehicle chosen, ESG events or situations may arise and have an actual or potential material adverse impact on the value of investments.

2.H.3.2 Control and reporting

The application of the shareholder engagement policy, exclusion policies, and investment selection based on ESG criteria are subject to various controls and reporting.

Voting rights are exercised independently by the Corporate Social Responsibility (CSR) division. The voting proposals drawn up by the CSR division are submitted to the Investment division for approval. Each year, CNP Assurances publishes a report on its shareholder engagement policy on cnp.fr, which covers both general meeting voting results and the outcome of dialogues with companies.

The CNP Assurances Group Risk division and the asset management companies perform *ex-post* controls to ensure the exclusion policy is correctly applied. A report is submitted to CNP Assurances' CSR and Investment divisions.

The asset management companies in charge of our investments in equities, bonds, real estate and forests regularly analyse their management and report to CNP Assurances. Ostrum AM presents the consolidated ESG rating to CNP Assurances' SRI Committee on a quarterly basis. CNP Assurances ensures its ESG policy is properly applied in the management of buildings and construction/renovation work *through* half-yearly monitoring of renovation, certification and labelling initiatives. The sustainable woodland management charter included in the management agreement between CNP Assurances and Société Forestière de la Caisse des Dépôts is the subject of an annual report on qualitative and quantitative indicators, including monitoring of progress towards the objectives set for the protection of biodiversity, water, soil and people.

2.H.3.3 Financial impact measurements

The impact of sustainability risks on the portfolio is assessed based on the expert judgement of low or material risk cases, out of the many cases observed, particularly in listed companies (e.g. fines for environmental pollution, boycotts for controversies, demotivated employee, and concentration of power by a CEO, which have had real impacts on the market value and/or risk level of financial securities. However, there are still few observations available for modelling, and measuring the impact of ESG risks is a difficult undertaking.

Nevertheless, with a view to progress, CNP Assurances has carried out two types of measurement of the financial impact of climate risks on its investments:

- CNP Assurances participated in the ACPR's climate *stress test* pilot exercise. This long-term forward-looking exercise (forecasts through 2050) aimed to raise insurer awareness of climate risks, highlight potential vulnerabilities to physical and transition risks, and conduct initial analyses of the portfolio management decisions that need to be taken into consideration to address the consequences of climate change;
- CNP Assurances measured its climate VaR for two years in a row. Climat VaR is an indicator that provides an assessment of potential financial losses (negative value) and financial gains (positive value) related to transition risk and physical risk. The VaR of a security is expressed as a percentage of its market valuation. The VaR of the CNP Assurances portfolio thus indicates the total of the portfolio's potential financial losses or gains expressed as a percentage of AuM at market value. CNP Assurances called on the services of MSCI ESG, which implemented a climate model based on different valuation models. This model applies to companies in CNP Assurances' directly held equity and corporate bond portfolios. Details of the results and methodologies are available in the 2019 Responsible Investment Report.

In the coming years, it will nevertheless be important to regularly measure the investment portfolio's exposure to various climate risks as accurately as possible, based on different global warming scenarios.

Climate *stress test*

Methodology

CNP Assurances was asked by the ACPR to participate in the climate *stress test* exercise on the scope of its activities in France. The objectives of this long-term forward-looking exercise (forecasts through 2050) are to:

- raise insurer awareness of climate-related risks;
- highlight potential vulnerabilities to physical and transition risks;
- conduct initial discussions on the portfolio management decisions that need to be taken to address the consequences of climate change.

This exercise does not specifically cover insurer solvency: it does not include a calculation of regulatory capital requirements. The impacts of climate scenarios must be assessed according to three metrics: the Solvency 2 assessment, the income statement and the valuation of the investment portfolio.

The exercise was carried out using end-2019 data. The Group Risk division presented the results of the study to the Climate Risk Committee, the Group Risk Committee, the Audit and Risk Committee and the Board of Directors of CNP Assurances. Three transition scenarios were proposed by the ACPR and tested by CNP Assurances:

1. orderly transition scenario: efforts to comply with the Paris Agreement take place in an orderly and gradual manner between 2020 and 2050;
2. delayed transition scenario: efforts to comply with the Paris Agreement start suddenly in 2030, with targets achieved by 2050;
3. accelerated transition scenario: efforts to comply with the Paris Agreement start suddenly in 2025 and targets are achieved quickly.

Application to CNP Assurances portfolio

Though particularly complex, the exercise served to quantify CNP Assurances' exposure to the climate scenarios proposed by the ACPR, and in particular:

- sensitivity to a persistently low interest rate environment in the various scenarios.

The exercise also highlighted CNP Assurances' resilience to climate risk:

- the exercise confirmed that the measures implemented in recent years (reduction of the investment portfolio's carbon footprint, reduced exposure to the thermal coal sector, increase in green investments) improve CNP Assurances' resilience to the scenario of an adverse transition for the highest GHG-emitting companies;

2.H.4 Measures implemented to reduce exposure to sustainability risks

TCFD
Risk management

2.H.4.1 Exclusion policy

Pursuant to its regulatory obligations and responsible investor approach, CNP Assurances has defined rules governing investments in countries and securities.

These rules are intended to meet the following objectives:

- ensure compliance with regulations on arms agreements signed by France, on embargoes and with AML-CFT regulatory obligations[1];
- ensure compliance with regulations and its responsible investor approach with respect to tax havens;
- integrate sustainable governance criteria in country analysis and meet commitments to support the principles of the Global Compact;
- comply with CNP Assurances' public CSR and responsible investment commitments:
  - comply with the principles of the United Nations Global Compact,
  - comply with the *Principles for Responsible Investment* (PRI),
  - gradually divest from the tobacco sector,
  - gradually divest from the thermal coal sector,
  - not support the development of new oil and fossil fuel gas exploration or production projects and limit investment in unconventional fossil fuels.

CNP Assurances therefore determines the list of exclusions and securities on the watch list.

Relevant investments

Scope: all the investments made by CNP Assurances, except open-ended funds and unit-linked funds. For open-ended funds and unit-linked vehicles, the exclusions set by each asset management company apply, as CNP Assurances cannot impose its own rules.

Assets under management: €249bn in market value at 31 December 2022, i.e. 80% of total investments.

CNP Assurances determines the list of exclusions and securities on the watch list (countries and companies). This list is regularly updated and provided both to internal staff and asset management companies for operational application.

Investments in public and semi-public debt or in companies are subject to bans or limited authorisations depending on the risk levels of governance, cooperation and tax transparency criteria.

Securities are sold, where applicable, and suspended in the authorised investment universe. Dedicated UCITS are also subject to this ban.

A periodic control is carried out.

A specific monitoring approach in open-ended UCITS and unit-linked vehicles

With regard to open-ended funds, CNP Assurances conducts a survey every two years with all partner asset managers (nearly 80) on the integration of the principles adopted by CNP Assurances, namely the exclusion of prohibited weapons manufacturers and, since 2015, the exclusion of tax havens and countries under embargo. In 2021, the survey was expanded to include exclusions in thermal coal, oil and fossil fuel gas.

CNP Assurances also includes an exclusion criterion for funds speculating in agricultural commodities.

At end-2022, CNP Assurances introduced a binding ESG filter for the selection of new listed securities funds in euro-denominated portfolios based on:

- enhanced and systematic SRI *due diligence* giving rise to an SRI opinion;
- control of the fund's exposure to companies covered by CNP Assurances' exclusion policy.

The eligibility criteria for the unit-linked products proposed in CNP Assurances policies include ESG requirements:

- unit-linked products corresponding to a fund domiciled or registered in a country excluded by CNP Assurances are not eligible;
- Unit-linked products corresponding to a fund speculating on agricultural commodities are not eligible;
- Unit-linked products corresponding to securities (equities, bonds) issued by a company excluded by CNP Assurances or domiciled in a country excluded by CNP Assurances are not eligible;

For unit-linked products corresponding to a fund dedicated to CNP Assurances, CNP Assurances requires that its own exclusion policy be applied to the fund's underlying assets, as for its direct holdings.

2.H.4.1.1 Countries excluded from our investments

(1) *Anti-money laundering and counter-terrorist financing.*

	Corruption and failure to respect democratic rights and freedoms	Tax opacity
Exclusion rules	CNP Assurances excludes investments in countries deemed most at risk in terms of corruption and failure to respect democratic rights and freedoms.	CNP Assurances excludes investments in countries deemed most at risk in terms of tax transparency.
Information used	CNP Assurances uses the democracy and freedom indices measured by *Freedom House* and the corruption index measured by *Transparency International*.	CNP Assurances uses the lists drawn up by France or the European Union (non-cooperative States and territories, countries subject to international financial sanctions, high-risk third countries, tax havens) as well as by the FATF (countries called on to implement countermeasures, countries under watch). CNP Assurances also uses the *Tax Justice Network's* financial secrecy index.
Methodology	CNP Assurances annually assesses countries by defining three levels of risk (very high risk, high risk and low risk) based on the combination of the following three criteria: corruption, failure to respect democratic rights and failure to respect freedoms.	CNP Assurances assesses countries using the aforementioned lists each year.
2022 results	The list of prohibited countries contains 118 countries.	

2.H.4.1.2 Companies excluded from our investments

	Controversial weapons	Non-compliance with the Global Compact
Exclusion rules	CNP Assurances recognises the right and necessity of States to defend themselves and take military action in compliance with international law. Nevertheless, CNP Assurances considers that there are risks specific to the weapons industry: • the sometimes irresponsible use of weapons, in violation of human rights and international law; • the serious consequences of the use of certain weapons for civilian populations and for the territories affected, including after the period of conflict. CNP Assurances excludes any new investment in companies involved in the use, development, production, sale, distribution or storage of anti-personnel mines, cluster bombs, chemical or biological weapons.	CNP Assurances excludes any new investments in companies that do not comply with the principles of the Global Compact.
Information used	CNP Assurances uses the LBPAM list of companies involved in anti-personnel mines, cluster bombs, chemical and biological weapons. Note: the Ottawa convention (1997) and the Oslo convention (2008) prohibit the production, use, storage, sale and transfer of anti-personnel mines and cluster bombs. The 2011 Act combating the proliferation of weapons of mass destruction prohibits the financing of chemical and biological weapons.	CNP Assurances receives alerts on the ESG risks of companies held or authorised for investment from the Ostrum AM SRI teams responsible for managing equity and bond investment mandates. These alerts are shared at the quarterly SRI Committee meetings.

	Controversial weapons	Non-compliance with the Global Compact
Methodology	Based on ISS ESG data, LBPAM's responsible investment research teams regularly update the exclusion list, which is submitted to LBPAM's Exclusion Committee for a final decision. This list includes all listed or unlisted companies that are involved in the use, development, production, sale, distribution or storage of the anti-personnel mines, cluster bombs, chemical or biological weapons (either definitely or probably) or their essential and dedicated components (definitely).	When an alert concerns non-compliance with the principles of the Global Compact, CNP Assurances asks Ostrum AM to obtain more information from the issuer. If this dialogue fails to show that the situation will be rapidly resolved, a decision to exclude the issuer may be made.
2022 results	Exclusion of companies involved in anti-personnel mines, cluster bombs or chemical or biological weapons: 214 excluded companies.	Exclusion of companies failing to comply with the principles of the Global Compact: five excluded companies.

	Thermal coal	Oil & gas
Exclusion rules	CNP Assurances excludes any new investment in companies: • deriving more than 10% of their revenue from thermal coal related activities and 5% as of 2023. • having thermal coal-fired electricity generation capacity exceeding 5 GW; • producing more than 10 million tonnes of thermal coal a year; • developing new coal plants, coal mines or infrastructure contributing to the use of thermal coal; • or companies that have not adopted a plan to exit thermal coal by 2030 in European Union and OECD countries and by 2040 in the rest of the world.	CNP Assurances excludes any new investments in the following oil and gas sector activities: Producing companies • direct investments in oil and gas sector companies that develop new oil or fossil fuel gas exploration or production projects (conventional or unconventional); • direct investments in sector companies (exploration, drilling, extraction, processing, refining) deriving more than 10% of their revenue from unconventional fossil fuels (oil sands, shale oil and gas, oil and gas from the Arctic region); • nevertheless, to support companies in their transition to a low-carbon economy, CNP Assurances may continue to directly invest in sector companies *through* a subsidiary dedicated exclusively to developing renewable energies or *through* a green bond enabling the funds raised to be channelled into the development of renewable energies; Infrastructure • investments dedicated to a new oil or fossil fuel gas exploration or production project (conventional or unconventional); • investments dedicated to a *greenfield* or *brownfield* infrastructure dedicated to unconventional fossil fuels; • or investments dedicated to a *greenfield* oil infrastructure.

	Thermal coal	Oil & gas
Information used	Thermal coal revenue is obtained from Trucost data, corrected where applicable based on data published by companies. To identify companies involved in the development of new mines, infrastructure or coal-fired power plants, companies with thermal coal-fired electricity generation capacity exceeding 5 GW or extracting more than 10 million metric tons of thermal coal per year, CNP Assurances uses the *Global Coal Exit List* , corrected where applicable based on data published by companies. To monitor thermal coal exit plans, CNP Assurances uses the data published by companies and information obtained during dialogues with companies.	Information on unconventional fossil fuels is obtained from ISS ESG and may be updated with data published by companies. For companies developing new oil or fossil fuel gas exploration or production projects, CNP Assurances relies on the *Global Oil and Gas Exit List*, corrected where applicable based on data published by companies.
Methodology	Trucost calculates the percentage of a company's revenue generated from thermal coal based on financial and production data published by companies.	ISS ESG estimates the percentage of revenue generated from oil sands, shale oil and gas, and Arctic oil and gas, for each company.
2022 results	Exclusion of investments in companies exceeding 10% of revenue, 5 GW of electricity generation capacity or 10 million tonnes of annual production linked to thermal coal or involved in the development of new plants, mines or infrastructure, or having no exit plan: 1,068 excluded companies. Divestment from companies earning more than 20% of revenue from thermal coal: 153 excluded companies.	Exclusion of investments in companies exceeding the 10% revenue threshold in unconventional fossil fuels or developing new oil or fossil gas exploration or production projects: 774 excluded companies.

	Tobacco
Exclusion rules	CNP Assurances excludes any new investment in tobacco sector companies.
Information used	Companies in the tobacco sector are identified using Bloomberg data.
Methodology	List of companies in the tobacco sector according to Bloomberg data.
2022 results	Exclusion of investments in tobacco sector companies: 2,689 excluded companies.

2.H.4.2 Integration of ESG criteria in investment selection

2.H.4.2.1 Directly-held listed shares

Relevant investments

Scope: all directly held listed equities in CNP Assurances' euro-denominated portfolios.

Assets under management: €13bn in market value at 31 December 2022, i.e. 4% of total investments.

CNP Assurances ensures the governance of the ESG approach implemented by its asset management company

Responsible investment and, more specifically, the pro-climate approach are CNP Assurances' major strategic priorities in the management of directly held listed equities.

CNP Assurances has defined and steered its responsible investor strategy since 2006. SRI management and research are delegated to Ostrum AM portfolio managers.

On a quarterly basis, the portfolio managers presents the ESG ratings of the portfolios, sector developments and issues, and securities at risk to the CNP Assurances SRI Committee. CNP Assurances ensures the consistency of the approach through its commitments as a responsible investor and, furthermore, by deciding to strengthen dialogue or even exclude companies whose practices violate SRI principles.

The ESG approach for all directly held listed equities is based on four complementary pillars, i.e.:

- *best-in-class* portfolio management:

  The *best-in-class* approach was chosen. The highest-rated companies in their respective sector from a non-financial (ESG) standpoint are prioritised in terms of investment decisions;
- pro-climate commitments:

  Since the end of 2017, directly held equity investments have been aligned with model portfolios that significantly weight contributions to the energy and ecological transition. As a signatory of the *Montreal Carbon Pledge,* CNP Assurances published the carbon footprint of its directly held listed equity portfolio in December 2015 and undertook to reduce this footprint by 47% between 2014 and 2021, and then by 25% between 2019 and 2025, including directly held corporate bonds and then infrastructure. In accordance with its climate commitments, CNP Assurances also conducts a policy of divestment from fossil fuels;
- a shareholder engagement policy:

  CNP Assurances oversees and implements a general meeting voting and shareholder dialogue policy. The key focuses of this ESG engagement policy are governance, gender equality and climate action as described in section 1.D of this report;
- exclusion rules on securities and countries defined by CNP Assurances:

  These rules, described in 2.H.4.1, also apply to CNP Assurances' equity portfolio.

Ostrum AM's ESG approach

ESG analysis

The ESG analysis carried out by Ostrum AM for CNP Assurances is based on the following principles:

A risk/opportunity approach

Achievement of sustainable development targets involves the integration of two objectives, which can often be supplemented:

- **capturing opportunities:** positioning in technological and societal innovation when it becomes a building block of economic planning allows companies to capture opportunities associated with ongoing transitions;
- **managing risks:** the "re-internalisation of external social and environmental impacts", often by managing the widespread challenges of sustainable development, helps limit the risks associated with ongoing transitions.

This analysis structure, which assigns equal importance to opportunities and risks, is the first perspective in the interpretation of sustainable development issues.

Targeted and differentiated challenges

The aim of the risks and opportunities analysis is to focus on the areas most likely to have a tangible impact on the assets under consideration and on society as a whole. Moreover, the challenges faced by the various economic agents are very different from one sector to the next and may even differ significantly within the same sector.

The analysis process thus focuses on a limited number of issues tailored to the specific characteristics of each asset under review.

An overview of the entire "life cycle"

In order to identify issues liable to have an impact on an asset, the analysis of environmental and social issues must cover the entire product and service life cycle, from extraction of raw materials to end of life.

A rating scale

The non-financial rating of companies/issuers is determined using the GREaT methodology, which serves to conduct a practical and differentiating analysis of companies with respect to sustainable development issues. This methodology measures engagement, accountability, opportunities and risks for companies across 4 (four) pillars:

1. responsible governance: this pillar aims to assess the organisation and effectiveness of powers within each issuer's structure (e.g. for companies: assessing the balance of powers, executive remuneration, business ethics or tax practices);
2. sustainable management of resources: this pillar assesses environmental impacts and human capital (e.g. quality of working conditions, management of supplier relations) for each issuer;
3. economic and energy transition: this pillar assesses each issuer's strategy in favour of the energy transition (e.g. greenhouse gas reduction approach, response to long-term challenges);
4. regional development: this pillar analyses, for example, each issuer's strategy in terms of access to basic services.

The pillars rely on indicators provided by external data providers selected for the quality of their approach and their broad scope of coverage.

Investments are thus assessed based on non-financial criteria, according to a score ranging from 1 (high non-financial quality) to 10 (low non-financial quality).

Integration in the investment policy

Ostrum AM applies the exclusions defined by CNP Assurances, then undertakes to exclude from its investments the assets and financial instruments of any type of issuer presenting serious and proven breaches of a set of fundamental standards of responsibility. For more information, Ostrum AM's strategy is available on www.ostrum.com.

Once the exclusion filter has been completed, the first score taken into account by the insurance management team is the GREaT quantitative rating. When building the portfolio, the objective of the insurance equities management team is to obtain a portfolio ESG score that is better than the ESG score of the top four quintiles of the investment universe (eliminating at least 20% of the lowest-rated securities from the investment universe). In addition, the portfolio management team systematically strives to select the highest rated issuers in the investment universe, either when building the portfolio or reinvesting financial flows, excluding issuers rated 8/9/10.

Once the GREaT filter has been completed, the equity management team focuses on:

1. integrating the score in the investment policy:

   The GREaT rating influences the target valuation in accordance with a proprietary methodology developed for specifically for equities. These valuation models are used both for stock picking and to determine the calibration of the positions in the portfolio.

   The GREaT ESG score directly impacts the discount rate used by the proprietary valuation model. The more positive the rating, the lower the discount rate or cost of equity and the lower the rating, and the higher the discount rate or cost of equity.

2. reducing adverse impacts:

   Specific attention is paid to any poorly rated stocks in the portfolio: the reduction or divestment of these securities must factor in the various potential impacts on the portfolio (achievement of financial performance, impact on the target sector positioning).

   The main impact indicators are directly or indirectly incorporated in the indicators used to determine the GREaT score and are therefore naturally taken into account by portfolio managers.

In 2022, portfolio managers undertook investment opportunities, based in particular on a few major underlying trends in non-financial terms. Companies in the services, telecommunications and renewable energy sectors were strengthened against disposals in the chemicals sector in particular.

2.H.4.2.2 Directly held corporate bonds

Relevant investments

Scope: all directly held listed equities in CNP Assurances' euro-denominated portfolios.

Assets under management: €89bn in market value at 31 December 2022, i.e. 29% of total investments.

CNP Assurances ensures the governance of the ESG approach implemented by its asset management company

As is true for directly held equities, SRI portfolio management and research for corporate bonds are delegated to Ostrum AM portfolio managers, who present the ESG rating of bond portfolios to the CNP Assurances SRI Committee on a quarterly basis.

The ESG approach for all directly held corporate bonds is based on four complementary pillars, i.e.:

- *best-in-class* portfolio management:

  The *best-in-class* approach was chosen. The highest-rated companies in their respective sector from a non-financial (ESG) standpoint are prioritised in terms of bond investment decisions;

- pro-climate commitments:

  As a signatory of the *Montreal Carbon Pledge,* CNP Assurances has published the carbon footprint of its portfolio of directly held corporate bonds and equities since 2016 and has undertaken to reduce this footprint by 25% between 2019 and 2025. In accordance with its climate commitments, CNP Assurances also conducts a policy of divestment from fossil fuels in its corporate bond portfolio;

- a shareholder engagement policy expanded to include bonds since 2020:

  CNP Assurances oversees and implements a shareholder dialogue policy. Since 2020, the key focuses of this ESG engagement policy have been focused on climate and biodiversity, as described in section 4.1.2 of this report;

- exclusion rules on securities and countries defined by CNP Assurances:

  These rules, described in 2.H.4.1, also apply to CNP Assurances' corporate bond portfolio.

Ostrum AM's ESG approach

ESG analysis

The ESG analysis carried out by Ostrum AM for CNP Assurances is based on the principles and rating determined using the GREaT methodology for equities in 2.H.4.2.

Integration in the investment policy

Ostrum AM applies the exclusions defined by CNP Assurances, then undertakes to exclude from its investments the assets and financial instruments of any type of issuer presenting serious and proven breaches of a set of fundamental standards of responsibility. For more information, Ostrum AM's strategy is available on www.ostrum.com.

Once the exclusion filter has been completed, the first score taken into account by the insurance management team is the GREaT quantitative rating. In all its investment decisions, the insurance fixed income management team systematically selects the highest rated issuers in the investment universe, particularly when purchasing bonds, excluding issuers rated 8/9/10 within the meaning of the GREaT methodology. Depending on the leeway available to portfolio managers, arbitration is also carried out in order to improve the portfolio's average GREaT rating, provided it does not exacerbate the average actuarial rate at purchase.

Fixed income managers also set the objective of increasing the weight of *green, social and sustainability bonds* in mandates and avoiding any materiality risk. Once the GREaT filter has been completed, the fixed income management team focuses on:

1. the overall carbon footprint of the entire scope;
2. the score for the assessment and selection of *green, social and sustainability bonds via* an internal analysis and rating tool.

   The assessment of sustainable bonds is based on two factors: the issuer and its sustainable development strategy and the bond, its alignment with market standards and its environmental and/or social impact. Scores are reviewed annually. In the event of a poor rating, the bond is not considered a long-term bond.

   Each instrument is classified according to the type of project financed (seven environmental categories and three social categories), the contribution to the United Nations Sustainable Development Goals (SDGs);
3. the qualitative score determined by credit research: assessment of materiality risk.

   For credit issuers, ESG aspects are systematically included in the analysis, if they are considered material, i.e. as having an impact on the issuer's credit risk.

   The materiality assessment of ESG criteria is based on a multitude of sources selected collectively by Ostrum AM's entire portfolio management team. An issuer-by-issuer approach is taken to identify material non-financial aspects and therefore determine an issuer's strengths and weaknesses with regard to specific ESG issues. It is supplemented by a sector approach, based on the work of the credit research team, which identifies and formalises ESGissues specifically impacting each sector and sub-sector.

In addition, in 2019, Ostrum AM produced a scale for assessing ESG risk and material opportunities: the ESG Materiality Score ranging from 0 to 3. To improve transparency and the comparability of ESG risks and opportunities between issuers, the credit research team set up this new assessment scale. This score is used to monitor developments with each issuer. This assessment is accompanied by an analysis of the quality of each E, S and G dimension, which is included in the dedicated reports written by the analysts, issuer by issuer. The portfolio manager does not systematically exclude ESG3 materiality risks but will decide on whether or not to invest in the issuer based on the outcome of the discussion with the analyst.

2.H.4.2.3 Directly owned real estate

CNP Assurances is a major player in the real estate sector. CNP Assurances entrusts its assets to specialised companies with strict specifications that include environmental and safety criteria.

During the maintenance or renovation of the buildings it owns, CNP Assurances constantly strives to improve energy efficiency and apply the best environmental standards. Action plan scenarios have been prepared for each building to reduce CO_2 emissions and energy consumption. These efforts helped reduce the greenhouse gas (GHG) emissions of its real estate assets (owned in its own name or via wholly-owned SCIs) by 41% between 2006 and 2020 and will also help to achieve in 2022 the next 10% reduction target between 2019 and 2024. An environmental assessment is systematically performed for all new purchases.

In 2015, as part of its low-carbon strategy, CNP Assurances signed the charter for the energy efficiency of tertiary buildings, with the intention of becoming more involved in the sustainable construction sector.

Relevant investments

Scope: real estate assets owned directly by CNP Assurances.

Assets under management: €15bn in market value at 31 December 2022, i.e. 5% of total investments.

Financial management: management of directly owned real estate assets is delegated by CNP Assurances to around a dozen real estate management companies.

Engagement with CNP Assurances asset management companies

The operational management of acquisitions and day-to-day management are delegated to asset management companies specialising in real estate. This delegation is covered by framework agreements setting out the commitments of the asset management companies and which *automatically* apply to their subcontractors. These commitments include ESG and ethical criteria (including the declaration of workers). The implementation of the contract is subject to compliance with CNP Assurances' socially responsible investment policy, as well as principles covering the safety of buildings and persons and the quality of services.

In addition, CNP Assurances asks its asset managers to agree to sign the charter for the energy efficiency of tertiary buildings. At end-2022, 77%* of asset management companies were signatories.

ESG analysis when acquiring buildings

Nature of main criteria: the acquisition of real estate is reviewed with respect to the framework agreement between CNP Assurances and its asset management companies. There are multiple ESG criteria. The main criteria are:

- **environmental** criteria: energy efficiency, pollution, flood and natural disaster risk, transport;
- **social** criteria: user safety, asbestos and lead risk, accessibility for disabled persons;
- **governance:** the seller's identity is analysed against anti-money laundering and anti-corruption rules (*KYC process*). CNP Assurances asset management companies must also follow five ethical action principles. They cover market behaviour, integrity and respect for suppliers, including by subcontractors.

Methodology

Asset management companies are responsible for analysing these criteria. Before any acquisition, they submit a detailed review to CNP Assurances incorporating a technical, environmental and health impact analysis of the building. This review identifies the building's environmental risks, energy performance (mandatory assessment), greenhouse gas emissions and its status with regard to new environmental regulations (green lease, certification, labels), as well as health risks with regard to asbestos, lead, termites, soil pollution, etc. As appropriate, this ESG information may be supplemented with an audit, a benchmarking comparison, international references (labels) or other information from external experts.

Results

100% of property acquisitions in 2022 were subject to this process.

Integration in the investment policy

The building's technical, environmental and health impact analysis helps CNP Assurances identify the risks specific to the building and, above all, assess the amount and feasibility of the work needed to meet CNP Assurances requirements. Non-feasibility is a criterion for abandoning the project, and the assessment of the cost of the work impacts the acquisition price.

ESG analysis in building management

The ESG management principles described below are included in all mandates between CNP Assurances and its management companies as at 31 December 2022. CNP Assurances asset management companies undertake to manage real estate assets in accordance with these criteria.

Nature of main criteria

The asset management companies mandated by CNP Assurances undertake to comply with:

- **the principle of safety of buildings and people:** compliance with this principle is based on the prevention of risks inherent in buildings in order to:
  - Increase the value of the buildings by ensuring that the advice issued and the solutions proposed are suited to the buildings' requirements and the investor's interests, and
  - Protect people against physical harm, whether or not these persons have a contractual relationship with the investor (occupiers, users, visitors, passers-by, etc.)
- **the principle of service quality:** compliance with this principle is based on the selection and systematic use of competent companies while keeping costs under control;
- **the investor's socially responsible approach.**

To ensure they meet their commitments, CNP Assurances asset management companies may base their analysis on tenant satisfaction surveys, environmental studies, health, safety and environmental audits and electrical safety audits, for example.

"Green Works" Charter

The above ESG criteria are implemented operationally via the "Green Works" charter. CNP Assurances asset management companies undertake to carry out renovations in accordance with the rules of this charter:

(a) Materials and technologies used
- Use materials or technologies that have a limited impact on the environment.
- Promote recycled or recyclable materials.
- Perform a critical analysis prior to the use of new processes or products that are theoretically more environmentally friendly.

(b) Project phase
- Draw up an organisational plan for the project.
- Manage and recover waste.
- Reduce nuisances to local residents.
- Limit local pollution.
- Limit resource consumption.
- Carry out eco-monitoring of the site.

(c) Management of business waste
- Reduce waste at source.
- Establish selective waste collection.
- Treat, recover and monitor collected waste.
- Assess the quantity of waste produced.

(d) Water quality and savings
- Manage risk of bacterial contamination and proliferation in water systems.
- Distribute water in accordance with the requirements of the Health Code and quality standards.
- Ensure that water consumption is limited.

(e) Air quality
- Limit the risk of bacterial contamination and proliferation in air treatment facilities.
- Supply air that complies with the requirements of the Labour Code and other applicable requirements.
- Provide occupants with air meeting comfortable humidity and temperature conditions, within the limits of the regulatory requirements.
- Improve indoor air quality.
- Avoid the presence of volatile organic compounds in easy-to-install materials.

(f) Limitation of noise pollution

- Provide maximum acoustic comfort to occupants.
- Limit the spread of noise and vibration within the building. In the event of nearby occupancy during renovations, limit the inconvenience caused.
- Choice of equipment to limit nuisances.
- Reduce nuisances to local residents.

(g) Limitation of olfactory pollution

- Avoid the presence of volatile organic compounds in easy-to-install materials.

(h) Electromagnetic fields

- Limit human exposure to electromagnetic waves.
- Solutions to protect people.
- Solutions to mitigate or eliminate risk.

(i) Asbestos

- Identify the obligations of the building owner and/or project owner during renovations, as set out in regulatory texts.
- Collect documents on the presence of asbestos.
- Describe the steps taken to manage asbestos risk during renovation projects.

(j) Lead paint

- Identify the obligations of the building owner and/or project owner during renovations, as set out in regulatory texts.
- Collect documents on the presence of lead paint.
- Have regulatory controls conducted.

(k) Termites and other wood-eating insects

- Identify areas at risk.
- Manage infested waste.

(l) Energy and thermal performance

- Manage the energy consumption of assets:
  - review opportunities to implement renewable energy;
  - prioritise energy-efficient heating and cooling systems;
  - insulate the building and limit heat gains in the summer;
  - avoid excessive air exchange to prevent unnecessary losses;
  - review opportunities to install heat recovery ventilation systems;
  - provide efficient lighting and adequate power.
- Technological and regulatory watch:
  - aim to exceed current regulatory requirements.
- install consumption meters and monitoring.

(m) Preserving biodiversity

- Depending on the type of renovation, aim to protect biodiversity, by reviewing opportunities for plant-based and biodiversity-based technical solutions and ecosystem services in buildings and gardens (such as differentiated management[(1)]), particularly when working on green roofs or gardens and while respecting ecosystems as the work is conducted.

(n) Circular economy

- Examine opportunities, where possible for each operation, to use deconstruction processes for reuse and recovery of materials.
- Promote the use of recycled materials as much as possible.

CNP Assurances asset management companies are responsible for the risks associated with this charter. CNP Assurances expects them to manage these risks on a case-by-case basis according to the materiality of the stakes and challenges.

Example of application of the "Green Works" charter in 2022:

In October, CNP Assurances began restructuring a building in Paris, the aim being to reduce the end-energy consumption of regulatory uses by nearly 75%. As provided for in the charter, the project is exemplary, making greater use of the circular economy. This is reflected in the reuse of existing materials on site (85% of waste, by mass, will be recycled), the reuse of the stones in the façade after the reinforcement of the insulating structure or in the floor of the reception hall, the use of materials from other sites, in the retention of the majority of the "carbon skeleton" (the concrete structure) and the use of "low carbon" materials such as wood (structures and floors) for the extension of 850m^2 of usable space.

Once revamped, the building will benefit from the highest environmental certifications: HQE Exceptionnel, BREEAM Excellent, BBCA and BiodiverCity. Its energy consumption will be reduced through the use of efficient techniques based on an energy mix (CPCU and own production via a heat pump as well as "green" energy production via solar panels and geothermal energy), which will, over time, allow the cheapest and most efficient sources of supply to be chosen.

Health/Safety/Environment analysis

The safety of property and users is a key consideration for CNP Assurances, which launched an experimental HSE analysis in 2016 covering a major portion of its directly-owned buildings. The objective today is to audit the HSE aspects of all assets, archive all audits and supporting documents in a database, list any identified non-compliance or anomalies, and organise and monitor the lifting of reservations. Nearly 60%* of the observations were processed at the end of 2022.

(1) More environmentally friendly, ecological management method, as an alternative to intensive horticultural management, and tailored to the use of the property.

2.H.4.2.4 Directly owned forests

With 57,736 hectares of forests at end-2022, CNP Assurances is the largest private-sector owner of woodlands in France.

Société Forestière de la Caisse des Dépôts ensures the sustainable management of forests (objectives: security, biodiversity, anticipation of climate change). Since 2003, in addition to being ISO 9001 certified, all CNP Assurances woodland assets have been PEFC certified[1] or in the process of becoming certified, thus attesting that the wood comes from sustainably managed forests. The 2020 update of the portfolio management agreement between CNP Assurances and Société Forestière de la Caisse des Dépôts strengthened the integration of ESG criteria via a sustainable woodland management charter. This charter commits CNP Assurances and Société Forestière de la Caisse des Dépôts to ambitious objectives for the protection of biodiversity, water, soil and people.

Duties include:

- assistance, advice and implementation of the investment and arbitration strategy
- woodland asset management and technical and administrative management.

Relevant investments

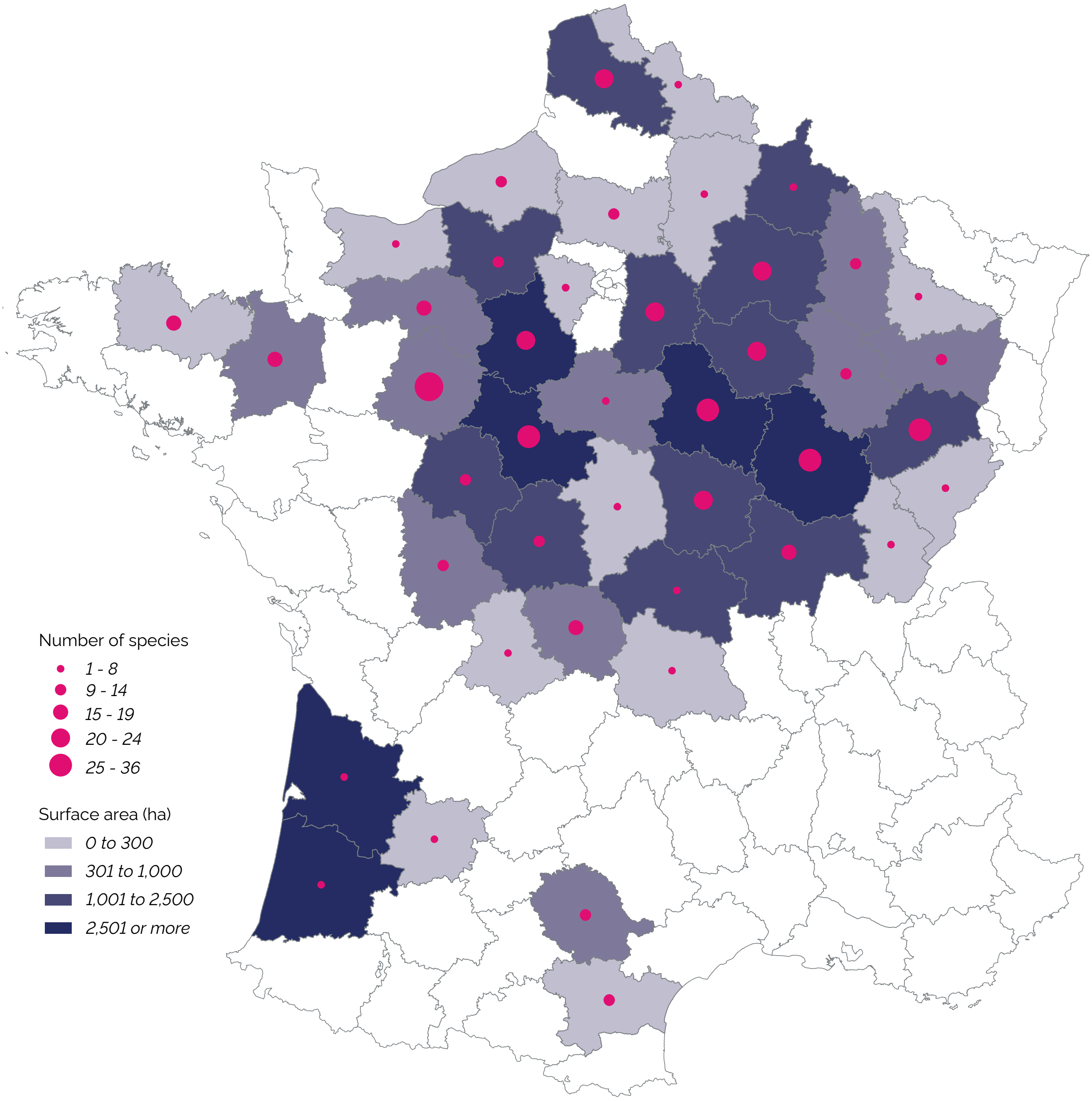
Scope: 208 forests owned directly by CNP Assurances (55,429 ha) and four investments in forest funds (2,307 ha).

Assets under management: €658m in market value at 31 December 2022, i.e. 0.2% of total investments.

Financial management: management of forests is delegated to Société Forestière de la Caisse des Dépôts, a public limited company (société anonyme) 49.98%-owned by CNP Assurances.

(1) Forest certification recognition programme.

Species diversity map



Sources: Société Forestière/IGN - Date: 13/02/2023

Commitment

Through its seat on the Board of Directors, CNP Assurances supports Société Forestière de la Caisse des Dépôts in the sustainable management of forests.

Société Forestière de la Caisse des Dépôts applies its Sustainable Woodland Management Manual to CNP Assurances' woodlands on a daily basis and ensures that the commitments made to meet PEFC certification requirements are met. In addition to environmental criteria, Société Forestière de la Caisse des Dépôts is committed to ensuring compliance with all obligations in terms of hygiene, personal safety and prevention of undeclared work. The people and companies involved in forests (wood buyers, forestry contractors, etc.) are thus informed of the implications of these various commitments for the operations they perform. Their contracts specify these commitments.

Management of the ESG approach

Société Forestière de la Caisse des Dépôts manages CNP Assurances woodland assets *under* a management agreement. Under this agreement, it manages the assets in a socially responsible and environmentally friendly manner. Since 2001, Société Forestière de la Caisse des Dépôts has also followed an ISO 9001 certified Sustainable Woodland Management Manual.

CNP Assurances and its asset manager, Société Forestière de la Caisse des Dépôts, worked together in 2020 to establish new sustainable woodland management targets to be applied to the management of CNP Assurances' woodland assets.

As a result of this collaborative effort, the sustainable woodland management charter "CNP Forests - Acting for the Future" was created to enable CNP Assurances to comply with the social, environmental and economic challenges facing its multi-functional forests over the long term, under a five-year management mandate.

CNP Assurances wanted an ambitious policy to be rolled out, including criteria such as species diversity (see map above), preservation of biodiversity and landscapes. In September 2021, CNP Assurances translated this policy into public biodiversity targets to be achieved by 2025, presented in section 1 dedicated to biodiversity.

Every year, Société Forestière de la Caisse des Dépôts is audited by the certifying body AFAQ, the world leader in management system certification, which verifies the correct application of the 2015 ISO 9001 quality certification by Société Forestière de la Caisse des Dépôts. The renewal of this certification provides a guarantee that Société Forestière de la Caisse des Dépôts' quality policy is correctly implemented.

ESG analysis

PEFC certification and the sustainable woodland management charter "CNP Forests - Acting for the Future" are the main ESG criteria integrated into CNP Assurances' woodland investments.

Sustainable management certification

One of the most visible ways of recognising ESG criteria in woodland management is through sustainable management certification. Forests must be managed sustainably in order to maintain all the ecosystems they offer, for example, their ability to produce wood, a renewable raw material, to maintain original biodiversity and protect soils from erosion.

Information used

PEFC certification, the world's leading sustainable management certification label, aims to ensure that the management policies applied preserve these long-term functions. Société Forestière de la Caisse des Dépôts has historically encouraged woodland owners to obtain PEFC certification.

Methodology

PEFC certification is awarded per administrative region or group of administrative regions. Société Forestière de la Caisse des Dépôts is responsible for ensuring that all of CNP Assurances' certificates remain valid by renewing memberships within the specified time frames and implementing the PEFC sustainable management rules set out in the "Owners' specifications". The validity of the certificates is confirmed by a verification of the documents to ensure they duly exist and are currently valid. Société Forestière de la Caisse des Dépôts maintains a membership database on behalf of CNP Assurances. The certificate is valid for five years, unless it is called into question in an external audit commissioned by PEFC.

Results

At end-2022, 100% of forests owned by CNP Assurances, eligible[1] for PEFC certification, have joined or are currently joining. The goal is to always obtain 100% certification of eligible forests owned by CNP Assurances.

Sustainable woodland management charter "CNP Forests – Acting for the Future"

The sustainable forest management charter "CNP Forests - Acting for the Future" is applied in the 2021-2025 portfolio management mandate.

Amid climate change and societal transformation, oversight of this charter guarantees sustainable and renewed wood resources, as well as the preservation of ecosystem services resulting from the co-benefits provided by forest management.

To meet the major challenges currently facing society, CNP Assurances asks Caisse des Dépôts Forestry Company to manage its forests by focusing on:

- optimising forest resilience;
- acting with respect of stakeholders;
- promoting local safety, quality and employment;
- preserving biodiversity;
- protecting the water quality and wetlands;
- protecting soil and avoiding erosion;
- increasing carbon sinks.

(1) *Agroforestry investments are not covered by PEFC certification.*

CNP Assurances wanted an ambitious policy to be rolled out, including criteria such as species diversity, preservation of biodiversity and landscapes.

Information used and methodology

In 2021, Société Forestière de la Caisse des Dépôts implemented various tools to oversee the charter. Overall, nearly 50 indicators or criteria have been established to achieve the ambitious targets set by CNP Assurances. These criteria and indicators are reported annually.

Among these indicators, the biodiversity inventory or IBP surveys consist in preparing an inventory of biodiversity elements in woodlands that can serve as habitats for wildlife. These are combined into 10 biodiversity indicators, covering management factors (species diversity, presence of standing and fallen dead trees, trees with very large diameters, micro-habitats such as habitats for woodpeckers, mushrooms, moss or lichen, vulture nests, etc.) and contextual factors (age of wooded area, presence of aquatic or rocky environments).

Results

The first year saw the implementation of monitoring tools and extensive training for stakeholders; the results for 2022 are in line with the objectives of the charter and all indicators are up sharply (see section 1.G). The diversity of species and forest practices has been strengthened and stakeholders consulted at the national level. Société Forestière has also developed a CSR questionnaire for the forestry companies with which it works.

Integration in the investment policy

CNP Assurances examines any national or international investment opportunities proposed by Société Forestière de la Caisse des Dépôts, which undertakes to select high-quality woodland assets that have already been certified or have potential future value with sustainable management, with the aim of obtaining PEFC certification.

CNP Assurances also undertakes to continue efforts to improve woodlands where possible (management of enclaves and easements) through the mandate with Société Forestière de la Caisse des Dépôts, with a view to increasing the quality of assets in sustainable management terms.

2.H.4.2.5 Other assets

All CNP Assurances are subject to the exclusion rules set out in Chapter 2.H.4.1. In addition, ESG information is collected on certain types of assets to enrich the analysis, but is not included in the investment decision-making process.

ESG information used in *private equity* and infrastructure investment management since 2010

The *due diligence* performed prior to investing in a new *private equity* fund serves to award an ESG rating. 25* funds were rated in 2022.

For each new investment in an infrastructure fund, CNP Assurances selects funds that implement an ESG strategy compatible with its commitments and internal rules, particularly on sectors prohibited by CNP Assurances. In 2021, an ESG questionnaire was developed by CNP Assurances and sent to the asset management companies to verify the alignment of the ESG objectives and constraints of CNP Assurances and the fund.

For infrastructure funds in the existing portfolio, asset management companies monitor ESG reports. In 2022, 78%* of infrastructure funds met this reporting request or provided voluntary reporting.

Funds of listed securities under ESG watch

For funds of listed securities dedicated to CNP Assurances, CNP Assurances requires that its own exclusion policy be applied to the fund's underlying assets, as for its direct holdings.

For funds of listed securities open to all investors, CNP Assurances cannot impose its ESG policy. It ensures that the fund's ESG approach is consistent with its own *via* an ESG questionnaire sent to each asset manager during the *due diligence* stage preceding the investment, then every two years.

At end-2022, CNP Assurances introduced a binding ESG filter for the selection of new listed securities funds in euro-denominated portfolios based on:

- enhanced and systematic SRI *due diligence* giving rise to an SRI opinion;
- control of the fund's exposure to companies covered by CNP Assurances' exclusion policy.

In addition, CNP Assurances has invested nearly €27bn in funds of listed securities with sustainable finance certification.

Results of the ESG survey of asset management companies

Every two years, CNP Assurances conducts an ESG survey of the asset management companies in which it subscribes for funds of listed securities. The 2021 survey covered €35bn in assets under management, i.e. 9% of total investments, and 81 asset management companies. This ESG survey covers the fund's responsible investment approach and ESG rating, and more specifically the following: rules regarding controversial weapons, embargoes, tax havens, thermal coal and climate risks.

The survey raises awareness among companies that have not yet implemented this type of practice. In addition, it confirms that asset management companies have improved significantly in terms of best practices over time.

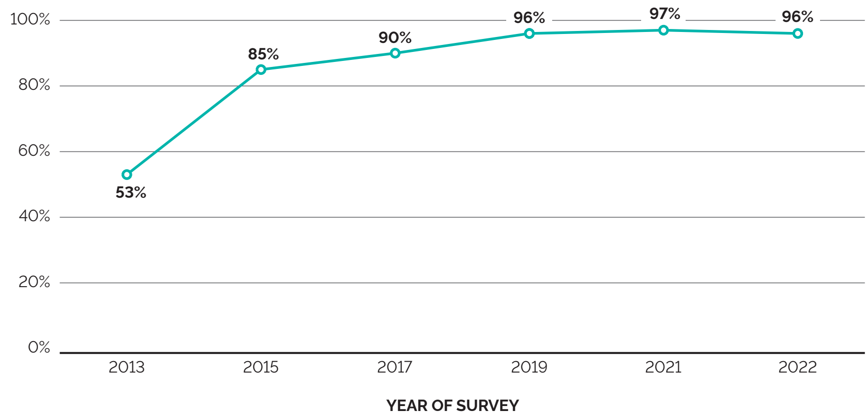
Currently, almost all of the asset management companies surveyed exclude investments in controversial weapons, including but not limited to anti-personnel mines and cluster bombs, while in 2010 only 20% of the companies surveyed had such a policy.

Since 2017, we have been able to observe through this survey that the fight against climate change has become one of the major pillars of the sustainable development policy of most asset management companies, and the voting policy is a growing source of influence in favour of a low-carbon economy. At end-2021, all participating asset management companies incorporated non-financial factors into the investment decision-making process.

For the most part, asset management companies have engaged in "climate" dialogue associated with the energy transition and are generally in favour of greater corporate transparency on these topics (generally supporting shareholder resolutions with this specific aim).

At end-2022, 96% * of the asset management companies managing listed securities working with CNP Assurances had signed the *Principles for Responsible Investment* (PRI), representing a steady increase over the last several years, reflecting their commitments to responsible finance.

PERCENTAGE OF ASSET MANAGEMENT COMPANIES HAVING SIGNED THE PRI



2.H.5 Climate change risk monitoring methodologies

TCFD Strategy **TCFD Risk management** **TCFD Indicators and targets**

CNP Assurances has identified physical and transition risks as described above and taken measures to reduce them. Given changes in methodologies, scopes and regulations, the results presented reflect the choices made over the past several years but are subject to change over time.

2.H.5.1 Physical risk

CNP Assurances focused first on analysing the physical risk exposure of its real estate and forest assets. In 2017, CNP Assurances also carried out a more in-depth study of the physical risk of its real estate assets, supplemented as from 2018 by an analysis of the physical risk of its direct equity, corporate bond and sovereign bond portfolio to benefit from a more comprehensive view of its potential climate risk exposure.

PHYSICAL RISK

Level of physical risk	Assets with little or no physical risk exposure	Assets with high physical risk exposure	Assets with very high physical risk exposure
Time frame	Long term (10-50 years)		
Physical risk monitoring tools	Exposure and vulnerability measurement, risk score		
	Financial impact (VaR) of physical risk Climate *stress test*		
	Physical risk analysis in forest management plans		
Actions taken to control physical risk	Integration of these risks in the business activities of the Investment division, Risk division, and real estate and forestry management companies		
	Shareholder engagement with companies on the measurement and reduction of their physical risk exposure		
	Integration of climate risk into real estate investment and construction decisions		
	Integration of physical risk in forest management plans: adaptation and diversification of tree species, geographic diversification of woodlands		R&D and prevention of fire risks in our forests
Assets covered by a physical risk analysis	Equities, corporate bonds, sovereign bonds, real estate, forests At end-2022, 68% * of assets were subject to one or more physical risk analyses		

2.H.5.1.1 Buildings

To analyse the physical risk exposure of its real estate assets, in 2017/-2018 CNP Assurances called on Eco-Act, specialising in the climate transition of companies and regions, to assess the climate change-related physical risks of its directly owned French real estate assets. This analysis was carried out for six climate-related risks potentially impacting the building and its occupants (temperature, submersion, drought, floods, winds) over the near term (2021-2050), based on two GHG development scenarios established by the IPCC (Intergovernmental Panel on Climate Change).

CNP Assurances has little to no exposure to most of these risks only buildings located in the Mediterranean and in cities subject to urban heat islands have higher exposure to the risk of heat waves and the rise in average temperature by 2050.

CNP Assurances aims to reduce this exposure by asking its real estate asset management companies to propose solutions to adapt to these risks. CNP Assurances' overall adaptation and resilience strategy is based on:

- transmission of information to our partners for appropriation and involvement;
- prioritisation of goals and more detailed studies;
- integration of climate risk in construction/renovation decisions.

2.H.5.1.2 Forests

Société Forestière de la Caisse des Dépôts has undertaken to reduce the climate change risks of CNP Assurances assets by implementing four analyses, which are based on the integration of deliberations in the portfolio management plan, insurance coverage, geographic diversity and species diversity.

- At end-2022, 78% of forest assets were covered by a plan integrating climate change. The goal is to gradually increase this rate to 100% as the plans are renewed. Practically, this results in the analysis of aspects such as the expected impact of local changes in climate, adaptation of existing species and production cycles.
- Fires are one of the major physical risks to forests, significantly impacting the resilience of the forest ecosystem, and for which the manager and owner can have some influence, particularly with a sufficient network of tracks. This risk materialised in the summer during the forest fires that hit France, concerning nearly 600 hectares of CNP Assurances woodland assets. Forest management takes this risk into account both in the prevention of forest fires and in the facilitation of rapid intervention and access to water points.
- The status of CNP Assurances' assets in terms of species diversity and geographic distribution as at 31 December 2022 is mapped out in section 4.3.3. Species diversity is a way to diversify the risks incurred by each species in the face of climate change: health problems due to the advent of pathogens, risk of drought that will have a different impact on each species, etc. 88% of replanting projects in 2022 included at least two different species.
- 100% of the forests owned by CNP Assurances are insured against the main climate-related risks.

Research and development projects were also initiated in 2022. An initial mapping campaign using optical and satellite radar images aims to provide better information on wood and the decline of forest stands. The use of hydro-retainers was tested to maximise the useful water reserve available to forest plants in the first few years, thus boosting their resilience to the effects of climate change

2.H.5.1.3 Listed equities and bonds

To analyse the physical risk exposure of its directly held listed securities, equities and bonds, CNP Assurances has called on Indefi to map out the geographic vulnerability of issuers linked to climate change.

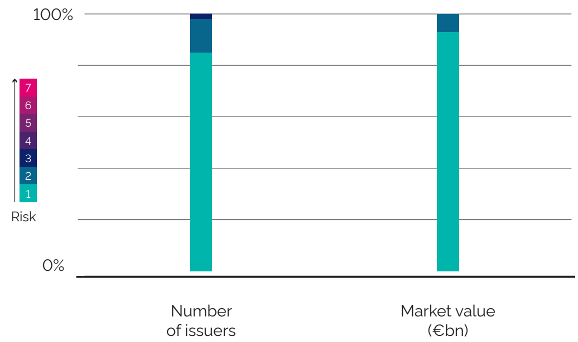
The physical risk analysis is based on the vulnerability measurement according to the ND-Gain RCP4.5 methodology, which corresponds to the most likely trajectory with regard to current government commitments under the Paris Agreement.

This study gave CNP Assurances a snapshot as at end-2018 of assets according to seven levels of physical risk, the results of which are presented below. At end-2019, an additional study was carried out to measure the exposure of directly held listed securities in a more pessimistic scenario, i.e. RCP8.5, which corresponds to the *Business as Usual* trajectory (i.e. an average increase in temperatures between 3.5 °C and 5.5 °C).

Result on sovereign bonds

CNP Assurances has little to no exposure to most risks *.

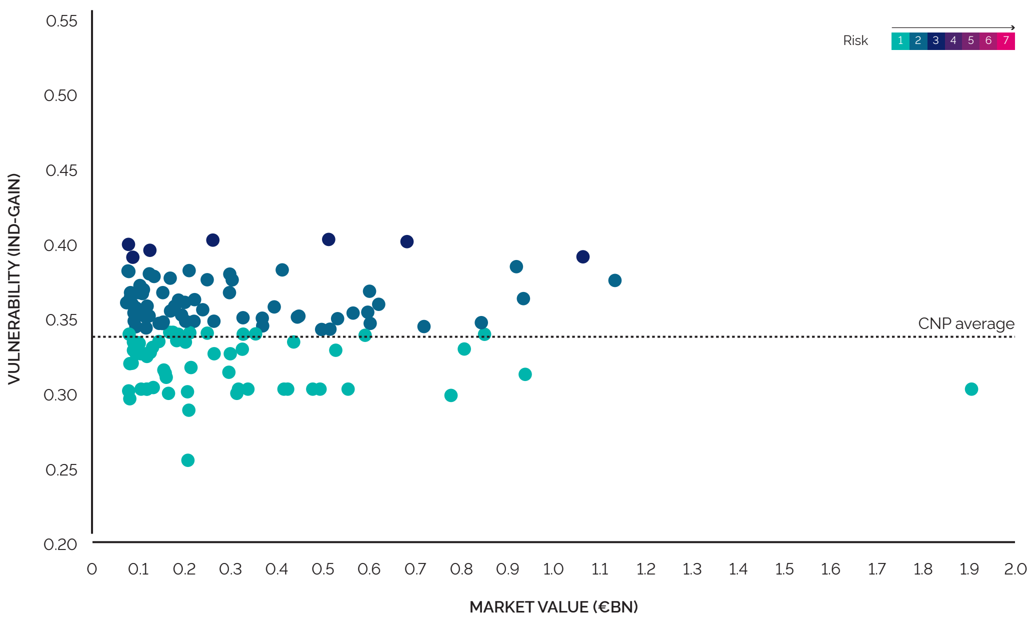
VULNERABILITY OF SOVEREIGN ISSUERS IN THE PORTFOLIO



Result on corporate bonds and equities

CNP Assurances has little to no exposure to most risks *.

VULNERABILITY OF CORPORATE ISSUERS IN THE PORTFOLIO



As CNP Assurances has little to no exposure across its entire portfolio, the analysis identified the few securities that need to be placed on watch.

2.H.5.2 Transition risk

CNP Assurances has classified assets into four categories, based on market research: assets promoting the transition, which are relatively speaking in a position of opportunity with respect to the energy transition, assets in sectors with low or weak exposure, assets in sectors exposed according to the TCFD (energy, transport, materials, buildings, agriculture, food & beverage, forests). *Stranded assets* such as coal are classified as very high risk.

CNP Assurances managed these transition risks by combining multiple approaches, which it has expanded from year to year.

Most transition risk mitigation approaches are aligned with the Paris Agreement.

TRANSITION RISK

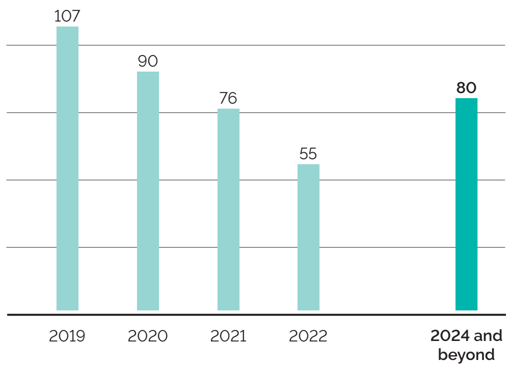
Transition risk level	Assets promoting EET Green assets	Assets with little or no exposure to transition risk	Assets exposed to transition risk with the meaning of the TCFD Energy, transport, materials,buildings, agriculture, agri-food, forests	Assets with the highest exposure to transition risk, with very high risk of *stranded assets* Fossil fuels
Time frame	Long term (10-50 years)	Medium term (3-10 years)		Short term (1-3 years)
Transition risk monitoring tools	Special quarterly report on green assets Work on the European Taxonomy		Exposure to the carbon sector	Oversight of revenue generated from thermal coal Monitoring of new developments in mines, infrastructure and thermal coal plants and fossil fuel production and exploration
	Carbon footprint of companies and real estate, forest carbon storage, country electricity			
	Financial impact (VaR) of transition risk *Climate stress test*			
	Measurement of corporate temperature trajectory			
Actions taken to control transition risk	Reduction of corporate and real estate carbon footprint			
	Alignment of equity portfolio with model portfolios strongly weighting EET contribution.			Exclusion
	Funding of EET with a target of €30bn in assets under management by end-2025		Enhanced shareholder engagement with companies on the measurement and reduction of their exposure to transition risk	Shareholder engagement with companies on their thermal coal exit plan and the end of development of fossil gas and oil exploration and production
			Renovation of real estate assets	
Assets covered by a transition risk analysis	Bonds, infrastructures, *private equity*, real estate, forest, funds	Equities, bonds, real estate		All assets, except non-dedicated open-ended funds and unit-linked products
	At end-2022, 88% * of assets were subject to one or more transition risk analyses			

Every two years, CNP Assurances conducts an ESG/climate survey of the asset management companies in which it invests in open-ended funds holding listed assets. In 2021, 91% of respondents managed climate risk in their funds, mainly covering transition risk.

2.H.5.2.1 Carbon footprint

The carbon footprint is calculated in order to identify the highest GHG-emitting listed companies, which are likely to be directly exposed to transition risks. The approach is incomplete because it does not reflect management of transition risk by companies. Some low-emitting companies may be highly exposed to transition risk. CNP Assurances has thus chosen to supplement this approach with a more forward-looking analysis.

Maintaining its commitment to the *Montreal Carbon Pledge*, CNP Assurances has calculated the carbon footprint of the entire equity and corporate bond portfolio since 2016. In 2022, the scope was expanded to infrastructure and the formula aligned with the SFDR methodology. It covers Scopes 1 and 2 of companies without restating any duplicate entries. As many companies do not provide this data, the estimate covers 81% of the equity and corporate bond portfolio and amounted to 55 kg CO_2eq per €k invested at 31 December 2022.



Having reduced the carbon footprint (Scope 1 and 2) of the directly held equity portfolio by 54% * between 2014 and 2020, CNP Assurances set a new target of an additional 25% * between 2019 and 2024, extended to direct corporate bonds and, in 2022, to directly owned infrastructure. This target was largely achieved at end-2022 with a 49% * reduction in the carbon footprint between 2019 and 2022. As part of the NZAOA, CNP Assurances will be required to set a new target by 2025 on reducing the carbon footprint of the equity, corporate bonds and infrastructure portfolio by 2030.

In accordance with its shareholder engagement policy, CNP Assurances works with the highest-emitting companies to ensure that they are aware of the risks and opportunities created by the transition to a low-carbon economy, and to support them as a long-term investor in this transition. Furthermore, in 2022, CNP Assurances communicated the criteria it expects from companies submitting a resolution on their climate strategy. A letter was sent to each of them ahead of the general meeting season. In 2022, 92% * direct engagement with portfolio companies focused on climate-related issues.

CNP Assurances initially did not measure its carbon footprint for Scope 3. The quality of data on this scope remains modest and incomplete. Furthermore, the priority of CNP Assurances' initiatives has focused on energy issues that are fully taken into account in Scopes 1 and 2. Nevertheless, the shareholder engagement policy encompasses the three scopes and covers the value-chain strategy of companies. In addition, CNP Assurances published for the first time this year the carbon footprint including Scope 3 (3.B.1) in the list of negative impacts.

The following table shows the sector breakdown of GHG emissions by companies financed by CNP Assurances (Scopes 1 and 2 with a coverage ratio of 81% * of the directly held equity, corporate bond and infrastructure portfolio).

Corporate sector	Scope 1 and 2 GHG emissions of companies financed by CNP Assurances *(tCO_2eq)*	Distribution	Carbon footprint of companies financed by CNP Assurances *($kgCO_2eq$ per thousand euros invested)*
Utilities	1,453,270 *	34% *	358 *
Materials	1,159,043 *	27% *	517 *
Energy	897,564 *	19% *	203 *
Industry	340,674 *	8% *	36 *
Consumer discretionary	166,136 *	4% *	34 *
Finance	120,038 *	3% *	3 *
Consumer staples	94,263 *	2% *	22 *
Communication services	84,452 *	2% *	19 *
Healthcare	20,865 *	1% *	7 *
Information technologies	11,739 *	0% *	3 *
Real estate	8,270 *	0% *	5 *
OVERALL TOTAL	**4,356,314 ***	**100% ***	**55 ***

The following table shows the country breakdown of GHG emissions by companies financed by CNP Assurances (Scopes 1 and 2 with a coverage ratio of 81% * of the directly held equity, corporate bond and infrastructure portfolio).

Country of company's registered office	Scope 1 and 2 GHG emissions of companies financed by CNP Assurances *(tCO_2eq)*	Distribution	Carbon footprint of companies financed by CNP Assurances *($kgCO_2eq$ per thousand euros invested)*
France	2,174,697 *	49% *	74 *
Luxembourg	513,736 *	12% *	1,638 *
Italy	367,042 *	9% *	200 *
Spain	353,472 *	8% *	77 *
Ireland	180,633 *	4% *	462 *
Germany	161,846 *	4% *	31 *
United Kingdom	145,869 *	3% *	31 *
United States	142,965 *	3% *	9 *
Netherlands	88,952 *	2% *	13 *
Austria	56,237 *	1% *	194 *
Norway	35,501 *	1% *	48 *
Finland	31,609 *	1% *	34 *
Belgium	19,529 *	0% *	13 *
Portugal	19,062 *	0% *	231 *
Republic of Korea	14,610 *	0% *	146 *
Sweden	12,610 *	0% *	9 *
Switzerland	8,468 *	0% *	8 *
Mexico	7,870 *	0% *	29 *
Australia	7,219 *	0% *	4 *
Japan	5,289 *	0% *	5 *
Denmark	5,199 *	0% *	12 *
New Zealand	2,723 *	0% *	107 *
Canada	1,176 *	0% *	1 *
TOTAL	**4,356,314 ***	**100% ***	**55 ***

2.H.5.2.2 Electricity mix of sovereign portfolio

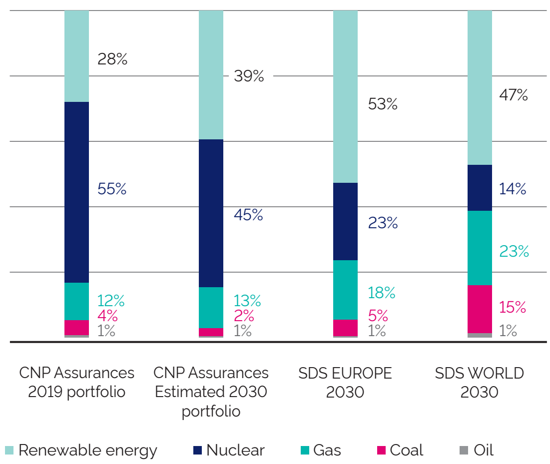
To estimate the transition risk of the directly held sovereign bond portfolio, CNP Assurances called on S&P Trucost to specify the electricity mix of its portfolio.

A country's electricity mix represents the proportion of energy sources (renewable, nuclear, gas, coal, oil) in its electricity generation.

For each country whose sovereign bonds had been purchased by CNP Assurances, the electricity mix is weighted by the balance sheet value at December 31, 2019. The electricity mix of the portfolio is projected through 2030 based on national commitments, all other factors being equal.

The electricity mix of the sovereign bond portfolio is compared to the International Energy Agency's *Sustainable Development Scenario* (SDS), which corresponds to a trajectory in which the goals of the Paris Agreement are met (WEO 2017 - SDS scenario).

The analysis covers the entire portfolio of sovereign bonds held directly by CNP Assurances as at 31 December 2019.



The sovereign portfolio's transition risk *appears* low for the following two reasons:

- the percentage of French bonds, where nuclear power accounts for the majority of the electricity mix, is predominant in CNP Assurances' sovereign bond portfolio. By 2030, in accordance with national commitments, the percentage of nuclear energy is expected to gradually decrease in favour of renewable energy;
- the percentage of fossil fuels (oil, coal, natural gas) in the sovereign portfolio's electricity mix was already lower than the forecasts of the SDS Europe scenario for 2030 at end-2019.

2.H.5.2.3 Decarbonisation of real estate assets

As demonstrated by the various scenarios defined by the International Energy Agency, the real estate sector is key to improving energy efficiency. In addition to the certification of the buildings, the strategy of supporting the EET for real estate assets is primarily based on renovation.

CNP Assurances addresses the management of climate-related risks by integrating environmental criteria and decarbonisation targets for its real estate assets in three forms:

- systematic analysis of the improvement in energy performance during the planning of construction/renovation works;
- the commitment to reduce the GHG emissions associated with energy consumption of its directly held real estate assets: this point is managed *through* the Greco project launched in 2012 by CNP Assurances, whose objective, from the outset, has been to define construction/renovation plans tailored to each building in order to reduce CO_2 emissions and energy consumption;
- commitment arising from the signing of the charter for the energy efficiency of private and public tertiary buildings. In addition, CNP Assurances asks its asset managers to agree to sign the charter for the energy efficiency of tertiary buildings. At end-2022, 77% * of asset management companies with a management mandate with CNP Assurances were members.

In 2020, CNP Assurances began working with its asset management companies to prepare for the application of the tertiary decree. which imposes a reduction in the energy consumption of buildings dedicated to tertiary activity of 40% by 2030, 50% by 2040 and 60% by 2050. Greco consumption estimates will be gradually replaced by actual consumption entered in the regulatory base as of September 2022, and CNP Assurances will roll out new action plans to meet the obligations of the decree.

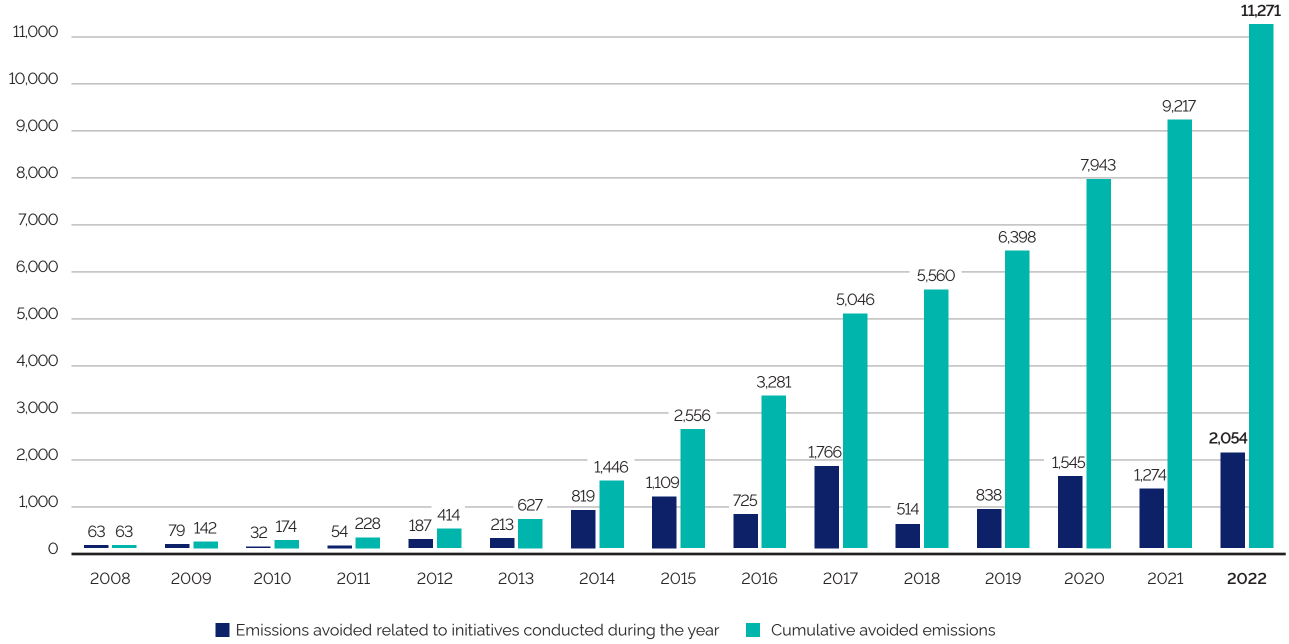
Results

- Of the 180 * real estate assets covered by the Greco project at end-2022, 174 * have already been analysed or are being planned, i.e. a progress rate of 97%. Energy improvement action plans have been defined for each of the real estate assets through the different stages of the Greco project.
- CNP Assurances has launched a programme aimed at reducing the carbon footprint of the directly owned real estate portfolio. After reducing the carbon footprint of the directly owned real estate portfolio 41% * between 2006 and 2020, CNP Assurances set a new target of an additional 10% reduction between 2019 and 2024. This target was met in 2021 three years ahead of schedule, with the carbon footprint of the real estate portfolio down 10% * between 2019 and 2021. This reduction can be attributed to CNP Assurances' implementation of an ambitious multi-year €198m* programme of energy renovations on directly-owned buildings.
- Certification: during the maintenance or renovation of the buildings it owns, CNP Assurances constantly strives to improve energy efficiency. It seeks to apply the highest environmental standards: 53% * of the surface area of real estate assets under direct management had obtained energy, environment or operations certification at end-2022, an increase compared with 2021. CNP Assurances aims to invest in new assets with high-level energy performance (at least RT2012 - 20% for offices) and,for acquisitions of existing non-performing assets, undertakes to significantly improve their energy performance in the short term.

Oversight of greenhouse gas emissions avoided by building renovations

Total emissions avoided theoretically thanks to renovations carried out since 2008 amount to 11,271 tCO_2eq/year *.

GREENHOUSE GAS EMISSIONS AVOIDED (TCO_2EQ)



To improve user behaviour, CNP Assurances asset managers have included green endorsements in all tertiary leases covering more than 2,000 m^2. CNP Assurances asset managers organise an energy efficiency meeting with users each year.

CNP Assurances implements the scenarios for the budget reserved for building renovations and equipment efficiency improvements recommended by the Greco project. During each audit, the potential for using renewable energy is analysed and included in the renovation scenarios where applicable.

2.H.5.3 Liability risk

2.H.5.3.1 An emerging risk

Liability risk is the risk of disputes or proceedings initiated against the companies or governments in which CNP Assurances invests. Climate-related liability risk appears to be on the rise, judging from the increase in the number of disputes observed recently. According to the *2021 Global Trends in Climate Change Litigation report*[1], the number of climate-related disputes is growing rapidly around the world, having doubled in less than ten years.

Today, governments make up the majority of legal entities involved in legal disputes. They are accused of failing to comply with the Paris Agreement in their national strategies. The significance of these disputes is such that regulatory changes can already be observed as a result of these proceedings.

In the private sector, fossil fuel players were the primary targets, but the phenomenon extends to other industrial sectors and to the financial sector. They are challenged for their past or present contribution to climate change as well as *greenwashing* (misleading advertisements, carbon neutrality targets without credible short-term action).

2.H.5.3.2 Impacts on investments

At present, there is no tool to monitor or measure the impact of these proceedings on investors. However, observations show that these disputes have significant consequences on the underlying companies that ultimately affect creditors:

- impact on market value;
- impact on stakeholder relations;
- direct costs related to remuneration, fines, legal and administrative costs, insurance and financing costs, and finally the cost of rebuilding the company's image.

Furthermore, observations show that a dispute involving a company in a given sector affects other companies in the same sector, which then implement actions to avoid similar disputes. The international standards on which the sentences and shared details of these cases are based make these disputes repeatable, increasing the risk of litigation.

To determine if and to what extent climate litigation is significant, it will be necessary to develop frameworks to quantify this risk in investment portfolios.

(1) https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-litigation-2021-snapshot/

2.H.5.3.3 Actions taken to manage this risk

The actions implemented by CNP Assurances to monitor physical and transition risk are also useful in managing liability risk:

- the Climate and Biodiversity Risk Committee monitors major climate disputes;
- by measuring the carbon footprint and implied temperature, CNP Assurances is able to target players with a high risk of litigation;
- the engagement policy targets players with no targets or targets that are too ambitious to hope to achieve 1.5 °C alignment. These companies are highly exposed to transition and liability risks. In 2022, 92% of engagement with portfolio companies focused on climate-related issues;
- lastly, the exclusion policy is particularly ambitious in the fossil fuel sectors (coal, oil and gas). It supports the gradual reduction of exposure to fossil fuels (coal exit plan, discontinuation of investments in any new projects or companies planning to explore or produce oil or gas).

2.H.6 Methodologies for monitoring risks related to biodiversity loss

Biodiversity and the goods and services offered by natural ecosystems are essential to the survival of the human species and its development, but are now on the decline due to human activities. As IPBES has shown, for the past 60 years, human activity has significantly compromised the intrinsic ability of living things to reproduce and diversify; many scientists have spoken of a sixth mass extinction and estimate that the species extinction rate is 10 to 100 times higher today than it was over the last 10 million years. Loss of biodiversity leads to the reduction or elimination of ecosystem services. The *Millennium Ecosystem Assessment* (MEA) defines ecosystem services as the benefits that humans obtain from natural ecosystems.

2.H.6.1 Governance for biodiversity

Since 2021, biodiversity risk has been incorporated in the Climate Risk Committee, renamed the Climate and Biodiversity Risks Committee. The functioning of this committee is presented in 1.C.1.2.

CNP Assurances sought to take stock of this challenge. After an initial calculation in 2021 based on the work of Banque de France[1], CNP Assurances used the BIA-GBS™ methodology developed by Carbon4 Finance and CDC Biodiversité for the second calculation. The methodology was used to assess the exposure of the directly held equity and corporate bond portfolio to the physical risks associated with biodiversity loss.

2.H.6.2 Methodology used to measure dependence on ecosystem services

Under the BIA-GBS™ methodology, a biodiversity dependency score is assigned to each business sector of a company. After aggregating these scores for the company and for our portfolio, CNP Assurances was able to obtain a new approach to the biodiversity loss risks of the companies in the portfolio. These methodology choices may change over time. This particularly complex work measures the direct dependence (Scope 1) and the value chain (Scope 3) of a company's business activity on ecosystem services; for the time being, it does not highlight the most exposed ecosystem services. As such, dependence on one or more ecosystem services may be concealed or difficult to interpret.

2.H.6.2.1 Dependence of production processes on ecosystem services

The ENCORE database assigns 86 process dependence levels to 21 ecosystem services classified according to the common international classification of ecosystem services. Dependence levels range from very low to very heavily dependent (20% to 100% dependence, respectively) and incorporate two factors:

- the degree of disruption to production processes should the ecosystem service disappear;
- the resulting expected financial losses

2.H.6.2.2 Allocation of dependence levels to the CNP Assurances portfolio

Where dependence levels are assigned to the production processes required for each sector, an average is made of all the ecosystem services essential to each company. This is calculated both for the company's own activities (Scope 1) and its supply chain (Scope 3). Expressed as a percentage, these scores denote an entity's dependence on ecosystem services

The average dependence on ecosystem services is calculated by weighting each company's score by the share of the stock market value invested in these companies.

(1) *A "Silent Spring" for the Financial System? Exploring Biodiversity-Related Financial Risks in France (working paper, August 2021).*

2.H.6.3 Level of dependence on ecosystem services

These efforts enabled CNP Assurances to estimate the dependence of its investment portfolio on ecosystem services. The assessment covers 67% * of its directly held equity and bond portfolio. At end-2022, the average score on dependence on ecosystem services for own activities of the financed assets covered was 10% *. For the supply chain of funded assets covered, the average dependency score was 11% *.

Average ecosystem services dependence score	Own activities (Scope 1)	Supply chain (Scope 3)	Portfolio hedging
Directly held equity and corporate bond portfolio	10% *	11% *	67% *

The calculation shows that the average dependence of the portfolio under review remains limited for both the own activities of the financed companies and their value chain. A more detailed study of the results highlighted the economic sectors for which the contribution to the dependence score of the CNP Assurances portfolio was the highest. These include the agri-food, automotive, leather and electronic equipment sectors.

Despite this limited average dependency score, this study may conceal strong reliance on one or more ecosystem services. The efforts of CDC Biodiversity and Carbon4 Finance will soon make it possible to obtain much more detailed results, enhancing our understanding of the physical risks linked to biodiversity.

On the basis of the nascent and evolving measurement of dependence on ecosystem services, our observation is that companies publish insufficient data on their dependence. More than the true measure of an exact dependency score, this study identifies the most exposed sectors, prioritises goals and approaches the measurement of the effect of an exclusion or engagement policy and the integration of this risk in ESG analyses.

Furthermore, owing to the change in methodology mentioned in 2.H.6.1, this dependency score cannot be compared with the percentage of companies that are highly or very highly dependent on at least one ecosystem service published in the 2021 responsible investment report.

Section

3

Adverse sustainability impacts of investments

Information resulting from the provisions of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019

3.A Summary of principal adverse impacts on sustainability factors

CNP Assurances, LEI no. 969500QKVPV2H8UXM738, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of CNP Assurances, excluding French and international subsidiaries and excluding CNP Retraite. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

The integration of adverse impacts into investment decisions applies to all CNP Assurances euro-denominated vehicles.

For unit-linked products, policyholders are advised to refer to the information available in their policy information notice and in the precontractual documents in particular the prospectus, of each investment vehicle in order to identify how sustainability risks are integrated in the investment decisions of each unit-linked vehicle.

An adverse impact on a sustainability factor corresponds to the adverse impact of an investment decision on an environmental, social or governance (ESG) issue. When implementing its responsible investment strategy, CNP Assurances immediately relied on the Global Compact it signed in 2003. As a life insurer, by committing to the Global Compact CNP Assurances undertakes to reduce the negative impacts of its insurance and investor activity on sustainability factors.

Principles of the Global Compact:

- respect for human and citizens' rights as defined in the Universal Declaration of Human Rights;
- respect for the principles of the International Labour Organization (ILO), including the freedom of association and the right to collective bargaining, the elimination of forced labour, child labour and discrimination;
- promotion of environmental protection and the environmental and energy transition, initiatives to reduce or adapt to climate change;
- contribution to the fight against corruption.

CNP Assurances has identified the negative impacts of its investments on sustainability factors based on these principles. The company's internal experts on these topics targeted the main impacts by taking into account market exchanges *via* France Insurers, discussions with asset management companies, the expectations expressed by stakeholders, non-financial questionnaires on responsible investment by rating agencies, and other bodies such as the PRI or the CDP.

The main negative impacts identified by CNP Assurances at end-2022 are shown in the table below. CNP Assurances is focusing its efforts and resources on reducing these impacts through the shareholder engagement policy, the exclusion policy and the selection of investments based on ESG criteria.

Negative impacts identified by CNP Assurances	Shareholder engagement policy (voting and dialogue)	Exclusion policy	Selection of directly held investments based on ESG criteria			
			Equities	Bonds	Buildings	Forests
Greenhouse gas (GHG) emissions	✔	✔	✔	✔	✔	✔
Impact on biodiversity	✔	✔	✔	✔	✔	✔
Overuse of natural resources (water, raw materials)			✔	✔	✔	✔
Terrorist financing and money laundering		✔	✔	✔	✔	✔
Tax avoidance		✔	✔	✔	✔	✔
Corruption		✔	✔	✔	✔	✔
Non-respect of human rights		✔	✔	✔	✔	✔
Discrimination	✔		✔	✔		
Non-compliance with labour law		✔	✔	✔	✔	✔
Harm to the health or safety of persons		✔	✔	✔	✔	✔

Reducing the adverse impacts of investments on sustainability factors is based on the three focuses of the responsible investment strategy (sections 1.D and 2.H.4):

- The exclusion policy: CNP Assurances excludes certain countries and companies from its investments based on ESG (environmental, social or governance) criteria. Some countries are excluded for reasons of fiscal opacity, corruption or the failure to respect democratic rights and freedoms. Some companies are excluded because they are involved in weapons, tobacco, coal, oil and gas or fail to comply with the principles of the United Nations Global Compact; several exclusions are related to impacts on climate change or biodiversity, such as exclusions from the conventional or unconventional coal, oil and fossil gas sector.
- The shareholder engagement policy: when participating in the general meetings of listed companies, CNP Assurances defends the interests of its policyholders and implements its ESG commitments. It is opposed, for example , the excessive remuneration of certain executives or inadequate gender equality on certain boards of directors; the criteria for supporting climate strategies submitted to general meetings are strict and regulated. In addition, CNP Assurances engages with companies and asset management companies face-to-face or in writing to encourage them to reduce their impact on climate change and biodiversity while preserving their employees from this transition.
- The selection of investments based on ESG criteria: for each asset class, CNP Assurances verifies that the development of the company in which the money will be invested does not come at the expense of its employees or the planet, i.e. that the company practices responsible development. All the adverse impacts of the table above are systematically reviewed when directly acquiring the securities of a company, whether equities and bonds, and the highest-impact companies are not selected (GREaT rating>8, see section 2.H.4.2). Similarly, ESG criteria on the management and acquisition of buildings are focused on reducing electricity consumption and increasing the safety of people. Lastly, forests are managed sustainably to maintain all their ecosystem services, including wood production capacity, biodiversity preservation, soil erosion prevention, and air and water filtration.

CNP Assurances declares that the negative impacts below are taken into account in its euro-denominated funds *via* the *European ESG Template* (EET):

30030_GHG_Emissions_Scope_1_Considered_In_The_Investment_Strategy
30070_GHG_Emissions_Scope_2_Considered_In_The_Investment_Strategy
30150_GHG_Emissions_Total_Scope12_Considered_In_The_Investment_Strategy
30230_Carbon_Footprint_Scope12_Considered_In_The_Investment_Strategy
30310_GHG_Intensity_Of_Investee_Companies_Scope12_Considered_In_The_Investment_Strategy
30390_Exposure_To_Companies_Active_In_The_Fossil_Fuel_Sector_Considered_In_The_Investment_Strategy
30870_Activities_Negatively_Affecting_Biodiversity-sensitive_Areas_Considered_In_The_Investment_Strategy
30910_Water_Emissions_Considered_In_The_Investment_Strategy
30950_Hazardous_Waste_Ratio_Considered_In_The_Investment_Strategy
30990_Share_Of_Companies_Involved_In_Violation_Of_UN_Global_Compact_Principles_And_OECD_Guidelines_For_Multinational_Enterprises_Considered_In_The_Investment_Strategy
31030_Share_Of_Companies_Without_Policies_To_Monitor_Compliance_With_UNGCP_And_OECD_Guidelines_For_Multinational_Enterprises_Considered_In_The_Investment_Strategy
31100_Board_Gender_Diversity_Considered_In_The_Investment_Strategy
31140_Share_Of_Investments_Involved_In_Controversial_Weapons_Considered_In_The_Investment_Strategy
31180_GHG_Intensity_Considered_In_The_Investment_Strategy
31220_Number_Of_Countries_Subject_To_Social_Violations_Considered_In_The_Investment_Strategy
31260_Percent_Of_Countries_Subject_To_Social_Violations_Considered_In_The_Investment_Strategy
31300_Exposure_To_Fossil_Fuels_Extraction_Storage_Transport_Manufacture_Considered_In_The_Investment_Strategy
31340_Exposure_To_Energy-efficient_Real_Estate_Assets_Considered_In_The_Investment_Strategy

3.B Description of the principal adverse impacts on sustainability factors and historical comparison

3.B.1 Regulatory indicators of the principal adverse impacts

CNP Assurances has every effort to measure SFDR indicators on adverse impacts (the PAI[1] indicators). Data on listed securities (companies and governments) is provided by ISS ESG. These data were cross-referenced with direct holdings of these securities resulting from the look-through of the funds. Data on real estate are collected internally on direct holdings.

The scope covers all of CNP Assurances' euro-denominated funds fund, unit-linked products and equity portfolios. However, the measurement of these indicators does not include investments in infrastructure or *private equity*; neither does it include certain non-look-through funds and listed securities not covered by ISS ESG. In all, 90% of the investments in question were analysed.

The measurements were made for investments in the portfolio at end-2022 and not as a quarterly average. Nevertheless, as a life insurer, CNP Assurances is a long-term investor and holds its securities for long periods with a low portfolio turnover rate, investments varying very little from one quarter to the next. Measurements are not available for FY 2021, as the regulation applies from 2022.

Ratios are measured for the scope concerned:

- total corporate investments for PAIs 1 to 14 in Table 1;
- total investments in sovereign or supranational issuers for PAIs 15 and 16 in Table 1 and 21 in Table 3;
- total real estate investments for PAIs 17 and 18 in Table 1 and 19 in Table 2.

The methodologies for these indicators are detailed in 3.C.3. The explanations in the table below provide a general indication and the coverage level. As some indicators are not published by all issuers, coverage rates can be quite low. Nevertheless, CNP Assurances has chosen to communicate all the indicators including the coverage level. The entry into force of the CSRD regulation should improve coverage rates.

TABLE 1: STATEMENT ON THE MAIN ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Adverse sustainability indicator			Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES							
Greenhouse gas emissions	1.	GHG emissions	Scope 1 GHG emissions in tonnes of CO_2 equivalent.	9,711,792 tCO_2eq		*Enterprise Value* (EV) measure of companies. Coverage rate: 92% of companies covered by ISS ESG	Shareholder engagement policy taking into account climate change (1.D and 3.D) ESG selection strategy for directly held equities and corporate bonds taking into account GHG emissions (3.C.1.1) Target to reduce the GHG emissions of directly held equities and corporate bonds by 25% between 2019 and 2024 for Scopes 1 and 2. (1.F) Carbon neutrality target for all investments by 2050. (1.F.1)
			Scope 2 GHG emissions in tonnes of CO_2 equivalent	1,696,445 $teqCO_2$			
			Scope 3 GHG emissions in tonnes of CO_2 equivalent	65,391,139 TCO_2eq			
	2.	Carbon footprint	Carbon footprint in tonnes of CO_2 equivalent per million euros invested (Scopes 1 to 3)	520 tCO_2eq/€m invested			
	3.	GHG intensity of investee companies	GHG intensity of investee companies in tonnes of CO_2 equivalent per million euros of revenue of companies benefiting from investments (Scopes 1 to 3)	1,013 tCO_2eq/€m in revenue		Measure based on company revenue, Coverage rate: 97% of companies covered by ISS ESG	

(1) *Main Adverse Impact.*

Adverse sustainability indicator			Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
	4.	Exposure to companies active in the fossil fuel sector	Share of investment in companies active in the fossil fuel sector	8.26%[1]		Coverage rate: 96% of companies covered by ISS ESG	Coal, oil and gas sector policy (2.H.4.1, 1.E.2 and 1.E.3) Direct thermal coal exit target by 2030 in OECD countries and 2040 in other countries.
	5.	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	Share of consumption 78.84% Share of production 4.01%		Measurement of consumption available for 33% of companies covered by ISS ESG Measurement of production available for 93% of companies covered by ISS ESG	Target to reduce the carbon intensity of directly held electricity producers by 17% between 2019 and 2024 (1.F) Green investment objective including renewable energy (3.B.2.1)
	6.	Energy intensity by sector with a high climate impact	Energy consumption in GWh per million euros of revenue of investee companies by sector with a high climate impact	See Chart below		Coverage rate: 18% of companies covered by ISS ESG	Shareholder engagement policy focussed on players with a high climate impact (1.D and 3.D) ESG selection strategy for directly held equities and corporate bonds taking into account GHG emissions integrating Scope 2 (3.C.1.1) Target to reduce the GHG emissions of directly held equities and corporate bonds by 25% between 2019 and 2024 integrating Scope 2. (1.F) Carbon neutrality target for all investments by 2050. (1.F.1)
Biodiversity	7.	Activities with an adverse impact on biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.01%		Measurement based on controversies. Coverage rate: 95 % of companies covered by ISS ESG	ESG selection strategy for directly held equities and corporate bonds taking into account controversies including impacts on sensitive areas (3.C.1.1) Policy on shareholder dialogue on biodiversity (1.D and 3.D) Exclusion policy for companies committing serious violations of the principles of the Global Compact, including environmental protection (2.H.4.1)

(1) This ratio, corresponding to an exposure of €12bn, is calculated according to the SFDR and encompasses the entire activity of companies and not simply the share of activity linked to fossil fuels, unlike the indicators of exposure to thermal coal, oil and gas in 1.E.2 and 1.E.3.

Adverse sustainability indicator			Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water	8.	Emissions to water	Tonnes of emissions to water generated by investee companies per million euros invested, on a weighted average	0.21 t/€m invested		Coverage ratio: measurement available for 6% of companies covered by ISS ESG	ESG selection strategy for directly held equities and corporate bonds taking into account pollution (3.C.1.1) Exclusion policy for companies committing serious violations of the principles of the Global Compact, including environmental protection (2.H.4.1)
Waste	9.	Ratio of hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste generated by investee companies per million euros invested, on a weighted average	21.95 t/€m invested		Measurement based on company reporting. Coverage rate: 7% of companies covered by ISS ESG.	ESG selection strategy for directly held equities and corporate bonds taking into account pollution (3.C.1.1) Exclusion policy for companies committing serious violations of the principles of the Global Compact, including environmental protection (2.H.4.1)
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10.	Violations of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (expressed as a %)	1.93%		Coverage rate: 95% of companies covered by ISS ESG	ESG selection strategy for directly held equities and corporate bonds taking human rights into account (3.C.1.1) Exclusion policy for companies committing serious violations of the principles of the Global Compact, including human rights and labour rights (2.H.4.1)
	11.	Lack of compliance processes and mechanisms for monitoring compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (expressed as a %)	4.81%		Coverage rate: 82% of companies covered by ISS ESG	Exclusion policy for companies committing serious violations of the principles of the Global Compact, including human rights and labour rights (2.H.4.1) ESG selection strategy for directly held equities and corporate bonds taking human rights into account (3.C.1.1)

Adverse sustainability indicator		Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
	12. Unadjusted gender pay gap	Averadge unadjusted gender pay gap of investee companies	6.07%		Coverage rate: 12% of companies covered by ISS ESG	No action taken or planned.
	13. Board gender diversity	Average ratio of female to male board members in investee companies as a percentage of the total number of members	41%		Coverage rate: 60% of companies covered by ISS ESG	Voting policy taking into account gender equality issues (3.D.1.2)
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage of investments in companies involved in the manufacture or sale of controversial weapons (expressed as a %)	0%		Coverage rate: 95% of companies covered by ISS ESG	Controversial weapons exclusion policy (2.H.4.1)
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS OR SUPRANATIONALS						
Environ-mental	15. GHG intensity	GHG intensity of investee countries in tonnes of CO_2equivalent per million euros of gross domestic product	168 tCO_2eq/ €m of GDP		Coverage rate: Measurement available for 85% of sovereigns covered by ISS ESG	Monitoring of the energy mix of direct investments in government bonds (2.H.5.2.2)
Social	16. Investment countries subject to violations of social standards	Number of investee countries subject to social violations, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	61 countries		Coverage rate: Measurement available for 85% of sovereigns covered by ISS ESG	Exclusion policy for countries deemed most at risk in terms of corruption and the failure to respect democratic rights and freedoms (2.H.4.1)
		Share of the total number of investee countries subject to social violations, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law (expressed as a %)	4%		Coverage rate: Measurement available for 85% of sovereigns covered by ISS ESG	Exclusion policy for countries deemed most at risk in terms of corruption and the failure to respect democratic rights and freedoms (2.H.4.1)

Adverse sustainability indicator			Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS APPLICABLE TO REAL ESTATE INVESTMENTS							
Fossil fuels	17.	Exposure to fossil fuels *via* real estate assets	Share of investment in real estate assets involved in the extraction, storage, transport or production of fossil fuels (expressed as a %)	0%		Coverage rate: Measure available for directly held properties, i.e. 85% * of real estate investments	No action taken or planned as these investments are not part of CNP Assurances' real estate strategy
Energy efficiency	18.	Exposure to energy-efficient real estate assets	Share of investments in energy-inefficient real estate assets (expressed as a %)	6% *		Measurement carried out on the basis of the DPE F or G. Coverage rate: buildings subject to a DPE, i.e. 57%* of real estate assets.	Renovation work as part of the decarbonisation of real estate assets (2.H.5.2.3) Objective to reduce GHG emissions by 10% between 2019 and 2024 for directly held properties (1.F)

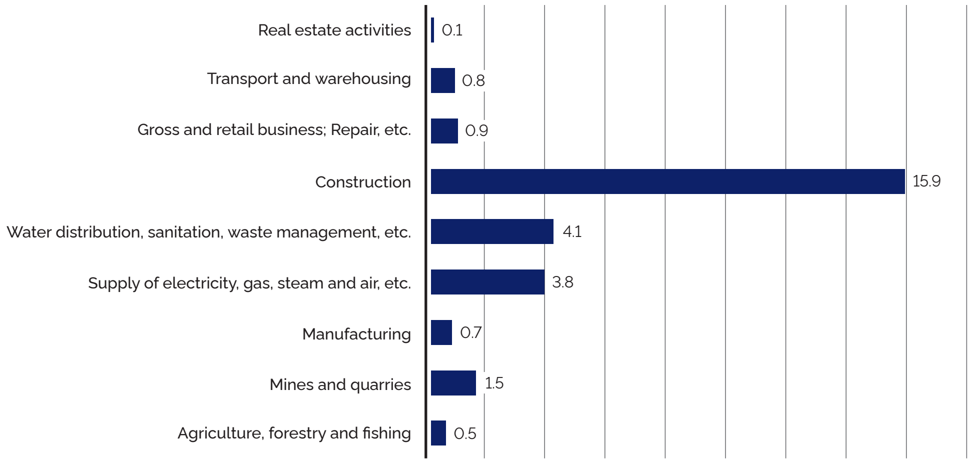
TABLE 2: ADDITIONAL CLIMATE AND ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator			Metric	2022 impact	2021 impact	Explanation	Actions taken, and actions planned and targets set for the next reference period
ADDITIONAL CLIMATE AND ENVIRONMENT INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS							
Energy consumption	19.	Energy consumption intensity	Energy consumption in GWh per square metre of directly owned properties	0.00027 GWh.EP/m² *		Measurement estimated and expressed in primary energy, Coverage rate: 47% * of real estate assets	Decarbonisation of real estate assets (2.H.5.2.3) 10% reduction in GHG emissions between 2019 and 2024 for directly owned properties (1.F)

TABLE 3: ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator			Metric	2022 impact	2021 impact	Explanation	Actions taken, and actions planned and targets set for the next reference period
ADDITIONAL INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS OR SUPRANATIONALS							
Governance	20.	Average corruption score	Measurement of perceived level of corruption in the public sector using a quantitative indicator, explained in the explanatory column	70 (scale from 1 to 100, 1 being the most corrupt and 100 the least corrupt)		Average of *Transparency International* corruption perception indices. Coverage rate: 100%	Exclusion policy for corrupt countries in directly held investments and dedicated funds (2.H.4.1)

INDICATOR 6: ENERGY CONSUMPTION IN GWH PER MILLION EUROS OF REVENUE OF COMPANIES BENEFITING FROM INVESTMENTS, BY SECTOR WITH A HIGH CLIMATE IMPACT



3.B.2 Social and environmentally themed investments

In addition to its policy on reducing adverse impacts, CNP Assurances actively invests in social and environmental themes.

3.B.2.1 Environmentally-themed investments

TCFD **Strategy**

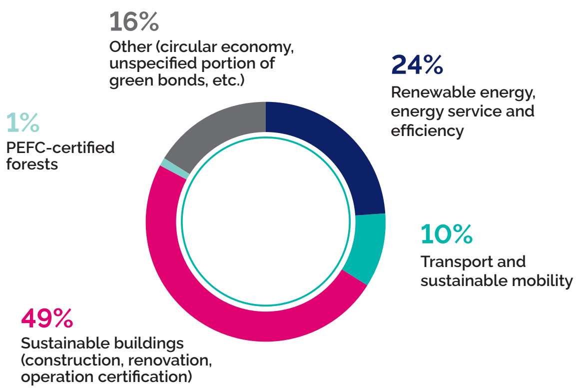
Massive investments are needed to limit global warming to 1.5 °C. These investments are part of the energy transition and are also a way to manage the transition.

CNP Assurances has thus implemented two complementary initiatives: supporting companies in their energy transition, and financing sustainable economic opportunities for key players in this transition. CNP Assurances invests in key areas to finance the energy transition, identified by the baseline scenario of the French low-carbon strategy, but also by the Greenfin label and I4CE landscape of climate finance (energy, mobility, real estate and forest sectors).

In 2019, CNP Assurances undertook to double its AuM in green investments – green bonds, forests, certified buildings, green infrastructure such as renewable energy projects and low-CO_2 transport and mobility – from €10.4bn at end-2018 to €25bn by end-2025. In 2022, CNP Assurances extended this objective to include all its subsidiaries in France and internationally, involving them in the collective effort to support the ecological and energy transition. This indicator was reported to the Board of Directors with a view to establishing it as a key indicator as part of the corporate mission of CNP Assurances Group and increasing its objective on green investments to €30bn by end-2025.

At end-2022, CNP Assurances Group's AuM in green investments amounted to €25.2bn[1].

BREAKDOWN OF CNP ASSURANCES GROUP'S GREEN INVESTMENT AUM AT END-2022



CNP Assurances has invested in *private equity* funds in the eco-energy, eco-industry and *cleantech* sectors and made direct and indirect investments in renewable energy infrastructure, sustainable mobility, water and waste treatment.

(1) *CNP Assurances Group scope.*

CNP Assurances issued its first *green bond* in 2019 and its first *sustainable bond* in 2023

A player in the transition to a low-carbon economy, CNP Assurances launched its first green subordinated bond maturing in July 2050 with early redemption options starting in July 2030. This €750m inaugural issue was a major success and was heavily oversubscribed, with orders close to €2bn.

CNP Assurances plans to use the funds raised through this transaction to finance green projects in the following areas:

- energy-efficient buildings (new construction and renovation);
- sustainably managed forests;
- green infrastructure such as renewable energy projects and low-CO_2 transport.

These projects will help CNP Assurances meet its target of €25bn in green investment AuM by end-2025.

In accordance with the Green Bond Principles, CNP Assurances has published annual reports detailing the use of the funds raised and certified by an independent third party. At end-2021, all funds were allocated to nine green projects, mainly in real estate, including CNP Assurances' future positive-energy registered office, but also in woodlands (3%).

The impacts in FY 2021 of green projects financed by *the green bond* of CNP Assurances were as follows:

- 3.37 GWh of annual final energy consumption avoided, i.e. 668 tCO_2eq, thanks to the renovation of two buildings;
- 13,134 tCO_2eq net storage in 2021 *via* the two financed forest operations;
- 100% of financed projects have obtained or are in the process of obtaining certification or a label.

Committed to the just transition to a low-carbon economy, CNP Assurances supplemented its investment scope in January 2023 and published its "Sustainable Bond Framework" to finance social projects. This development is consistent with the corporate mission of CNP Assurances adopted in 2021 and reflects the actions taken for an inclusive and sustainable society. The funds raised by future bond issues in this new working environment will be used exclusively to finance or refinance eligible green and/or social assets, including access to essential health and education services, employment, and digital inclusion. The bond maturing in July 2053 with early redemption options from 2033 was placed for €500m with 88 investors.

3.B.2.2 Socially-themed investments

CNP Assurances has invested for several years in social bonds *(social bonds, social portion of sustainable bonds).* These bond address major social issues and contribute to sustainable value creation for all stakeholders. At end-2022, the amounts invested by CNP Assurances in these bonds amounted to €3.4bn *.

3.B.2.3 Impact investments

CNP Assurances has invested for several years in investments with an environmental or social impact within the meaning of the definition of France Invest.

Impact investments remain fairly marginal because they differ from SRI investments, or those incorporating an ESG filter, by the combination of intentionality criteria*(ex-ante*impact objective, involved in investment decisions), additionality (particularly *through* engagement with financed companies) and measurability (of social or environmental externalities).

At end-2022, these investments represented €507m* in assets under management. CNP Assurances aims to increase this amount to €1bn* by end-2025. These assets include thematic funds linked to housing, social barriers in financing businesses, support for the social and solidarity economy, and the reduction of greenhouse gas emissions.

For example, since June 2016, CNP Assurances has supported the NovESS fund, which supports the transition and change in scale of the social and solidarity economy (health, social, circular and collaborative economy, energy and demographic transition). Attentive to non-financial contributions, the NovESS fund assess the impact of each project according to several criteria, including job creation, using a social impact measurement tool.

CNP Assurances is also involved in the financing of the Hémisphère fund, the first social impact fund dedicated aiding and housing struggling members of society: part of the financial remuneration depends on the achievement of audited social objectives, focusing in particular on children's education or helping beneficiaries find permanent housing. CNP Assurances also invested in the LBPAM *Infrastructure Debt Climate Fund* in 2022 as part of a strategy that strikes a balance between financial returns and climate and social impact.

3.C Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Adverse impacts are identified and shared continuously within the company and with asset management companies. Updates are escalated as part of the responsible investment strategy governance approach explained in section 1.C.1.

3.C.1 Policy on the identification and prioritisation of the main adverse impacts identified by CNP Assurances

The prioritisation of adverse impacts depends on the type of assets and the business sectors.

3.C.1.1 Listed equities and bonds

The main adverse impacts of the companies and countries in which CNP Assurances invests *via* directly listed equities and bonds are identified, analysed and prioritised by CNP Assurances' internal teams in accordance with the exclusion and shareholder engagement policies, as well as by Ostrum AM's SRI teams in charge of managing these securities.

The main are directly or indirectly incorporated in the indicators used to determine the ESG rating (GREaT methodology) and are therefore naturally taken into account by portfolio managers.

The non-financial rating of issuers is based on a special methodology serving to conduct a practical and differentiating analysis of companies with respect to sustainable development issues, including adverse impacts.

In particular, this methodology measures commitment and responsibility on four pillars:

- **responsible governance:** this pillar aims to encourage the dissemination of corporate governance best practices. We assess the quality of decision-making bodies, the balance of power and the executive remuneration policy to verify that the company's strategy takes a long-term view. This pillar is analysed according to three criteria:
  - balance of power: ensure the quality of decision-making and supervisory bodies, which must be composed of active, varied, competent and independent profiles to ensure high-quality debate,
  - responsible remuneration: ensure consistency between executive remuneration and the company's performance over the long term,
  - business ethics: prevent corruption or anti-competitive practices that can have a long-term cost (reputation and financial);
- **sustainable resource management:** this pillar makes it possible to assess the sustainable management of human and natural resources, minimise the company's adverse impacts on its ecosystem, and prioritise companies that positively value human capital. This pillar is analysed according to two environmental criteria and two social criteria:
  - water and biodiversity: ensure efficient use of water resources and sound management of adverse impacts throughout the industrial process to preserve biodiversity,
  - pollution and waste: ensure that the principles of the circular economy are taken into account in the design, production and use of products/services to reduce pollution and promote recycling,
  - working conditions: ensure that employees, subcontractors and suppliers work in good health and safety conditions,
  - human rights: ensure that the freedom of association and fundamental human rights of employees, subcontractors and suppliers are respected;
- **energy transition:** this pillar captures the way in which issuers are adjusting their strategy to adapt to changes in the economy such as thedecarbonisation of energy (transition from fossil fuels to renewable energy sources), or to meet the challenges of new responsible and sustainable consumption habits. This pillar is analysed according to two criteria that seek to assess how the risks and opportunities related to climate change are managed:
  - management of transition risks and physical risks: ensure that issuers control their GHG emissions and the impacts of their activity on climate change (e.g. fossil fuel reserves),
  - contribution to the energy transition: assess how issuers integrate the energy transition into their strategy, particularly *through* their products and service range;
- **regional development:** this pillar is used to analyse how issuers contribute to employment and training, economic and social development in their local regions in France or abroad, and more generally to the transfer of technologies and skills in developing countries. This pillar is analysed according to three criteria:
  - job quality: ensure that issuers promote employment and training to attract, retain and develop talent within the company, and that restructuring operations are carried out responsibly,
  - management of social impacts on local areas: assess the extent to which issuer activities create value for all stakeholders in the surrounding area (employees, subcontractors, local residents and public bodies),
  - offering products and services that contribute to achieving SDGs: assess the extent to which issuers' products and services meet the needs of the *"Bottom of the Pyramid"* population (digital inclusion, access to banking and insurance, access to water, energy, housing, etc.).

The main adverse impacts on sustainability addressed by CNP Assurances in the management of listed equities and bonds, and the corresponding indicators and actions taken to reduce them, are presented in the following table:

Adverse impacts
Greenhouse gas (GHG) emissions
Impact on biodiversity
Overuse of natural resources (water, raw materials)
Terrorist financing and money laundering
Tax avoidance
Corruption
Non-respect of human rights
Discrimination
Non-compliance with labour law
Harm to the health or safety of persons

For more details on the adverse impact indicators monitored in the GREaT methodology, please see the documentation published by Ostrum AM: https://www.ostrum.com/fr/notre-documentation-rse-et-esg.

3.C.1.2 Real estate

For many years, CNP Assurances has prioritised the safety of people and property and the preservation of the environment in its real estate activity. In its real estate investments, CNP Assurances also significantly addresses other adverse impacts on sustainability.

CNP Assurances has compared its approach to stakeholder expectations, identified through new regulations and new user behaviours, but also thanks to PRI (real estate module) and GRESB *(Global Real Estate Sustainability Benchmark) questionnaires*. This comparison confirms the ranking established based on expert judgement.

The main adverse impacts on sustainability addressed by CNP Assurances in real estate investment, and the corresponding indicators and actions taken to reduce them, are presented in the following table:

Adverse impacts
Harm to the health or safety of persons
Greenhouse gas (GHG) emissions
Non-compliance with labour law
Impact on biodiversity
Overuse of natural resources (water, raw materials)
Corruption
Non-respect of human rights
Tax avoidance

3.C.1.3 Forests

CNP Assurances' forest management has long addressed the adverse impacts it could generate by applying certified sustainable management: forests must be managed sustainably in order to maintain all the ecosystem services they offer: wood production capacity, biodiversity preservation, soil erosion prevention, air and water filtration.

In addition, the sustainable forest management charter "CNP Forests - Acting for the Future" updated the adverse impacts of forestry activities on sustainability factors and in particular its impact on:

- forest resilience;
- stakeholders;
- local safety, quality and employment;
- biodiversity;
- water quality and wetlands;
- soil and erosion;
- carbon sinks.

The main adverse impacts on sustainability addressed by CNP Assurances in forest investment, and the corresponding indicators and actions taken to reduce them, are presented in the following table:

Adverse impacts
Overuse of natural resources (water, raw materials)
Greenhouse gas (GHG) emissions
Impact on biodiversity
Harm to the health and safety of persons
Non-compliance with labour law
Non-respect of human rights
Tax avoidance

3.C.2 Operational oversight of negative impacts

The responsible investment policy established by CNP Assurances is subject to operational oversight and implementation control by the Investment department. Management committees held with the asset management companies ensure regular monitoring.

	CNP Assurances Management Team	Operational oversight provided jointly by CNP Assurances CSR division and SRI department	CNP Assurances Investment division A dedicated investment team monitors each asset class, supported by the SRI department	External asset management companies Delegated asset management
Directly-held listed shares Directly held corporate bonds Directly held sovereign bonds	ESTABLISHES THE RESPONSIBLE INVESTMENT POLICY AND BIODIVERSITY/ CLIMATE-RELATED COMMITMENTS FOR ALL ASSET CLASSES	• Sets exclusions for companies and countries and controls the application of the exclusion policy. • Defines and implements the engagement policy. • Forward-looking studies, assessments, oversight of sustainability risk and adverse impacts.	• The delegation to the asset management company is implemented subject to compliance with CNP Assurances' socially responsible approach. • Ensures the proper application of the SRI policy and performs due diligence of projects in this area in conjunction with Ostrum.	The delegated asset manager: • applies the investment policy using its own ESG systems and integrating sustainability risks and adverse impacts; • reports quarterly to CNP Assurances on compliance with the responsible investment policy, achievement of targets, and integration of sustainability risks and adverse impacts.
Directly owned real estate		• Sets country exclusions and controls their application. • Establishes ESG causes and the green charter applicable to all investment mandates. • Forward-looking and balance sheet studies, oversight of sustainability risk and adverse impacts.	• The delegation to the asset management company is implemented subject to compliance with CNP Assurances' socially responsible approach. • Ensures the proper application of the SRI approach.	Delegated asset managers: • perform an ESG analysis integrating sustainability risks and adverse impacts before purchasing any real estate; • undertake to manage real estate assets in accordance with the ESG principles set by CNP Assurances.
Directly owned forests		• Defines certification objectives for sustainable forest management. • Sets country exclusions and controls their application.	• Examines any investment opportunities proposed by the asset management company. • Establishes the green charter applicable to the portfolio management mandate.	The delegated asset manager: • applies its Sustainable Forest Management Manual to CNP Assurances' woodland assets on a daily basis and ensures that the commitments made as part of the PEFC certification are met;

	CNP Assurances Management Team	Operational oversight provided jointly by CNP Assurances CSR division and SRI department	CNP Assurances Investment division A dedicated investment team monitors each asset class, supported by the SRI department	External asset management companies Delegated asset management
	ESTABLISHES THE RESPONSIBLE INVESTMENT POLICY AND BIODIVERSITY/ CLIMATE-RELATED COMMITMENTS FOR ALL ASSET CLASSES	• Studies, oversight of sustainability risk and adverse impacts.	• Undertakes to continue efforts to improve woodlands where possible (management of enclaves and easements), with a view to increasing the quality of assets in sustainable management terms. • Participates in the asset management company's Board of Directors as a shareholder.	• undertakes to select high-quality forests that have already been certified or have potential future value with sustainable management, with the aim of obtaining PEFC certification.
Infrastructure		• Sets exclusions for companies and countries and controls the application of the exclusion policy. • Defines and implements the engagement policy.	• Sets strategic guidelines for new investments with a focus on long-term management of sustainability risks and adverse impacts. • Performs due diligence prior to any investment.	• Asset managers that publish an annual ESG report inform CNP Assurances about their compliance with the responsible investment policy.
Unlisted shares held *via* funds		• Sets exclusions for companies and countries and controls the application of the exclusion policy. These exclusion rules aim in part to limit exposure to sustainability risks and adverse impacts.	• Perform due diligence prior to any investment in new funds. • Assigns new funds an ESG rating.	• The asset management companies apply the investment policy using their own ESG processes and analyses. • Asset management companies that publish an annual ESG report inform CNP Assurances about their compliance with the responsible investment policy and achievement of targets.
Listed equities and bonds held *via* funds dedicated to CNP Assurances		• Sets exclusions for companies and countries and controls the application of the exclusion policy. These exclusion rules aim in part to limit exposure to sustainability risks and adverse impacts.	• Performs *due diligence* prior to any investment in new funds. • Performs an ESG survey of asset managers every two years and conducts ESG performance check.	• Asset management companies apply their own ESG strategy or one co-built with CNP Assurances that complies with exclusion constraints.
Other listed securities funds		• Determines the sustainability risks and adverse impacts to be addressed with asset managers in *due diligence,* dialogues and surveys.	• Performs ESG due diligence prior to any investment in new funds. • Conducts an ESG survey of listed fund managers every two years. • Conducts dialogues on the alignment of the asset manager's strategy with the Paris Agreement	• Asset management companies apply their responsible investment policy on a discretionary basis.

3.C.3 Methodologies for regulatory indicators of the principal adverse impacts.

Reference period

The PAI indicators determined in the regulations may have different reference periods:

1. one-off assessments (e.g. share of companies held with certain characteristics);
2. results over a given period (for example, average emissions intensity is calculated per fiscal year).

Ad hoc assessments will always be based on the most recent data provided by ISS ESG. These data points are therefore likely to change over a year.

Emissions data are representative of a fiscal year. These data are updated after 31 December of the following year. Accordingly, the raw quantitative data collected for the 2020 and 2021 fiscal years are used for the calculations as at 31 December 2022.

Enterprise value

ISS ESG calculates this value, also known as the enterprise value including cash (EVIC), as follows:

Market capitalisation + Total debt + Minority interests + Value of preferred shares

The data above come from third-party providers of ISS ESG. Market capitalisation is updated monthly by third-party providers, while total debt, minority interests, and the value of preferred shares are updated by the supplier on an interim/annual basis, based on the latest available information.

Only positive and non-zero values of minority interests and the value of preferred shares are used to calculate EVIC. If third-party providers report a negative value for these fields, ISS ESG replaces a value of 0 in the calculation. If one or more underlying data points used to calculate EVIC are zero, the calculation will be performed with the remaining data points with a valid value.

Indicators

Table 1.1. GHG emissions

This indicator provides emissions for Scopes 1, 2 and 3. Data are reviewed according to ISS ESG methodology, which selects the most accurate stock among the various sources available

Table 1.4. Exposure to fossil fuel companies

An issuer is reported as involved in the fossil fuel sector if ISS ESG identifies revenues from the production or distribution of coal, oil or gas.

When the data are not disclosed, the share of income is estimated. All estimated income shares below 1% are considered negligible.

Table 1.5. Share of non-renewable energy consumption and production

Share of consumption

This indicator assesses the energy sources used by a company, indicating the percentage of coal, nuclear, oil, natural gas, biomass or unidentified sources of energy used by the company. This factor is calculated solely for companies reporting group-wide data.

It is calculated as the sum of the following items (only if operational coverage is at least 80% for both):

- energy consumption - Coal/nuclear/unidentified energy sources;
- energy consumption - Natural gas/energy recovery of waste/biomass.

This indicator therefore includes nuclear energy, coal and similar sources of energy, including thermal or smoked coal, lignite, peat, oil coke, coal gas, oil gas, gasoline, diesel, kerosene, shale oil, synthetic crude oil, shale gas, natural gas or methane, liquefied natural gas (LNG), liquefied petroleum gas (LPG), compressed natural gas (CNG) and liquid natural gas (LNG).

If the company is involved in the production of energy for its own use, the latter is included in this indicator.

Share of production

This indicator identifies the percentage of total electricity produced from non-renewable sources over a given period.

It includes the production of electricity from coal, gas, oil and nuclear sources and is calculated as the sum of the following factors:

- Electricity generation - Nuclear power generation (%);
- Electricity generation - Thermal generation (%).

Table 1.6. Energy intensity by sector with a high climate impact

This indicator assesses the total energy intensity of a company in its operations. It is calculated by converting the declared value of energy consumption into gigawatt hours and dividing it by the company's revenue in millions. The energy consumed by the company's products in the use phase is not included. Energy consumption includes both direct and indirect use of energy.

The relevant operations are highly specific to the industry and the company. For some companies, only electricity is considered as relevant because their use of other energy sources is limited. For other companies, the heating or use of fuel for transport is relevant.

This factor is calculated solely for companies disclosing data on energy use across the group (covering more than 80% of the relevant, reported or estimated operations). Where possible, the data are converted into gigawatt hours per million euros in revenue (GWh/€m), regardless of the unit in which the company reports them.

Table 1.7. Activities with an adverse impact on biodiversity-sensitive areas

An issuer is identified as having an adverse impact on biodiversity-sensitive areas if it is involved in a controversy meeting all the following criteria:

- a company failure has been verified or, at the very least, the sources of allegations and risks are credible, and some information on the company's ongoing involvement is available; and
- related to the issuer's own operations or the operations of controlled subsidiaries, but not related to the supply chain or financed projects; and
- linked to the International Finance Corporation (IFC) Performance Standard 6: Biodiversity conservation and sustainable management of living natural resources; and
- related to one of the following themes: Pollution, air pollution, water pollution, soil pollution, deforestation, biodiversity, environmental impacts (lack of environmental impacts); and
- the company has not undertaken any measures to resolve the issue.

Table 1.8. Emissions to water

This indicator assesses a company's chemical oxygen demand (COD) emissions. COD is used to measure chemical emissions in (waste) water.

This indicator is calculated by dividing the COD emissions (expressed in tonnes) reported by the emitter's EVIC in millions. As such, this factor is expressed in tonnes (t) per million euros of EVIC. In addition, this factor is calculated only if the COD emissions data covers more than 80% of the company's relevant operations, whether reported or estimated.

Table 1.9. Ratio of hazardous waste and radioactive waste

This indicator assesses the quantity of hazardous waste generated by a company. Since hazardous waste generation differs by industry, comparability between industries must be applied with caution. For example, hazardous waste in healthcare and medical services facilities generally refers to medical waste, which is delicate but generally lightweight, while much heavier residues are involved in metals and mining. Radioactive waste may or may not be included in this measurement, depending on the emitter's definition of hazardous waste. Where possible, the data is converted into tonnes, regardless of the unit in which the company reports them.

ISS ESG collects data on hazardous waste reported by companies, based on their own definitions, which may differ from those of regulations. Radioactive waste may or may not be included as a sub-category of hazardous waste.

Table 1.10. Violations of the UN Global Compact Principles and OECD Guidelines for Multinational Enterprises

An issuer is considered to be in breach of the principles of the United Nations Global Compact and the OECD Guidelines if it performs poorly in ISS ESG *Corporate Ratings* related to the six themes covered by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises:

1. Human rights,
2. Labour rights,
3. Environment,
4. Business ethics (corruption and competition),
5. Interests of consumers and
6. Taxation.

Table 1.11. Lack of compliance processes and mechanisms for monitoring compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises

An issuer is considered to have no relevant processes and mechanisms if it performs poorly in the ISS ESG rating related to the six themes covered by the UN Global Compact and the OECD Guidelines for Multinational Enterprises:

1. Human rights,
2. Labour rights,
3. Environment,
4. Business ethics (corruption and competition),
5. Consumer interests and 6) Taxation.

Table 1.15. GHG intensity

The ISS ESG data factor provides information on production emissions, using the same framework as the United Nations Framework Convention on Climate Change (UNFCCC).

Table 1.16. Investee countries subject to violations of social standards

A country is considered to be subject to social violations if the assessment of ISS ESG country controversies indicates a violation in one of the following areas:

- human rights;
- labour rights;
- child labour;
- freedom of association;
- discrimination;
- freedom of expression and the press;
- death penalty.

Table 1.21. Average corruption score

CNP Assurances calculates this indicator based on the Transparency International *Corruption Perception Index (CPI)*. This index is measured and published annually and has become a global benchmark in this area. It is based on independent expert surveys and covers perceived corruption in public administrations and the political class. CNP Assurances has used this index for more than ten years in its country exclusion policy.

The average score is obtained by weighting the CPI of each country by its weight in the portfolio of directly and indirectly held sovereign securities.

3.D Engagement policy

TCFD

Strategy

The shareholder engagement policy is one of the tools of the responsible investment strategy used to reduce the adverse impact of investments on sustainability factors (see Table 3.A)

CNP Assurances' shareholder engagement is reflected in:

- voting at general meetings;
- dialogue with companies.

In accordance with the provisions of Article 3g of the amended European Shareholder Rights Directive (Directive 2007/36/EC), CNP Assurances publishes details of its shareholder engagement policy and the report on the application of this policy on the www.cnp.fr website.

The engagement strategy with issuers or management companies and its implementation is presented in section 1.D. In the following pages, we review how negative impacts are taken into account in this strategy.

3.D.1 The principal adverse impacts addressed in the exercise of voting rights

As a responsible investor holding an equity portfolio with a market value of €13bn (i.e. 4% of total investments), CNP Assurances has since 2005 led an active voting policy at the general meetings of listed companies in which it is a shareholder, via euro-denominated portfolios including equity for all its activities in France.

The principles set out in the voting policy (published online, see link above) aim not only to defend the rights of CNP Assurances as a minority shareholder, but also to promote the sustainable development of portfolio companies by supporting growth strategies that take into account their impacts on all stakeholders (clients, employees, suppliers, environment, etc.).

3.D.1.1 Consideration of environmental issues

CNP Assurances supports environment-related resolutions (whether or not they are approved by the Board of Directors) if they are part of an of an ambitious approach to combating climate change or protecting biodiversity.

CNP Assurances supports the introduction of a regular vote on the environmental strategy of companies and the corresponding objectives, as well as a report detailing the implementation of this strategy. In particular, CNP Assurances encourages companies emitting substantial GHGs to submit these resolutions to a vote by the shareholders.

CNP Assurances votes on a case-by-case basis on *Say on Climate* resolutions submitted by the Board of Directors to a vote by shareholders, taking into account the rigour, completeness and transparency of the transition plan. To that end, CNP Assurances bases its analysis on the following criteria:

- ambition: goal of achieving carbon neutrality by 2050 at the latest;
- alignment: alignment of the GHG emissions reduction trajectory with a 1.5° C scenario;
- scope: quantitative GHG emission reduction targets covering all Scope 1 & 2 emissions and the company's most material Scope 3 emissions;
- horizon: short-term targets (~five years) and medium-term targets (~10-15 years);
- just transition: taking into account the social impacts of the transition plan on employees and consumers;
- frequency of the *Say on Climate*: annual advisory vote on two separate resolutions submitted by the Board of Directors, one on the company's climate strategy (*ex ante*resolution), the other on the implementation of this strategy (*ex post*resolution);
- significant integration of *Say on Climate* objectives into the variable remuneration of executive managers.

In addition, each year, CNP Assurances assesses efforts to reduce greenhouse gas emissions made by the companies in which it is a shareholder. This annual assessment makes it possible to determine the list of companies with environmental risk that fail to implement sufficiently ambitious decisions on combating climate change or fail to publish their greenhouse gas emissions. The votes cast at general meetings of companies appearing on this list apply a sanction in the form of:

- a vote against the renewal of directors;
- a vote against the resolution on the ex-ante remuneration policy;
- vote against the resolution on ex-post remuneration.

In 2022, CNP Assurances examined all climate resolutions *Say On Climate*. Details of the votes cast by CNP Assurances are available in the report on the 2022 shareholder engagement policy.

3.D.1.2 Consideration of gender parity issues

In accordance with its voting policy, CNP Assurances opposed the re-appointment or appointment of male directors when the proportion of women on the board of directors is less than 40%, both for French and international companies, including in countries where the law does not impose binding gender parity rules on the board.

3.D.1.3 Consideration of remuneration and social cohesion issues

The main objections expressed by CNP Assurances in 2022 addressed proposed remuneration policies and remuneration granted to executive officers when:

- the company demonstrated a proven lack of transparency on one or more components of remuneration;
- proposed increases in fixed and/or variable remuneration were disproportionate to the remuneration offered by other European companies in the same sector, and were insufficiently justified;
- variable remuneration did not comply with the limit set out in CNP Assurances' voting policy relating to employee remuneration;
- variable remuneration was not significantly linked to the company's performance, or without CSR criteria;
- the company is considered by CNP Assurances as a company with environmental risk that fails to implement sufficiently ambitious decisions on combating climate change or fails to publish its greenhouse gas emissions.

3.D.1.4 Consideration of adverse impacts on sustainability factors in the treatment of external resolutions

For CNP Assurances, long-term shareholder dialogue is preferred to the tabling of an external resolution.

However, CNP Assurances may support resolutions not approved by the Board when these resolutions call for:

- the formalisation and publication of an ambitious strategy and targets for combating climate change and protecting biodiversity;
- the publication of relevant sustainability risk indicators or adverse impacts on sustainability;
- greater transparency on the lobbying policy and lobbying activities, as well as the amounts paid by the company for lobbying;
- greater transparency on the company's tax policy and its implementation;
- measures to respect human rights and fundamental rights at work;
- explanations of a social or environmental controversy.

Shareholder resolutions must be clearly defined and reasonable. They are considered on a case-by-case basis after taking shareholder dialogue into account.

3.D.2 Principal adverse impacts taken into account in dialogue

3.D.2.1 General principles

One of the objectives of the policy of dialogue is to support CNP Assurances' climate and biodiversity strategy by encouraging companies and *asset managers* to implement ambitious decisions to combat and adapt to climate change, publish their greenhouse gas (GHG) emissions and communicate relevant information on climate-change risks, support employees in the transition and loss of biodiversity to which they are exposed.

As part of the *Net-Zero Asset Owner Alliance, CNP Assurances* has set a goal of engaging with eight companies (six directly and two *via* collaborative initiatives) and two *asset managers* to encourage them to adopt a strategy aligned with the 1.5 °C scenario by the end of 2024, by committing to achieve carbon neutrality by 2050 and setting intermediate targets aligned with current scientific knowledge.

As part of the *Finance for Biodiversity Pledge*, CNP Assurances has set an objective to engage with five companies every year to encourage them to adopt a strategy aligned with international biodiversity agreements by end-2024.

In accordance with its sector policy on oil and gas, CNP Assurances has undertaken to engage with companies in the sector, calling on them to immediately stop any new oil or fossil gas exploration or production projects, conventional or non-conventional.

It mainly conducts proactive dialogue to ensure that ESG issues are taken into account at the highest level by the most exposed companies. Depending on the responses obtained from companies and if the dialogue does not produce a satisfactory outcome, it is followed by graduated action that can include:

- participation in joint action with other investors;
- a sanction when voting at the company's general meeting;
- support for an external resolution at the company's general meeting;
- a letter addressed to the company by the Chief Executive Officer of CNP Assurances;
- no further investment in securities issued by the company;
- the sale of securities issued by the company.

Bilateral dialogue addresses ESG issues, corporate strategy and financial performance issues. Depending on the company's activity, the following topics may be discussed:

- governance and resolutions at general meetings;
- the transparency and quality of financial and non-financial information: equality and diversity ratios, monitoring of the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD), etc.;
- impacts of the company's activities on the climate and risks related to climate change;
- impacts of the company's activities on biodiversity and risks related to biodiversity loss;
- other social and environmental risks, particularly concerning the just transition and human rights.

3.D.2.2 Specific consideration of climate and biodiversity issues

After focusing for several years on governance issues, CNP Assurances has since 2019 encouraged shareholder dialogue on issues relating to the climate and, more recently, biodiversity (see themes discussed since 2019 in 1.D.2). The expectations of CNP Assurances expressed in dialogue or letters are based on the following principles:

On the climate:

- have companies engage with the 1.5° C objective *via* ACT or SBTi, Alliance NZ, etc.;
- request quantitative reduction targets across the three scopes, and carbon neutrality by 2050 (publication of results and provision of resources);
- include the just transition in dialogue;
- monitor business activity adaptation plans and resilience to physical risks;
- implement a robust governance framework that clearly sets out the board of director's responsibility and oversight for climate-related risks and opportunities;
- take measures to reduce greenhouse gas emissions throughout the value chain consistent with the Paris Agreement objective;
- publish better information in line with the final recommendations of the *Task Force on Climate-related Financial Disclosure* (TCFD) enabling investors to assess the strength of the company's business plan relative to a series of climate scenarios and improve investment decision-making.

  Specific to the oil and gas sector:

  - reduce emissions generated by the use of energy products sold and set targets to diversify business activities towards low-carbon activities (renewables, etc.);
  - reduce methane emissions (torching and routine venting, leaks) and target 0;
  - reduce exposure to the unconventional energy sector;
  - halt oil exploration and production projects.

Regarding biodiversity, dialogue is focused on the following points and issues on a case-by-case basis following the analysis of public information:

- biodiversity governance at the company;
- measurement of footprint and dependency;
- actions and indicators implemented on deforestation, the use of pesticides, and plastic pollution;
- alignment with international agreements.

3.E Reference to international standards

To determine its responsible investment strategy, and in particular to reduce the adverse impacts of investments on sustainability, CNP Assurances relies on the fundamental text of the principles of the Global Compact (see charter in Appendix 4.A).

These principles informed the initial decisions on responsible investment made in 2006, namely on the exclusion of non-democratic or corrupt countries and the use of social, environmental and governance filters in the management of equities.

By signing the PRI in 2011, CNP Assurances based its commitments on these new principles, extending its scope to take into account the adverse impacts on other assets (bonds, real estate) and benchmarking against demanding annual reporting incorporating new criteria, integrated gradually (including an ESG questionnaire for asset management companies and shareholder engagement).

In 2015, with the Paris Agreement, CNP Assurances made its first commitments to combat climate change: reducing the carbon footprint of its financial portfolio. Since then, the targets have been strengthened and exclusion and shareholder engagement policies have been enhanced to reduce negative impacts by all means possible.

Section

4

Appendices

4.A Responsible Investment Charter

The integration of environmental, social and governance (ESG) criteria is a key driver of CNP Assurances' values. It reflects the Group's commitments and is an inherent part of its investment strategy governance.

Principle No. 1: ESG integration – promoting CNP Assurances' values

To apply its values in its business as an investor, CNP Assurances draws on an ESG/SRI policy intended to:

- Shore up its commitments to policyholders, notably by delivering optimised performance over time;
- be a long-term investor and a responsible shareholder;
- contribute to the development of the economy by providing public and private players in all business sectors with the stability they need to grow.

Practical implementation

Long-term commitments

As its assets back long-term commitments, CNP Assurances holds equities with a long-term perspective and in most cases it holds bonds until maturity, while maintaining active management to ensure its annual commitments to policyholders.

A responsible shareholder

CNP Assurances votes at the general meetings of listed companies in which it is a shareholder. It ensures minority shareholders' rights are respected and supports companies' long-term growth.

Promoting responsible unit-linked products

CNP Assurances promotes responsible unit-linked products among policyholders in partnership with its distributors.

Support for the real economy

Through its investments, CNP Assurances finances the development of the real economy, particularly through environmental and social impact investments.

Principle No. 2: ESG integration – four guiding conditions

CNP Assurances incorporates environmental, social and governance criteria in the management of its assets.

As a signatory of the Global Compact, the *Principles for Responsible Investment* (PRI) and the *Net-Zero Asset Owner Alliance,* and convinced that incorporating ESG criteria when considering an investment creates value and optimises the risk/reward ratio over time, CNP Assurances has implemented a responsible investor strategy since 2006. The four conditions that guide the integration of ESG criteria are:

- respect for human and citizens' rights as defined in the Universal Declaration of Human Rights;
- respect for the principles of the International Labour Organization (ILO), including the freedom of association and the right to collective bargaining, the elimination of forced labour, child labour and discrimination;
- promotion of environmental protection and the environmental and energy transition, initiatives to reduce or adapt to climate change;
- contribution to the fight against corruption.

Practical implementation

Incorporation of one of the four conditions

CNP Assurances considers that ESG criteria are integrated in an asset class when all securities in this category are screened against at least one of these four conditions, while ensuring minimum standards are met on the other conditions.

A balance between the three pillars

The methodology balances the three ESG pillars, with particular attention paid to governance, which determines the quality of the company's commitment over the long term.

An exclusion policy

CNP Assurances excludes certain activities or production methods.

Principle No. 3: ESG integration – an inherent part of investment strategy governance

The responsible investment strategy is drafted by the Group's Investment division and the Corporate Social Responsibility (CSR) division, in conjunction with the Group Risk division.

It is part of the investment policy validated by senior management and the Board of Directors.

Practical implementation

CNP Assurances undertakes to:

- apply principles #1 and #2 at an operational level by assigning the necessary human and financial resources;
- publish the approach followed and any changes made each year.

4.B Methodologies

4.B.1 Methodologies for analysing the physical risk of real estate assets

To analyse the physical risk exposure of its real estate assets, CNP Assurances called on Eco-Act, specialising in the climate transition of companies and regions, to assess the climate change-related physical risks of the French real estate assets held directly or *via* wholly owned companies.

The analysis of the physical and functional risk exposure of CNP Assurances' real estate portfolio was carried out for six climate-related risks potentially impacting the building and its occupants. Two types of climate-related risks were examined:

- trend risks:
  - change in the annual average temperature,
  - change in sea level;
- extreme risks:
  - heat waves,
  - droughts,
  - heavy rains - flooding,
  - violent winds.

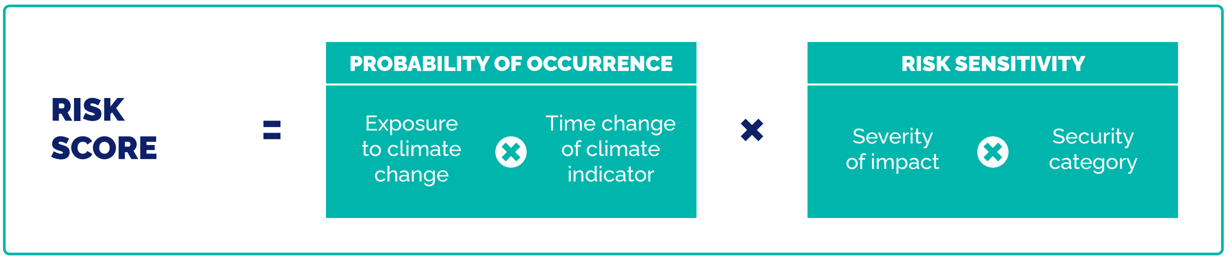
The change in these climate-related risks was analysed over the near term (2021-2050), compared to "benchmark" climate conditions (1971-2000), in accordance with two greenhouse gas emissions scenarios established by the IPCC (Intergovernmental Panel on Climate Change):

- RCP4.5: the most likely trajectory with regard to current country commitments under the Paris Agreement;
- RCP8.5: current trajectory if no measures are implemented.

In order to establish the current and future exposure levels of each real estate asset, a list of climate indicators to be assessed over the reference period and the future period has been defined for each previously identified risk. These climate indicators were used to challenge climate models using the latitudes and longitudes of CNP Assurances assets.

This study gave CNP Assurances a snapshot as at end-2017 of assets presenting high physical risks relating to the various climate-related risks reviewed.

To calculate the risk score for each risk and asset, the following formula is applied:



4.B.2 Physical risk analysis in forest management plans

Société Forestière de la Caisse des Dépôts has undertaken to reduce the climate change risks of CNP Assurances assets. To that end, four analyses are performed:

- incorporation of climate change considerations into management plans: these plans describe the management schedule for each forest over the next 10 to 20 years. They are approved by the forest management authority, which ensures compliance with the applicable regulations. Since 2008, the inclusion of climate change in these plans has resulted in the analysis of aspects such as the expected impact of local changes in climate, the adaptation of existing species and production cycles;
- analysis of the geographic distribution of woodland assets: CNP Assurances has established an investment policy that has enabled it to acquire diversified woodland assets. The dispersion of woodland assets also reduces the risk of extreme events such as storms or droughts;
- analysis of species diversity: in addition to the biodiversity benefits described above, species diversity is an effective way of mitigating the risks incurred by each species as a result of climate change: health problems related to the emergence of pathogens, risk of drought that will impact each species differently;
- insurance against the main climate risks: wildfires, storms, natural disasters, snow, ice, frost and hail.

4.B.3 Geographic vulnerability of listed securities

To analyse the physical risk exposure of its directly held listed securities, equities and bonds, CNP Assurances has called on Indiafi to map out the geographical vulnerability of issuers linked to climate change.

The physical risk analysis is based on the ND-Gain database and its *Country Index* calculated according to the methodology developed by researchers at Notre-Dame University in the United States, which is freely accessible to the public. The "climate vulnerability" component measures the propensity of governments to be adversely impacted by climate change, a concept similar to physical risk.

VULNERABILITY	**Exposure**	Long-term projections (2050-2100) of exposure of sectors necessary for human life (healthcare, food, ecosystem, habitat, water, infrastructure) to the physical risks of climate change
	Sensitivity	Sensitivity of populations and resources to climate change, particularly related to economic structure, topography, demographics, etc.
	Adaptability	Ability to adapt and respond to the consequences of climate change

Exposure, sensitivity and adaptability to climate change are assessed in six sectors: healthcare, food, ecosystems, habitat, water and infrastructure. Exposure is projected in the scenario of changes in GHG emissions established by the IPCC (Intergovernmental Panel on Climate Change), RCP4.5, which corresponds to the most likely trajectory with respect to current country commitments under the Paris Agreement.

This study provided CNP Assurances with a snapshot at end-2018 of assets according to seven levels of physical risk. In 2019, an additional study was carried out to measure the exposure of directly held listed securities in a more pessimistic IPCC scenario, RCP8.5, which corresponds to the *Business as Usual* trajectory (i.e. an average increase in temperatures close to 4 °C).

For sovereign bonds, each country's vulnerability according to the ND-Gain methodology was assigned to issues aimed at financing the operation of that country or one of its local authorities. 92% of sovereign and supranational bonds were covered by the study.

For equities and corporate bonds, the analysis was carried out on issuers belonging to economic sectors vulnerable to physical risk, particularly due to their difficulty in adapting to the consequences of climate change. It also included securities with high market value. 42% of securities were subject to an average vulnerability measurement, depending on geographic location. This is determined, depending on the sector, by location of production sites or facilities, revenue, production capacity, etc.

4.B.4 Calculation of the carbon footprint of the corporate and infrastructure portfolio

Information used for analysis

The carbon footprint estimate was carried out by CNP Assurances. The data necessary for the carbon footprint are the Scope 1 and Scope 2 emissions data provided by Trucost for listed companies and reported emissions for infrastructure. CNP Assurances uses the latest available information.

Accordingly, the carbon footprint at 31 December 2022 was calculated on the greenhouse gas (GHG) emissions of companies in 2021.

The carbon footprint at 31 December 2022 was calculated on the basis of securities held directly at that date.

Methodology

Scope 1 (direct emissions) and Scope 2 (indirect energy-related emissions) at 31 December 2021 are taken into account when calculating the carbon footprint.

CNP Assurances estimates the greenhouse gas emissions of portfolio companies without restating any duplicate entries between Scopes 1 and 2, and compares them to the gross acquisition cost of the portfolio. The carbon footprint is expressed in tonnes of CO_2 equivalent per €k invested.

Interest rate assumptions are as follows:

$$\sum^{i} \left(\frac{\dfrac{\text{Market value of investment i}}{\text{Enterprise value i}} \times \text{Company's greenhouse gas emissions (scopes 1 and 2) i}}{\text{Stock market value of all investments}} \right.$$

I: portfolio company equities, bonds and infrastructure held directly.

These estimates are volatile and depend notably on the data collection methods and scope within firms and changes in benchmark emission factors.

4.B.5 Improved energy performance of real estate assets

To meet its goal of decarbonising its real estate portfolio, CNP Assurances systematically analyses the improvement in energy performance when planning renovations.

Adaptation of real estate assets

Here we will indicate the main methodology components monitored by the various specialised research firms mandated by CNP Assurances to carry out the "Greco project" (adaptation of assets to Grenelle de l'Environnement requirements).

Nature of main criteria

The objective is monitor the impact of renovations on the consumption of assets in terms of "final energy", "primary energy" and GHG emissions.

Information used for analysis

The analysis is based on energy consumption, thermal audits, improved and regulatory energy performance diagnostics and dynamic thermal simulations.

Methodology

Definition of scope: given the variety of assets owned, the same actions cannot be taken depending on the location, ownership structure, and use of the building (residential/tertiary). CNP Assurances has embarked on an ambitious project for real estate assets over which it has the decision-making power (full ownership).

Use of results

Energy improvement action plans have been defined for each of the real estate assets through the different stages of the Greco project:

- stage 1: energy audits of real estate assets;
- stage 2: definition of multiple improvement scenarios per building;
- stage 3: definition of the wealth management scenario by selecting one scenario per asset;
- stage 4: verification of calculations by the research firms;
- stage 5: integration of renovation budgets into multi-year plans.

The action plans resulting from the Greco project include the main EET contribution levers:

- improvement of user behaviour;
- analysis of the renovation budget scenario reduce energy requirements;
- Improvement in equipment efficiency to optimise energy use;
- use of renewable energies.

4.B.6 Forest carbon storage

Carbon storage and climate change adaptation are the main ESG criteria related to the energy transition taken into account in the management of woodland assets.

Forests stores carbon as they are growing. After wood is cut down, carbon can be stored in other forms. CO_2 trapped during a tree's growth continued to be stored for the entire duration of use of products made from wood, which can extend over several decades (frames, furniture, wood floors, etc.). This CO_2 storage continues even afterwards, when the wood is reused or recycled for other purposes. Timber, mainly used for to build furniture and in construction, it the type of wood that stores carbon longest before it is fully re-emitted into the atmosphere.

Wood used for energy production, called energy wood, re-emits carbon when it is burned.

CNP Assurances' sustainable forest strategy supports French national targets. The National Low Carbon Strategy (SNBC) promotes a significant increase in wood harvested while storing carbon in biomass. Wood cutting paves the way for the growth of new trees and thus the constant storage of carbon.

Information used and methodology

In 2019, CNP Assurances and Société Forestière de la Caisse des Dépôts asked Eco-Act to conduct an independent review of the method used to record carbon flows in woodland assets. The review concluded that the method was conservative and robust, but called for adjustment in terms of treatment of outgoing flows.

Note:

- the conversion coefficient [m^3 of green wood] →[dry tonnes] is now differentiated by species;
- a new expansion coefficient has been added to assess root biomass;
- the expansion coefficient of tree crowns is differentiated according to hardwood and softwood;

The annual carbon flow is assessed for woodland assets. These data, while not the most comprehensive in terms of accuracy, are, on the other hand, the most homogeneous in terms of time and space: a method for collecting information governed by long-term management rules and procedures, integrated into the technical information system of Société Forestière de la Caisse des Dépôts.

For each sub-woodland, we know:

- the structure of the forest stand (coppice, coppiced woodland, even-aged or uneven-aged high forest, etc.);
- main species;
- year of origin of the forest stand (for even-aged high forests);
- dendrometric measurement data.

The goal is to estimate the growth of wood for each sub-woodland. This is determined in cubic metres per year. The volume of wood is then converted into CO_2 volumes, serving to determine the annual "carbon sink" effect of forests.

4.C Glossary

ADEME: Agence de l'Environnement et de la Maîtrise de l'Energie (French Agency for the Environment and Energy Management).

Adverse impacts on sustainability: Adverse impacts of an investment decision on a sustainability factor, i.e. an environmental, social or governance issue.

AML-CFT: Anti-money laundering and counter-terrorist financing.

APM: Anti-personnel mines.

BREEAM: *Building Research Establishment Environmental Assessment Method.*

CB: Cluster bombs.

CBI: *Climate Bonds Initiative.*

CBF: *Corporate Biodiversity Footprint.*

Climate change adaptation: Current and expected climate change adjustment process and its effects.**Paris Agreement:** Global agreement on global warming approved in December 2015 by 195 countries at the Paris Climate Change Conference (COP21). The Agreement plans to contain global warming well below 2 °C compared pre-industrial levels, and to continue efforts to limit temperature rises to 1.5 °C, by 2100.

Climate change mitigation: The process of keeping the rise in the planet's average temperature well below 2 °C and continuing to take action to limit it to 1.5 °C compared to pre-industrial levels, as provided for in the Paris Agreement.

CNPF: Centre national de la propriété forestière (National Woodland Property Centre).

COP: Non-profit association collecting annual reporting on greenhouse gas emissions and environmental strategies from thousands of companies around the world.

CRREM: *Carbon Risk Real Estate Monitor.*

CSR: Corporate Social Responsibility.

CSRD: *Corporate Sustainability Reporting Directive*

EET: Energy and ecological transition.

ESG: Environment, social and governance

EU: European Union.

Euro-denominated vehicle: An investment vehicle, within a life insurance policy, whose guarantees are expressed in euros, giving rise to potential profit-sharing.

FATF: Financial Action Task Force.

Financial product promoting environmental or social characteristics (Article 8 within the meaning of SFDR): Contract or investment vehicle that, among other things, promotes environmental or social characteristics, or a combination of these characteristics provided that the companies in which the investments are made follow good governance practices (sound management, employee relations, and compliance with tax obligations).

Financial product having a sustainable investment objective (Article 9 within the meaning of SFDR): Contract or investment product investing in economic activities that contribute to an environmental objective, and/or a social objective, and/or in human capital and/or economically or socially disadvantaged communities, provided that these investments do not cause material harm to one of these objectives and the companies in which investments are made follow good governance practices (sound management, employee relations and compliance with tax obligations).

Finansol: Label certifying that the financial product contributes to the financing of the social and solidarity-based economy (job creation, fight against exclusion, social cohesion, etc.). It is awarded after verification by the Finansol Committee.

FFA: Fédération française de l'assurance (French Insurance Federation).

GBP: *Green Bonds Principles*.

GCEL: *Global Coal Exit List.*

GEVA: *Greenhouse gas emissions per Value Added*.

GHG: Greenhouse gas.

Global Compact: United Nations initiative launched in 2000 to encourage companies to adopt a socially responsible attitude by undertaking to integrate and promote principles relating to respect for human rights and labour law, environmental protection and the fight against corruption.

GOGEL: *Global Oil and Gas Exit List.*

Greenfin: Label issued by the French State certifying that the financial product contributes to the financing of the energy and ecological transition and excludes investments in fossil fuels and the nuclear sector. It is awarded after an audit by an independent third party.

GRESB: *Global Real Estate Sustainability Benchmark*.

GREaT: Responsible Governance, sustainable management of natural and human Resources, economic and Energy transition, and Territorial development.

Greco: Name of CNP Assurances' real estate energy efficiency programme.

HQE: High environmental quality.

HSE: Health, safety and environment.

IEA: International Energy Agency.

ILO: International Labour Organization.

IPB: Inventory of potential biodiversity.

IPBES: *Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*.

IPCC: Intergovernmental Panel on Climate Change.

kgCO_2eq: kilogram CO_2 equivalent .

KYC: *Know Your Customer*.

Label Relance: Created in October 2020 by the French Ministry for the Economy in response to the health crisis, the Label Relance identifies investment funds committed to supporting French SMEs.

LBPAM: La Banque Postale Asset Management.

LCB: Low-carbon building.

LEC: Loi énergie climat (Climate Energy Act).

MGP: *Methane Guiding Principles*.

MSA: *Mean Species Abundance*. MSA is a scientifically recognised metric created by the Netherlands Environmental Assessment Agency (PBL) to measure the average abundance of species.

NCST: Non-cooperative states and territories.

NDC: *Nationally Determined Contribution*. Greenhouse gas reduction target announced by each Paris Agreement signatory country.

NZAOA: *Net-Zero Asset Owner Alliance*.

OECD: Organisation for Economic Cooperation and Development.

OECM: *One-Earth Climate Model*.

OGCI: *Oil and Gas Climate Initiative*.

PEFC: *Programme for the Endorsement of Forest Certification*.

PIK: *Potsdam Institute for Climate Impact Research*.

PRI: *Principles for Responsible Investment*.

RCP: *Representative Concentration Pathway.* Scenario defined by the IPCC describing the increase in greenhouse gases, radiative forcing and temperature.

SBTi: *Science-Based Targets initiative.*

SCI: Société civile immobilière (Non-trading real estate company).

SDA: *Sector-based Decarbonisation Approach.*

SDG: Sustainable Development Goal.

SDS: *Sustainable Development Scenario*.

SFDR: *Sustainable Finance Disclosure Regulation*.

Shareholder engagement: Exercise of voting rights at general meetings of listed companies and dialogue with management of listed companies on environmental, social or governance (ESG) issues.

SPF: Specialised professional fund.

SSE: Social and solidarity-based economy.

SRI: Socially Responsible Investment.

SRI label: SR label issued by the French State certifying that the financial product significantly integrates ESG criteria. It is awarded after an audit by an independent third party.

Sustainability risk: Environmental, social or governance (ESG) event or situation that, if it occurs, could have an actual or potential material adverse impact on the value of an investment.

TCFD: *Task Force on Climate-related Financial Disclosures*.

TCO_2eq: tonne CO_2 equivalent.

TECV: Transition énergétique pour la croissance verte (Energy transition for green growth).

UCI: Undertaking for collective investment.

UCITS: Undertaking for collective investment in transferable securities.

UL: Unit-linked product.

Unit-linked vehicle: An investment vehicle, within a life insurance policy, other than a euro-denominated vehicle, represented by units or shares of an investment fund or other assets accepted by the French Insurance Code acquired by the insurer. The value of unit-linked guarantees increases or decreases in line with financial market fluctuations.

WEO: *World Energy Outlook*.

4.D TCFD recommendations cross-reference table

TCFD recommendations		Corresponding section in this report
TCFD **Governance**	Consideration by the Board of Directors of climate change-related risks and opportunities	1.C.1 Governance of the responsible investment strategy
	Management's role in assessing and managing climate-related risks and opportunities	1.C.1 Governance of the responsible investment strategy 2.H.3 Sustainability risk management
TCFD **Strategy**	Climate change-related risks and opportunities identified in the short, medium and long term	2.H.5 Climate change risk monitoring methodology 2.B.2.1 Environmentally-themed investments
	Impacts of these risks and opportunities on organisation, strategy and financial planning	2.H.2 Description of the main sustainability risks integrated into the Group's risk management framework 3.D Engagement policy
	Potential impact of different scenarios, including the 2 °C scenario, on organisation, strategy and financial planning	2.H.5 Climate change risk monitoring methodology 1.F Strategy to align with the international objectives of Articles 2 and 4 of the Paris Agreement
TCFD **Risk management**	Methods used to identify and assess climate-related risks	2.H.1 Identification, assessment and prioritization of sustainability risks in investment management 2.H.5 Climate change risk monitoring methodology
	Methods used to manage climate-related risks	2.H.3 Sustainability risk management 2.H.4 Measures implemented to reduce exposure to sustainability risks
	Integration of climate risk identification, assessment and management processes into the overall risk management process	2.H.2 Description of the main sustainability risks integrated into the Group's risk management framework
TCFD **Indicators and targets**	Metrics used to assess climate change-related risks and opportunities, as part of the company's strategy and risk management	2.H.5 Climate change risk monitoring methodology 2.H.3 Sustainability risk management
	Greenhouse gas emissions (Scopes 1, 2, and if necessary 3) and related risks	2.H.5 Climate change risk monitoring methodology
	Targeted objectives for managing climate change-related risks and opportunities	1.F.1 Commitment to become carbon neutral by 2050

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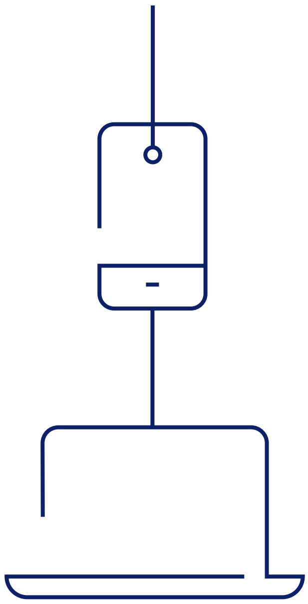

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