CNP assurances

Insuring a more open world

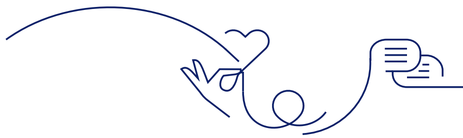
Sustainable Investment

2021 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

Biodiversity now lies at the heart of responsible investment

It has been scientifically established that human activities have adverse impacts on nature and the diversity of living things such as destruction and fragmentation of ecosystems, extinction of species and reduction of genetic variety within species. The IUCN (International Union for Conservation of Nature) red list is a leading benchmark used to monitor the state of biodiversity in the world. And, the red list has showed us that currently one in four species of mammals, one in seven birds, more than one in three amphibians and one-third of conifer species are threatened with global extinction. One million species are at risk of extinction in the coming decades, i.e. an extinction rate 10 to 100 times higher than the average for the last 10 million years. Much like climate change, biodiversity loss is thus a major environmental challenge for current and future generations.

It is also an economic challenge. In March 2022, the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) acknowledged that *"nature-related risks, including those associated with biodiversity loss, could have significant macroeconomic implications, and that failure to account for, mitigate, and adapt to these implications is a source of risks relevant for financial stability"*. In January 2022, the World Economic Forum's Global Risks Report ranked biodiversity loss and ecosystem collapse as one of the top five threats facing humanity over the next ten years.

As a responsible investor, CNP Assurances assumes its responsibilities and mobilises its teams on several fronts:

- With the release in May 2021 of its report on responsible investment. CNP Assurances was one of the first investors to publish the biodiversity footprint of its investment portfolio using the Corporate Biodiversity Footprint. This year, the calculation was expanded to around 30 sectors (compared with just five last year) and now covers 58% of the directly-held equity and corporate bond portfolio (*vs.* 11% last year). 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.
- In September 2021, CNP Assurances signed the Finance for Biodiversity Pledge and set new biodiversity protection targets over the next five years. These targets cover all asset classes from equities and corporate bonds to real estate, infrastructure and forests. In this report, we address the initiatives we have begun to implement to achieve these targets.
- For the first time this year, CNP Assurances published a measure of its investment portfolio's exposure to physical risks associated with biodiversity loss. Based on the research published by *Banque de France* in August 2021[1], CNP Assurances estimated the dependence of the companies it finances on the ecosystem services essential to the survival of the human species and to a large number of economic activities. At end-2021, 26% of our directly-held equity and corporate bond portfolio comprised companies that are heavily or very heavily dependent on at least one ecosystem service. In other words, more than a quarter of the value of the securities held in the scope under review would be exposed to a significant risk if an ecosystem service were to disappear in the coming years.

Together with the companies and countries that we finance, we need to act to reverse the deterioration of the environment and preserve the diversity of life on our planet.

Stéphane Dedeyan

Chief Executive Officer

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

- Information on the inclusion of environmental, social and governance quality criteria in the investment policy, pursuant to Decree No. 2021-663 of 27 May 2021 clarifying the information required by Article 29 of Act No. 2019-1147 of 8 November 2019 on energy and 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 on the integration of sustainability risks in 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.

The information contained in this report is broken down by asset class, with no distinction between own funds and euro-denominated funds, with the responsible investment strategy being the same for all portfolios. For the same reason, life and non-life insurance entities are not distinguished. Note: the non-life segment represents a small portion of the investment portfolios (non-life insurance provisions accounted for 2% of Group provisions at end-2021).

This report covers the investments of CNP Assurances, CNP Caution and MFPrevoyance. CNP Assurances' commitments (targets and policies) are monitored and measured within this scope.

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**

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

Section 1

Responsible investment strategy

1.1 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 **€370 billion** invested across all sectors, CNP Assurances is a major player in financing the real economy. CNP Assurances has implemented a responsible investment strategy spanning the various asset classes since 2006. It has undertaken multiple initiatives not only for responsible investment, but also aimed at combating climate change or protecting biodiversity. By setting quantitative targets year after year, CNP Assurances regularly updates its ambitions, convinced that sustainability factors generate a financial risk 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.
- Asset management is delegated to asset managers that share our values.

SUSTAINABILITY

89%
Percentage of assets managed with ESG filters in the scope of our euro and unit-linked portfolios

22%
Percentage of resolutions at general meetings which we voted against

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

4,193 companies
Number of companies excluded from our investments based on ESG criteria

€3.1 million
Budget allocated by CNP Assurances to ESG services, research and data

CLIMATE

2050
Carbon neutrality target horizon for our investment portfolio

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

€19.9 billion
Value of green investments in our portfolios

88%
Percentage of our assets subject to climate risk analysis

84%
Percentage of our dialogue with companies addressing climate change issues

POLICYHOLDERS

53%
Percentage of unit-linked vehicles with sustainable finance certification

€18.6 billion
AuM in unit-linked products with sustainable finance certification

EMPLOYEES

75%
Percentage of employees trained in sustainable finance

8.1 FTEs
Dedicated to sustainable finance at CNP Assurances

BIODIVERSITY

58%
Percentage of directly-held corporate securities subject to biodiversity footprint measurement

- 25 MSA.m^2 per €K invested
Biodiversity footprint of directly-held corporate securities

26%
Percentage of directly-held corporate securities issued by companies that are heavily or very heavily dependent on at least one ecosystem service

18%
Percentage of French forests directly held by CNP Assurances subject to biodiversity measurement

26%
Percentage of our dialogue with companies addressing biodiversity protection issues

1.2 Summary of our responsible investment strategy

CNP Assurances takes a comprehensive responsible-investment approach in accordance with 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 parity and diversity on certain boards of directors;
- investment selection 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. 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	AuM at end-2021 (excluding unit-linked assets)
Directly owned real estate [1]	✓			✓	✓	€13.5bn
Directly owned forests	✓			✓	✓	€0.6bn
Directly held listed equities	✓	✓		✓	✓	€22bn
Directly held corporate bonds	✓	✓		✓	✓	€85bn
Unlisted equities and infrastructure	✓	✓		✓		€14bn
Sovereign bonds held directly	✓					€134bn
Dedicated funds	✓	✓	✓			€28bn
Open-ended funds	VEILLE	VEILLE	✓			€35bn

(1) Or via wholly-owned vehicles

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

Companies excluded due to involvement in weapons, tobacco, coal, oil and gas or do not comply with the principles of the United Nations Global Compact

Funds excluded due to speculation on agricultural commodities

Investments are subject to ESG analysis and/or rating

ESG analysis and/or rating systematically impact investment decisions

Targets for combating climate change: CNP Assurances undertakes to achieve a carbon neutral investment portfolio by 2050

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 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 the first target-setting protocol in January 2021. The protocol defines the way in which Alliance members will set an initial series of climate targets up to 2025, aligned with the latest scientific knowledge.

TCFD

Indicators and targets

	Previous targets achieved	Targets in progress	Achievement rate at end-2021
Directly-held listed shares	Reduce carbon footprint 54% between 2014 and 2021	• Reduce carbon footprint another 25% between 2019 and 2024	125%
Directly held corporate bonds		• Reduce carbon intensity of electricity producers 17% between 2019 and 2024 • Engage with eight companies and two asset managers to encourage them to adopt a strategy aligned with the 1.5 °C global warming scenario by the end of 2024	212% in progress
Directly owned real estate	Reduce carbon footprint 40% between 2006 and 2021	Reduce carbon footprint another 10% between 2019 and 2024	100%
Green investments (green bonds, forests, certified buildings, green infrastructure, etc.)		€25bn in green investments by end-2025	80%

Biodiversity protection targets: CNP Assurances is committed to protecting biodiversity through the Finance for Biodiversity Pledge

Commitment	2021 contribution
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	Launch of initiatives on directly-held assets with Ostrum AM Enhancement of rules on investments in logistics platforms
Integrate biodiversity in shareholder dialogue	Integration of biodiversity in shareholder engagement policy Organisation of five shareholder dialogues on biodiversity
Assess positive and adverse impacts of investments on biodiversity and identification of loss factors	Measurement of portfolio's biodiversity footprint for second consecutive year and expansion of sector scope covered
Publish science-based targets with a significant impact on biodiversity	Publication of biodiversity protection targets in September 2021 Publication of climate change targets in February 2021 aligned with scientific scenarios for limiting global warming to +1.5 °C

	Targets in progress	Achievement rate at end-2021
Directly-held listed shares	Measurement of biodiversity footprint on all securities by end-2023	58%
Directly held corporate bonds	Engage with five companies to encourage them to adopt a strategy aligned with international biodiversity agreements by end-2024	in progress
Directly owned logistics platforms	Conduct inventory and analysis of biodiversity by end-2022	100%
Directly owned French forests	Measure biodiversity of all forest assets by end-2025	18%
	Assign 3% of forested land to ageing islands and natural evolution areas by end-2025	15%

Responsible investment strategy
Summary of our responsible investment strategy 1

Timeline of our responsible investment strategy

Year	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

Year	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	**Support for the European Green Recovery Alliance** **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 each 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%20assurance_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/3545
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
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 5.6) 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 2021 to the various commitments of the Finance for Biodiversity Pledge (see table on page 11)
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.

1.3 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. CNP Assurances has undertaken to ensure that such products are available in all of its policies currently being sold. This commitment is in line with the commitment of our two major distribution partners - La Banque Postale and BPCE - whose asset management entities are responsible for structuring such funds.

1.3.1 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 in its investment decisions, CNP Assurances provides annual information on the sustainability of their life insurance, retirement or endowment policy. The annual status report at end-2021 thus includes a summary of the responsible investment policy as well as the SFDR classification of the product (Article 8 or 9).

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.

1.3.2 Listing of unit-linked products proposed to policyholders

In addition to traditional investment vehicles, CNP Assurances offers its policyholders investments in unit-linked products, which may take the form of investment funds or direct investments (equities, bonds).

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.

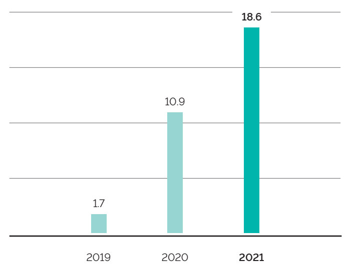
1.3.3 Range of responsible unit-linked vehicles

At end-2021, unit-linked vehicles represented €35 billion in mathematical provisions.

In 2021, €6 billion in premiums were paid by CNP Assurances policyholders on unit-linked vehicles with sustainable finance certification. The AuM in these unit-linked vehicles amounted to €18.6 billion at end-2021, i.e. 53%, up from 70% at end-2020. This very sharp increase 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.

AUM IN CNP ASSURANCES UNIT-LINKED VEHICLES WITH SUSTAINABLE FINANCE CERTIFICATION

(In € billions)



Sustainable finance certification [1]	AuM at 31/12/2020	AuM at 31/12/2021
"Label ISR" (socially responsible investment)	€10.9bn	€18.6bn
Greenfin (green finance)	€0.9bn	€1.5bn
Finansol (solidarity finance)	€0.2bn	€0.3bn

(1) Because a unit-linked product can have multiple certifications, the amounts in the table cannot be added together.

As of 2021, the SFDR defined a classification of life insurance contracts and investment vehicles they offer (euro-denominated vehicles and unit-linked vehicles) based on their integration of sustainability, i.e. ESG criteria. At end-2021, of CNP Assurances' AuM in unit-linked products subject to the SFDR, 52% promote environmental or social characteristics and 14% have a sustainable investment objective:

	Percentage of unit-linked AuM subject to SFDR
Unit-linked products promoting environmental or social characteristics (article 8 SFDR)	52%
Unit-linked products having a sustainable investment objective (article 9 SFDR)	14%

1.3.4 Range of euro-denominated responsible vehicles

The highest percentage of CNP Assurances' AuM is commitments denominated in euros. They represent €197bn in mathematical provisions at CNP Assurances.

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-2021, of CNP Assurances' AuM in euro-denominated products subject to the SFDR, 99.8% promote environmental or social characteristics and 0% have a sustainable investment objective:

	Percentage of euro-denominated AuM subject to SFDR
Euro funds promoting environmental or social characteristics (article 8 of the SFDR)	99.8%
Euro funds having a sustainable investment objective (article 9 of the SFDR)	0%

1.3.5 Range of responsible life insurance policies

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.

Under liabilities, the mathematical provisions of Article 8 policies represent €245bn, i.e. 99.6% of contracts subject to SFDR. At end-2021, the main Article 8 life insurance policies Article 8 were as follows[1]:

- Cachemire range: Cachemire, Cachemire 2, Cachemire Patrimoine;
- Nuances range: Nuances Plus, 3D Nuances, Nuances Privilège;
- Poste Avenir;
- GMO;
- Vivaccio;
- Ascendo;
- Initiative Transmission;
- CNP One.

Note: under assets, 89% of AuM integrated account environmental, social and governance (ESG) criteria at end-2021. This calculation covers CNP Assurances' euro and unit-linked portfolios.

(1) See list of all Article 8 life insurance policies at end-2021 in the appendix

1.4 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

1.4.1 Supervision

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 recommendations made by 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 corporate social 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-related risk in 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 76.5%

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.

1.4.2 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 Deputy Chief Executive Officer, the Chief Financial Officer, or the Corporate Secretary. It observes the risk-taking process and is assisted by the Group Risk division.

This committee ensures the integration of ESG criteria 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 climate-related and biodiversity risk assessment/management

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 department is responsible for assessing technical provisions and supervising underwriting;
- the Group Risk division is in charge of 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 action for the company's various activities, such as mapping and risk measurement, adjustments to the strategy to reduce risks. Progress in terms of the roadmap is monitored during committee meetings and regularly supplemented with new action.

In 2021, the committee met four times and addressed the following points:

- the European Union's sustainable finance action plan, including the implementation of SFDR and taxonomy regulations;
- collaboration with the ACPR on the climate stress test exercise;
- mapping of CNP Assurances' climate-related risks in liabilities;
- CNP Assurances' participation in the efforts of the Net Zero Asset Owner Alliance;
- new fossil fuel and biodiversity targets;
- the assessment of shareholder engagement, particularly the discussions conducted by CNP Assurances with companies to encourage them to adopt a definitive thermal coal exit plan.

1.4.3 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 internal SRI Committee coordinates the SRI function among the network of correspondents and the CSR division. It monitors the operational implementation of the responsible investment strategy by asset class, produces an overview and proposes changes.

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 1.4.2.

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 manager 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.

The table below shows the responsible investment cycle for each asset class held in CNP Assurances portfolios. The responsible investment policy established by CNP Assurances is subject to operational oversight and implementation control by the Investment division. 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	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.	• 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 reviews of SRI projects in conjunction with the asset management companies.	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 held corporate bonds				
Directly held sovereign bonds				
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.	• Delegation to the asset manager 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. • Studies, oversight of sustainability risk and adverse impacts.	• Examines any investment opportunities proposed by the asset management company. • Establishes the green charter applicable to the portfolio management mandate. • 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.	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; • 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.

	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
Infrastructure	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.	• 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.	• Performs *due diligence* before investing 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* before investing 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 management companies in due diligence, *dialogues and surveys*.	• *Performs* ESF due diligence before investing 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.

1.4.4 Internal resources, training, remuneration

Internal resources

In 2021, 8.1 FTEs were assigned to sustainable finance at CNP Assurances. They are described in the previous paragraphs. In addition, under the asset management mandate between CNP Assurances and Ostrum AM, 13 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 €3.1 million in 2021.

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* were organised in November 2021 for around sixty 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.

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 compensation 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 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.

In the Investment division, calculation of variable remuneration includes a responsible investment-related target for around twenty.

The compensation of AMETIS 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 is true for CNP Assurances' other contracts or investment vehicles, the AMETIS network's investment contracts or vehicles promoting environmental or social characteristics or having a sustainable investment objective are proposed in the client's interest.

In 2019, CNP Assurances signed an incentive agreement on CSR criteria with three representative trade unions covering the 2019-2021 period. 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.

Section 2

Adverse impacts of investments on sustainability factors

2.1 Description of main adverse impacts

An adverse impact on a sustainability factor corresponds to the adverse impact of an investment decision on an environmental, social or governance (ESG) issue. CNP Assurances has identified the principal adverse impacts on the sustainability factors 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.

			Selection of investments based on ESG criteria			
Adverse impacts	**Shareholder engagement policy (voting and dialogue)**	**Exclusion policy**	**Equities**	**Bonds**	**Real estate**	**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		✔	✔	✔	✔	✔

Integration of adverse impacts in 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, 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.

2.2 Policy on the identification and prioritisation of main adverse impacts

The prioritisation of adverse impacts depends on the type of assets and the business sectors. However, since 2015, CNP Assurances has prioritised reducing greenhouse gas emissions through its responsible investment policy.

2.2.1 Listed equities and bonds

The main adverse impacts 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 main adverse impacts 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 compensation 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 enable high-quality debate.
  - **Responsible compensation:** ensure consistency between executive compensation 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 management of resources:** this pillar serves 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 a 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 the decarbonisation 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 greenhouse gas 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 product 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 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:

<table>
<tr><th>Adverse impacts</th><th>Corresponding indicators</th><th>Section of the responsible investment report detailing the actions implemented by CNP Assurances</th></tr>
<tr><td>Greenhouse gas emissions</td><td>Carbon footprint of the portfolio of directly held listed equities and corporate bonds</td><td>Alignment with the Paris Agreement</td></tr>
<tr><td>Impact on biodiversity</td><td rowspan="2">ESG rating of sustainable resource management pillar</td><td rowspan="2">Alignment with international biodiversity agreements
Integration of ESG criteria in investment selection</td></tr>
<tr><td>Overuse of natural resources (water, raw materials)</td></tr>
<tr><td>Terrorist financing and money laundering</td><td rowspan="2">ESG rating of responsible governance pillar</td><td rowspan="2">Integration of ESG criteria in investment selection</td></tr>
<tr><td>Tax avoidance</td></tr>
<tr><td>Corruption</td><td>Number of countries excluded from investments</td><td>Country Exclusion Policy</td></tr>
<tr><td>Non-respect of human rights</td><td>Number of countries excluded from investments</td><td>Country Exclusion Policy</td></tr>
<tr><td>Discrimination</td><td rowspan="2">ESG rating of sustainable resource management pillar</td><td rowspan="3">Integration of ESG criteria in investment selection</td></tr>
<tr><td>Non-compliance with labour law</td></tr>
<tr><td>Harm to the health or safety of persons</td><td>ESG rating of regional development pillar</td></tr>
</table>

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.

2.2.2 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 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	Corresponding indicators	Section of the responsible investment report detailing the actions implemented by CNP Assurances
Harm to the health or safety of persons	Number of HSE audits	Integration of ESG criteria in investment selection - real estate
Greenhouse gas (GHG) emissions	Electricity consumption of buildings	Alignment with the Paris Agreement
Non-compliance with labour law	Oversight of Urssaf and foreign labour filings by asset management companies	Integration of ESG criteria in investment selection - real estate
Impact on biodiversity	Audit during *due diligence* Oversight of restructuring work	Integration of ESG criteria in investment selection - real estate: Application of the “green works” charter by asset management companies
Overuse of natural resources (water, raw materials)		
Corruption	Analysis during *due diligence*	Know Your Customer process and country exclusion policy
Non-respect of human rights	Number of countries excluded from investments	Country Exclusion Policy
Tax avoidance	Number of countries excluded from investments	Country Exclusion Policy

2.2.3 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	Corresponding indicators	Section of the responsible investment report detailing the actions implemented by CNP Assurances
Overuse of natural resources (water, raw materials)	Percentage of PEFC-certified forests	Integration of ESG criteria in investment selection - forests
Greenhouse gas (GHG) emissions	Contribution to carbon sinks	Alignment with the Paris Agreement
Impact on biodiversity	Percentage of inventoried surface area	Alignment with international biodiversity agreements
Harm to the health and safety of persons	Percentage of ISO 9001 and PEFC certified investments	Integration of ESG criteria in investment selection - forests
Non-compliance with labour law	Percentage of ISO 9001 and PEFC certified investments	Integration of ESG criteria in investment selection - forests
Non-respect of human rights	Number of countries excluded from investments	Country Exclusion Policy
Tax avoidance	Number of countries excluded from investments	Country Exclusion Policy

Section 3

Sustainability risk exposure of investments

3.1 Identification, assessment and prioritisation of sustainability risks

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	Real estate	Forests
Climate change	✔	✔	✔	✔	✔	✔
Loss of biodiversity	✔	✔	✔	✔	✔	✔
Depletion of natural resources (water, raw materials)			✔	✔	✔	✔
Poor governance	✔	✔	✔	✔	✔	✔
Terrorist 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 in 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, in particular the prospectus, 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 3.3 and 3.4.

3.1.1 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 2.2.1.

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 dimension, 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
ESG3	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 (see above) 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.

3.1.2 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 3.1).

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 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 (certifications) 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.

3.1.3 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 3.1).

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.

3.2 Sustainability risk management process

TCFD **Governance**

TCFD **Risk management**

3.2.1 Integration of sustainability risks in Group processes

A material risk for CNP Assurances

CNP Assurances sets out its non-financial risks and challenges in its Non-Financial Performance Statement ("NFPS"). The non-financial risk analysis methodology is based on three main block-building phases, during which CNP Assurances' internal stakeholders were involved and consulted. Based on international norms and standards, each non-financial risk is rated according to the two criteria: severity level (for CNP Assurances' activities, employees or policyholders) and probability of occurrence.

Based on this analysis, eleven main risks grouped into nine priority issues are identified for the Group, its activities, its employees, its customers and more generally its stakeholders, two of which relate to sustainability risks associated with investments:

- **integrating ESG issues in our investment activity:** Failure or failing in integrating ESG issues in the investment activity (selection or exclusion of investments, voting at general meetings, shareholder dialogue);
- **combating global warming:** Failure or failing in integrating climate change issues in all activities (investment, insurance, internal operations).

Integration in ORSA/internal risk assessment process

In accordance with EIOPA recommendations, CNP Assurances has included ESG risks, particularly climate change risk, in its internal risk assessment process. The ORSA report describes this risk in the risk map, risk management and the associated initiatives implemented. Climate change risk is thus treated as a cross-functional risk that may aggravate other identified risks.

Overall, for all CNP Assurances activities, climate change is considered a major risk for the Group.

Financial impact measurement

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 (see details in section 3.3.2);
- 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.

3.2.2 Sustainability risk management

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 recommendations made by 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, Investment division, Technical division and 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 1.4.2).

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 (see section 3.1). 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 (see sections 3.3 and 3.4). CNP Assurances' objective, based on the currently available studies and data, is to limit this exposure through appropriate investment decisions. These decisions are reflected in the exclusion policies, 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.

3.2.3 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 cp.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.

3.3 Risks related to climate change

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

CNP Assurances has identified physical and transition risks as described below and taken measures to reduce them.

Physical risk	Transition risk	Liability risk
Risk associated with physical disruptions caused by climate change (storms, floods, heat waves, etc.).	Risk generated by adjustment processes aimed at limiting greenhouse gas emissions (regulations, technological developments, changes in consumer behaviour etc.).	Risk of litigation or legal proceedings related to climate factors

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. The methodologies are described in the appendix.

3.3.1 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	Appropriation of these new risks: communication and sharing of results with 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 in real estate investment and construction/renovation decisions		
	Integration of physical risk in forest management plans: adaptation and diversification of tree species, geographic diversification of woodlands		Exclusion of forest investments in regions with major natural risks (southeastern France, for example with regard to fire risks)
Assets covered by a physical risk analysis	Equities, corporate bonds, sovereign bonds, real estate, forests		
	At end-2021, 68% of assets were subject to one or more physical risk analyses		

3.3.1.1 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).

Results

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.

Use of results

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 will be 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.

3.3.1.2 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.

Results and their use

- At end-2021, 72% of forest assets were covered by plan that integrates 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.
- Some regions with major natural risks have been avoided (for example, southeastern France with regard to fire risks). In addition to this acquisition policy, which serves to spread out risks, forest purchases were made in Scotland and Ireland starting in 2017.
- The status of CNP Assurances' assets in terms of species diversity and geographic distribution as at 31 December 2021 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. 77% of replanting projects in 2021 included at least two different species.
- 100% of the forests owned by CNP Assurances are insured against the main climate-related risks.

3.3.1.3 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.

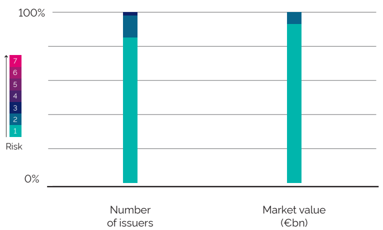
The physical risk analysis is based on the vulnerability measurement according to the ND-Gain RCP4.5 methodology, which corresponds to the most likely trajectory with regard to current government commitments under the Paris Agreement.

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.

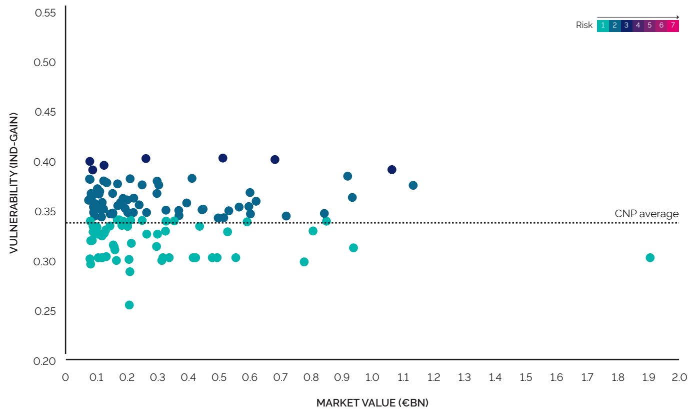
VULNERABILITY OF SOVEREIGN ISSUERS IN THE PORTFOLIO



Result on corporate bonds and equities

CNP Assurances has little to no exposure to most risks.

VULNERABILITY OF CORPORATE ISSUERS IN THE PORTFOLIO



Use of results

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.

3.3.2 Transition risk

The value of assets is potentially exposed to regulatory, technological, market and reputational 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, food and beverage, forests*	Assets with the highest exposure to transition risk, with very high risk of *stranded assets* *Thermal coal*
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		Sector analysis through 2023	Oversight of revenue generated from thermal coal Oversight of new developments in mining, infrastructure and thermal coal-fired power plants
	Carbon footprint of companies and real estate, forest carbon storage, country electricity mix			
	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 €25bn in assets under management by end-2025		Enhanced shareholderengagement with companies on the measurement and reduction of their exposure to transition risk	Shareholder engagement with companies on their thermal coal exit plan
			Renovation of real estate assets	
Assets covered by a transition risk analysis	Bonds, infrastructure, *private equity*, real estate, forests, funds	Equities, bonds, real estate		All assets, except non-dedicated open-ended funds and unit-linked products
	At end-2021, 88% of assets were subject to one or more transition risk analyses			

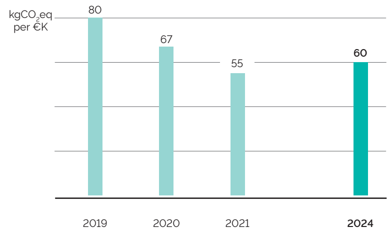
Every two years, CNP Assurances conducts an ESG/climate survey of the asset management companies in which it invests in open-ended funds holding listed assets. In 2021, 91% of respondents managed climate risk in their funds, mainly covering transition risk.

3.3.2.1 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.

Results on equity and corporate bond portfolio

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, by comparing the percentage of directly held equities and bonds on corporate balance sheets. Greenhouse gas (GHG) emissions are estimated based solely on the statements of portfolio companies on their Scope 1 and 2 emissions and without restating any duplicate entries. As many companies do not provide this data, the estimate covers 77% of the equity and corporate bond portfolio and amounted to 55 $kgCO_{2eq}$ per €k invested at 31 December 2021.



CNP Assurances set a target of reducing the carbon footprint of its directly held equity and corporate bond portfolio by 25% between 2019 and 2024. This target was exceeded in 2021 three years ahead of schedule, with the carbon footprint of the equity and corporate bond portfolio down 31% between 2019 and 2021. 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. In 2021, 84% of direct engagement with portfolio companies focused on climate-related issues.

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 77% of the directly held equity and corporate bond portfolio).

Corporate sector	Scope 1 and 2 GHG emissions of companies financed by CNP Assurances *(tCO_{2eq})*	Distribution	Carbon footprint of the equity and corporate bond portfolio *($kgCO_{2eq}$/ €k)*
Utilities	1,334,085	33%	231
Materials	1,169,789	29%	584
Energy	674,575	17%	192
Industry	341,476	9%	48
Consumer Staples	147,219	4%	39
Consumer Discretionary	142,895	4%	34
Communication Services	89,086	2%	14
Healthcare	37,892	1%	14
Information Technologies	33,560	1%	13
Services	19,464	0%	38
Real estate	11,172	0%	5
Finance	4,913	0%	0
GRAND TOTAL	**4,006,128**	**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 77% of the directly held equity and corporate bond 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 the equity and corporate bond portfolio *($kgCO_{2eq}$/ €k)*
France	1,927,742	48%	96
Italy	401,402	10%	112
United States	326,389	8%	19
Spain	293,406	7%	51
Germany	229,945	6%	34
Ireland	224,029	6%	1,087
Luxembourg	92,651	2%	1,699
Finland	88,029	2%	94
United Kingdom	74,239	2%	14
Australia	72,021	2%	28
Netherlands	49,065	1%	12
Norway	48,876	1%	78
Portugal	46,787	1%	281
Austria	40,634	1%	97
Belgium	37,696	1%	41
Switzerland	25,981	1%	17
Sweden	14,066	0%	11
Denmark	7,305	0%	11
Japan	3,817	0%	4
New Zealand	1,485	0%	53
Republic of Korea	535	0%	11
Canada	27	0%	0
TOTAL	**4,006,128**	**100%**	**55**

3.3.2.2 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.

These three scenarios also incorporate higher physical risk assumptions. For personal insurers like CNP Assurances, the ACPR forecasts a rise in claims due to an increase in pollution and vector-borne diseases, affecting:

- death benefits under death/disability and term creditor insurance policies;
- loss of income payments under death/disability and term creditor insurance policies;
- coverage of medical costs under health insurance policies.

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:

- potential increase in claims on death/disability and term creditor insurance policies;
- sensitivity to a persistently low interest rate environment in the various scenarios.

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

- the fiscal year 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;
- the potential increase in claims caused by the occurrence of physical risk could be offset to some extent by an increase in premium rates for death/disability and term creditor insurance policies.

3.3.2.3 Electricity mix of sovereign portfolio

Methodology

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

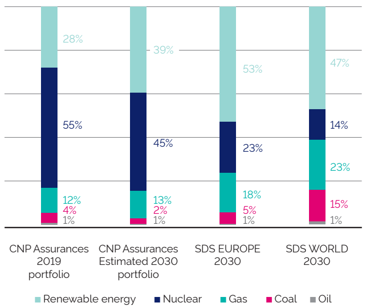
A country's electricity mix represents the proportion of energy sources (renewable, nuclear, gas, coal, oil) in its electricity generation.

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 portfolio's 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).

Application to CNP Assurances portfolio

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.

3.3.2.4 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 covered in section 3.3.2 "Investments promoting the EET", 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 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.

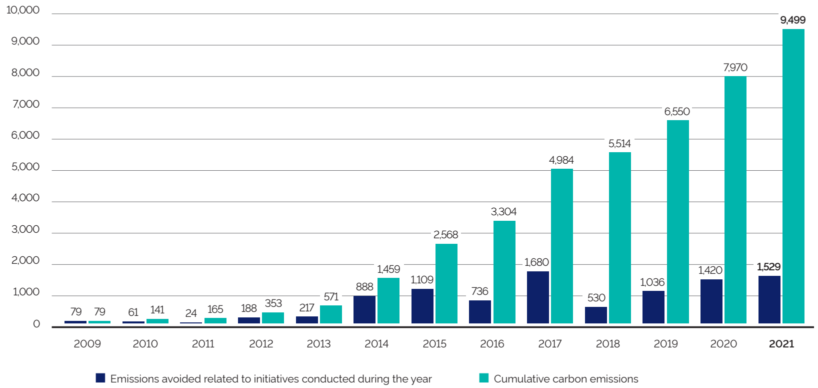
Results

- Of the 181 real estate assets covered by the Greco project at end-2021, 169 have already been analysed or are being planned, i.e. a progress rate of 93%. 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 €198 million 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: 50% of the surface area of real estate assets under direct management had obtained energy, environment or operations certification at end-2021, an increase compared to 2020.

Oversight of greenhouse gas emissions avoided by building renovations

Total emissions avoided theoretically thanks to renovations carried out since 2008 amount to 9,499 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.

3.3.2.5 Forest carbon storage

Carbon flow analysis is a major issue for any company that wants to contribute to the environmental and energy transition. CNP Assurances' woodland assets make a substantial contribution in this respect as a forest stores carbon as it grows.

Results

Annual carbon absorption of woodland assets: calculated by estimating the forest's organic growth during the year and then converting this biomass growth intoabsorbed CO_2. As a result, gross annual CO_2 absorbed by CNP Assurances woodland assets amounted to 500,788 metric tons of CO_2 in 2021.

Use of results

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.

3.3.3 Liability risk

An emerging risk

Liability risk is the risk of legal disputes or proceedings against the companies, institutions 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[1] report, that the number of climate-related disputes is growing rapidly around the world, having doubled in less than 10 years.

Governments currently make up the majority of defendants, criticised for their national or local strategy failing to comply with the Paris Agreement. They significant enough that regulatory changes can already be observed as a result of these disputes.

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

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 compensation, 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.

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 2021, 84% of engagement with portfolio companies focused on climate-related issues;
- finally, 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).

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

3.4 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 MEA *(Millennium Ecosystem Assessment)* defines ecosystem services as the benefits that humans obtain from natural ecosystems. And, as is true for climate change, loss of biodiversity entails financial risks. At end-2021, CNP Assurances performed calculations to determine the dependence of its directly held equity and corporate bond portfolio on different ecosystem services. This estimate is a preliminary measurement of the investment portfolio's exposure to physical risks related to biodiversity loss.

3.4.1 Methodology used to measure dependence on ecosystem services

To measure this level of dependence, CNP Assurances relied on the work of the Banque de France [1], the ENCORE database, the EXIOBASE table, as well as a cross-reference table between these two tools. These methodology choices may change over time. This particularly complex exercise focuses solely on the direct dependence of a company's activity on ecosystem services. This initial calculation did not include the breakdown of corporate revenue between different sectors and regions.

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.

Determination of production processes in the various sectors represented in the CNP Assurances portfolio

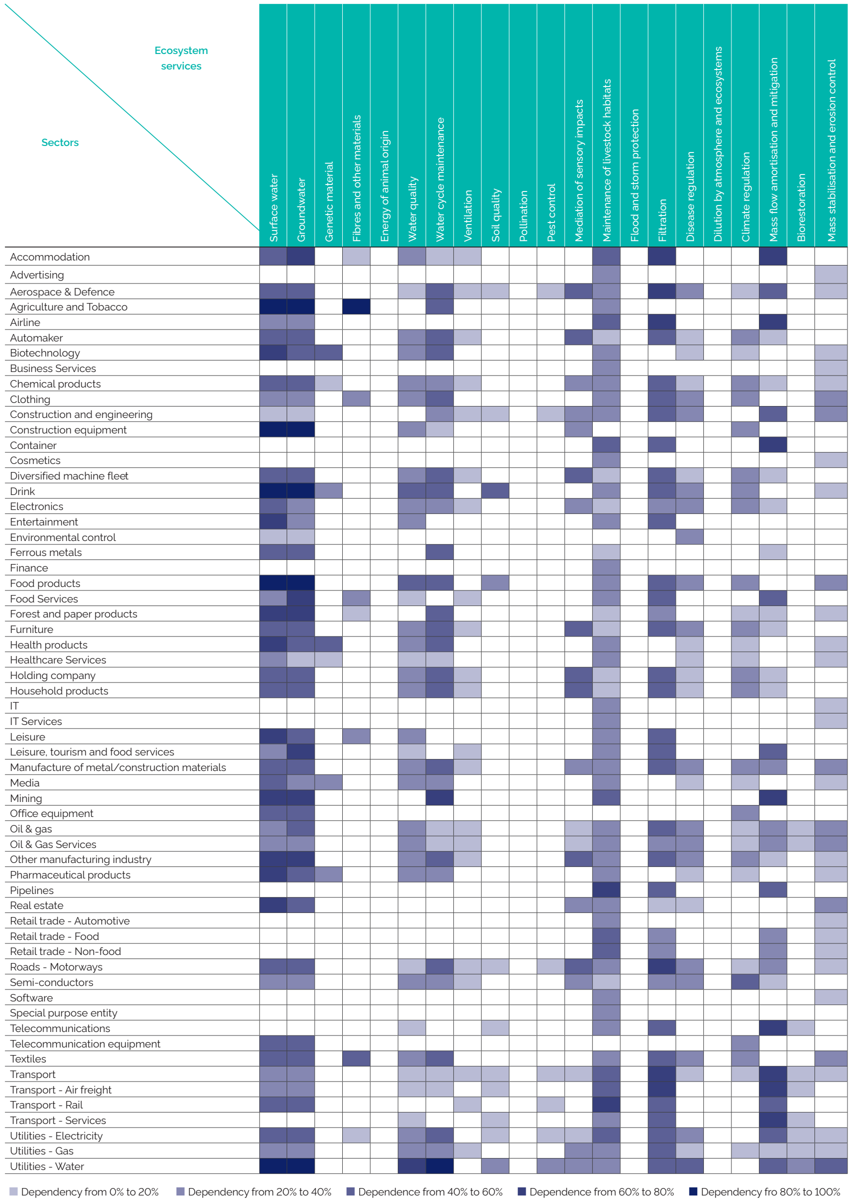
This determination is possible by using the openly accessible EXIOBASE table, which contains 163 sectors. These sectors were linked to the sector classification of CNP Assurances' assets. In addition, we were able to use a cross-reference table between ENCORE production processes and EXIOBASE sectors. By cross-referencing the two databases, CNP Assurances was able to link production processes to the business sectors of directly owned companies.

Allocation of dependence levels by sector

After cross-referencing the ENCORE database with production processes by sector, it could assign a level of dependence by sector and by ecosystem service. A sector's level of dependence is calculated as the average of the dependence levels of the associated production processes.

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

LEVELS OF DEPENDENCE BY SECTOR AND ECOSYSTEM SERVICE



Allocation of dependence levels to the CNP Assurances portfolio

Each company in the CNP Assurances portfolio is assigned the dependence level of its main sector. The portfolio's dependence level is calculated by weighting the dependence levels of the various companies by the percentage of AuM (marked to market) invested in these companies.

3.4.2 Level of dependence on ecosystem services

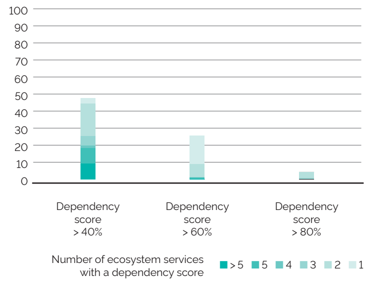
With this calculation, CNP Assurances could estimate the investment portfolio's dependence on ecosystem services, giving an initial measurement of exposure to physical risks related to the loss of biodiversity

At end-end of 2021, 26% of its directly owned equity and corporate bond portfolio comprised companies that are heavily or very heavily dependent on at least one ecosystem service (*i.e.* with a dependence level of more than 60%). In other words, more than one-fourth of the value of the securities held in the scope under review is exposed to a significant risk if an ecosystem service were to disappear due to biodiversity loss:

- 4% of the portfolio is made up of very heavily dependent companies (dependence level > 80%);
- 26% of the portfolio is made up of heavily to very heavily dependent companies (dependence level > 60%);
- 48% of the portfolio is made up of somewhat to very heavily dependent companies (dependence level > 40%).

Companies may be dependent on one or more ecosystem services. The chart below shows the breakdown of companies by number of ecosystem services on which they are dependent.

BREAKDOWN OF PORTFOLIO ASSETS BY NUMBER OF ECOSYSTEM SERVICES ACCORDING TO DEPENDENCE LEVEL



The highest dependence levels in CNP Assurances' investment portfolio are related to surface water and groundwater. This is because many production processes depend on water in the ENCORE database. Accordingly, if these ecosystem services were threatened, the situation would likely lead to a disruption in the production processes dependent on them, and potentially to the high exposure and vulnerability of the investment portfolio.

The measurement of the investment portfolio's dependence on ecosystem services is based on several strong assumptions and/or approximations and presents certain limitations that should be taken into account when interpreting the results. A company's level of dependence on ecosystem services is the result of normative modelling by sector, meaning the company cannot be positioned within its sector.

Because measurement of dependence on ecosystem services is still new and evolving, there is a lack of data published by companies on their level of dependence. Rather than being an accurate measurement of exact levels of dependence, this study identifies the most exposed sectors, define priorities and begin to measure the impact of an exclusion or engagement policy and the integration of this risk in ESG analyses.

Section 4

Measures to reduce sustainability risks and adverse impacts on sustainability factors

The table below describes the strategy adopted based on the level of sustainability risk and/or adverse impacts on sustainability factors:

	New investments	Investments in the portfolio
Very high sustainability risk and/or adverse impacts on sustainability factors	Exclusion policy	Exclusion policy
High sustainability risk and/or adverse impacts on sustainability factors	Investment selection based on ESG criteria	Shareholder engagement policy (voting and dialogue)
Low sustainability risk and/or adverse impacts on sustainability factors		Shareholder engagement policy (voting)

4.1 Shareholder engagement policy

Shareholder dialogue and voting at general meetings for long-term value creation

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 the details of its shareholder engagement policy, which covers both the voting policy and dialogue with companies, online at www.cnp.fr.

4.1.1 Voting at general meetings

As a responsible investor holding an equity portfolio with a market value of €22 billion (i.e. 6% of total investments), CNP Assurances has since 2005 implemented an active voting policy at the general meetings of listed companies in which it is a shareholder, either via euro-denominated portfolios or its own accounts, for all of its activities in France.

The principles set out in the voting policy (published online, see link above) aim not only to defend CNP Assurances' rights 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.).

In 2021, CNP Assurances voted at 125 general meetings held by 109 companies operating in 11 countries. These companies accounted for 98% of assets under management in CNP Assurances' directly-owned equity portfolio.

More specifically, CNP Assurances voted at:

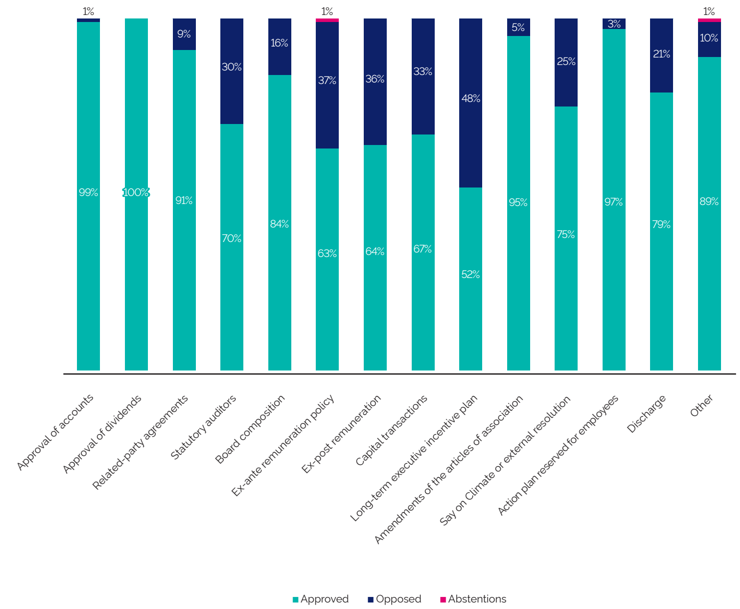
- 62 general meetings held by 55 French companies;
- 63 general meetings held by 54 European companies outside France.

CNP Assurances analysed 2,201 resolutions:

- CNP Assurances approved 1,712 resolutions, i.e. 77.8% of proposed resolutions;
- CNP Assurances opposed 485 resolutions, i.e. 22.0% of proposed resolutions;
- CNP Assurances abstained from voting on 9 resolutions, i.e. 0.2% of proposed resolutions.

Coverage		Analysis	
	98% of AuM		2,201 resolutions
	11 countries		125 general meetings
	109 companies		

BREAKDOWN OF VOTES CAST BY CNP ASSURANCES



The main sustainability factors addressed in the exercise of voting rights in 2021:

Consideration of environmental issues

In accordance with its climate change strategy, CNP Assurances examined all Say On Climate or other resolutions proposed at the general meetings of the companies in which it is a shareholder.

CNP Assurances reviewed the resolutions submitted to a vote on a case-by-case basis, deciding to support six and oppose two in 2021.

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.

Consideration of remuneration and social cohesion issues

The main objections expressed by CNP Assurances in 2021 addressed proposed remuneration policies and remuneration granted to executive officers when:

- the company demonstrated a 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, both in absolute terms and in relation to employee remuneration;
- variable compensation was not significantly linked to the company's performance, or was more than 30% based on qualitative criteria, which are more difficult to assess;
- variable remuneration of executive officers of companies facing material environmental issues was not based on any environmental criteria.

4.1.2 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 the euro-denominated portfolios and proprietary accounts of all CNP Assurances activities in France and Luxembourg, i.e. €146 billion in market value, corresponding to 39% of total investments.

Dialogue requires an in-depth analysis of each company's ESG issues and risks, and in 2021 it was focused on the most relevant companies in terms of level of sustainability risk or adverse impacts on sustainability factors. In 2021, dialogue covered approximately 12% of assets under management (directly held equities, bonds and infrastructure and open-ended funds) and 51% of GHG emissions [1] of directly held securities (equities, corporate bonds and infrastructure).

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

- to promote CNP Assurances' climate and biodiversity strategy by encouraging these companies to make and implement ambitious decisions in support of the environmental and energy transition in line with the Paris Agreement, and to publish information on their greenhouse gas emissions and risks related to climate change and biodiversity loss;
- to improve the governance of companies for which CNP Assurances has the most opposing votes at general meetings regarding remuneration or composition of the board.

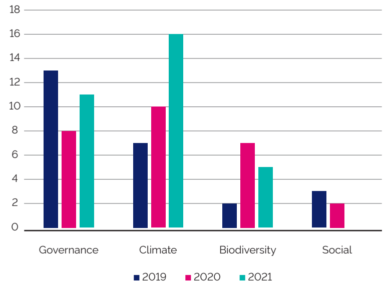
In 2021, CNP Assurances:

- conducted 17 bilateral dialogues with companies and two with asset managers;
- sent 10 letters to companies asking them to publish a definitive thermal coal exit plan and three to explain voting positions and support an improvement in their outlook on governance or climate-related issues;
- supported a collaborative engagement campaign with companies to reduce GHG emissions;
- participated in collective dialogue with a European energy company via *Climate Action 100+*.

Details of the dialogues and their results are published in the 2021 report on the shareholder engagement policy (link).

Sustainability risks and adverse impacts on sustainability factors are systematically addressed. They represent the central focus of dialogues. For example, 84% of bilateral dialogues addressed climate-related issues.

TOPICS ADDRESSED IN BILATERAL DIALOGUES WITH COMPANIES AND ASSET MANAGERS (number)



4.2 Exclusion policy

Scope and criteria of the ESG 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[2];
- 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.

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

Relevant investments

Scope: all investments except non-dedicated open-ended funds and unit-linked products for all CNP Assurances activities in France and Luxembourg. For non-dedicated 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: €296bn in market value at 31 December 2021, i.e. 79% of total investments.

Management of the ESG approach

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.

Special monitoring approach in open-ended UCITS

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: exclusion of prohibited weapons manufacturers and, since 2015, 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.

4.2.1 Countries excluded from our investments

	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.
2021 results	The list of prohibited countries contains 109 countries.	The list of prohibited countries contains 109 countries.

4.2.2 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. 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.
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.
2021 results	Exclusion of companies involved in anti-personnel mines or cluster bombs: 188 excluded companies. Exclusion of companies involved in chemical or biological weapons: applicable from 2022.	Exclusion of companies that do not 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; • 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 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); • or 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.
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.
2021 results	Exclusion of investments in companies exceeding 10% of revenue, 5 GW of electricity generation capacity or 10 million metric tons of annual production linked to thermal coal or involved in the development of new plants, mines or infrastructure: 1,039 excluded companies. Divestment from companies earning more than 20% of revenue from thermal coal: 141 excluded companies. Exclusion of companies with no exit plan: applicable from 2022	Exclusion of investments in companies exceeding the 10% revenue threshold in unconventional fossil fuels: 230 excluded companies. Exclusion of companies developing new oil or fossil fuel gas exploration or production projects: applicable from 2022.

	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.
2021 results	Exclusion of investments in tobacco sector companies: 2,731 excluded companies.

4.3 Integration of ESG criteria in investment selection

4.3.1 Directly-held listed shares

Relevant investments

Scope: all listed equities held directly by the euro-denominated funds and proprietary accounts of all CNP Assurances activities in France and Luxembourg.

Assets under management: €22 billion in market value at 31 December 2021, i.e. 6% of total investments.

4.3.1.1 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 strategies and research are delegated to the Ostrum AM portfolio managers affiliated with the Natixis Investment Managers group.

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.

CNP Assurances' commitments on directly held listed equities

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. In accordance with its climate commitments, CNP Assurances also conducts a policy of divestment from fossil fuels;
- **a shareholder engagement policy** since 2005:

  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 4.1 of this report;
- **exclusion rules on securities and countries defined by CNP Assurances:**

  These rules, described in 4.2, also apply to CNP Assurances' equity portfolio.

4.3.1.2 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:** "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 compensation, 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 2021, portfolio managers undertook investment opportunities, based in particular on a few major underlying trends in non-financial terms. Multiple themes were strengthened through the investments made:

- arbitration in the transport and energy sector helped reduce the portfolio's carbon footprint associated with these sectors: arbitration in favour of leaders in the public transport sector, against disposals of stocks issued by manufacturers of personal vehicles; arbitration in favour of green or low-carbon energy players, against players in the fossil fuel value chain;
- increased investments in healthcare, access to healthcare and healthcare equipment, and development of medication incorporating new technologies.

4.3.2 Directly held corporate bonds

Relevant investments

Scope: all bonds held directly by the euro-denominated funds and proprietary accounts of all CNP Assurances activities in France and Luxembourg.

Assets under management: €85 billion in market value at 31 December 2021, i.e. 23% of total investments.

4.3.2.1 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.

CNP Assurances' commitments on directly held corporate bonds

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. 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, since 2020;
- **exclusion rules on securities and countries defined by CNP Assurances:**

  These rules, described in 4.2, also apply to CNP Assurances' corporate bond portfolio.

4.3.2.2 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 4.3.1:

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 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);
2. 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 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 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.

4.3.3 Directly owned real estate

ESG criteria, "green works" charter

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 achieve 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: €13.5 billion in market value at 31 December 2021, i.e. 4% 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-2021, 71% 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 criteria:** 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 2021 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 asset management companies as at 31 December 2021. 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.**

Information used for analysis

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.

Operational implementation of ESG criteria integration

"Green Works" Charter

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

- Waste management 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.

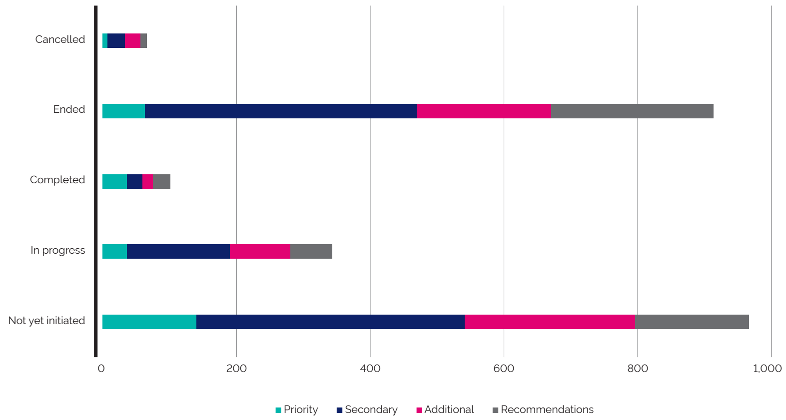
(1) More environmentally friendly, ecological management method, as an alternative to intensive horticultural management, and tailored to the use of the property

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.

101 audits were performed in 2021 and progress on observation management was as follows at 31 December 2021:

PROGRESS ON OBSERVATION MANAGEMENT



4.3.4 Directly owned forests

Certification of sustainable management, preservation of biodiversity and adaptation to climate change

With 57,116 hectares of forests at end-2021, 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[1] certified, 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

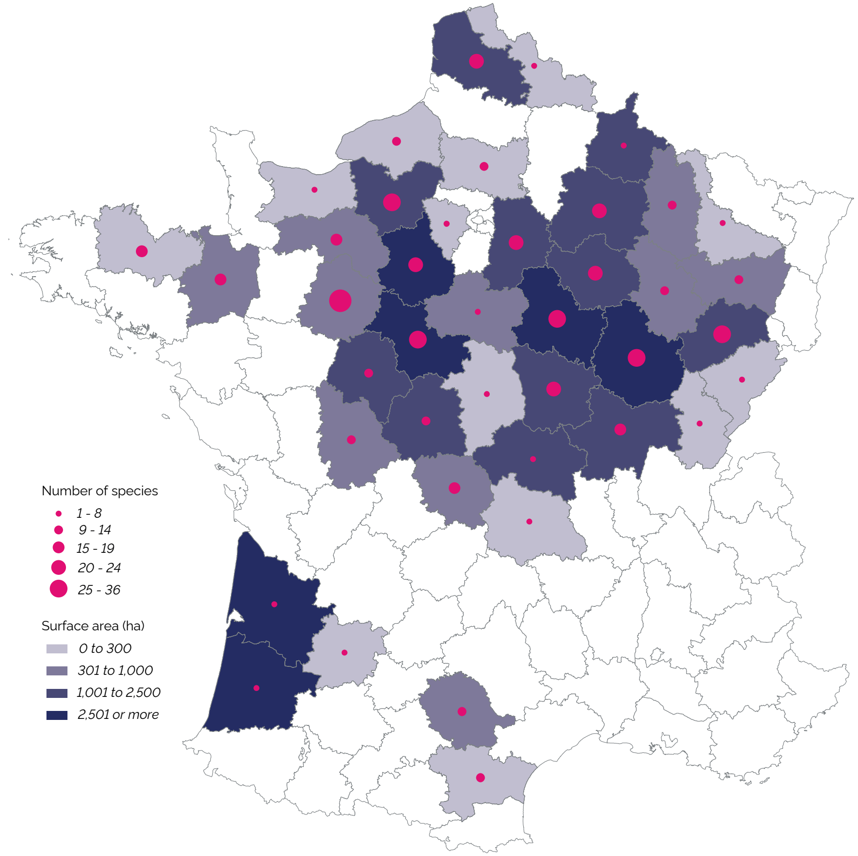
Scope: 203 forests owned directly by CNP Assurances (54,810 ha) and four investments in forest funds (2,306 ha).

Assets under management: €573 million in market value at 31 December 2021, i.e. 0.15% 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 : 16/02/2022

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, 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 4.5 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-2021, 100% of forests owned by CNP Assurances, eligible[1] for PEFC certification, have joined or are currently joining. The goal is to obtain 100% certification of eligible forests owned by CNP Assurances.

(1) Agroforestry investments are not covered by PEFC certification

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 for stakeholders;
- promoting local safety, quality and employment;
- preserving biodiversity;
- protecting the water quality and wetlands;
- protecting soil and avoiding erosion;
- increasing carbon sinks.

CNP Assurances wanted an ambitious policy to be rolled out, including criteria such as species diversity, 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 4.5 dedicated to biodiversity.

Information used and methodology

In 2021, Société Forestière de la Caisse des Dépôts implemented various tools to oversee the charter. Overall, nearly fifty indicators or criteria have been defined 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

2021 was the year of the first major biodiversity inventory campaign using the IBP method developed by the CNPF (National Woodland Ownership Centre). Société Forestière de la Caisse des Dépôts thus managed to train more than 60 employees in the skill and method of collecting information in Q1 2021, despite the challenges of Covid-19, when data collection was limited. For this first inventory, 18% of forest assets was inventoried.

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.

4.3.5 Other assets

All CNP Assurances assets are subject to the exclusion rules set out in Section 4.2. 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. 29 funds were rated in 2021.

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 2021, 80% 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.

In addition, CNP Assurances has invested nearly €27 billion 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 €35 billion 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.

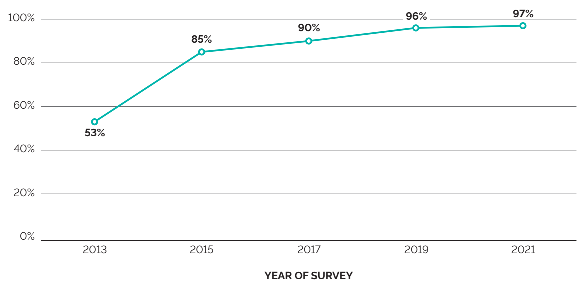
Currently, almost all of the asset management companies surveyed exclude investments in controversial weapons, including but not limited to anti-personnel mines and cluster bombs, while in 2010 only 20% of the companies surveyed had such a policy.

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-2021, 97% 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



4.4 Alignment with the Paris Agreement and convergence towards a 1.5 °C trajectory

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

4.4.1 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 71 institutional investors with a total of $10,400 billion in investments, committed to making their investment portfolios carbon neutral by 2050. By working towards the objective of transitioning 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 until 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 the 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 quantified targets, which extend the significant efforts already made over the past five years:

- reducing the carbon footprint (scopes 1 and 2) of its directly-held equity and corporate bond portfolio by a further 25% between 2019 and 2024, i.e. a target of 60 kgCO_2eq per €k invested by end-2024 compared with 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.
- reducing the carbon footprint (scopes 1 and 2) of its directly owned real estate portfolio by a further 10% between 2019 and 2024, i.e. a target of 17 kgCO_2eq/m^2 by end-2024 compared with 19 kgCO_2eq/m^2 at end-2019. This target of 17 kgCO_2eq/m^2 by end-2024 is in line with the 1.5 °C trajectories of the Carbon Risk Real Estate Monitor (CRREM), based on the type and geographic location of the properties owned by CNP Assurances;
- reducing the carbon intensity (scopes 1 and 2) of electricity producers in which CNP Assurances is a direct shareholder or bondholder by a further 17% between 2019 and 2024, i.e. a target of 216 kgCO_2eq/MWh by end-2024 compared with 259 kgCO_2eq/MWh at end-2019. The target of 216 kgCO_2eq/MWh by end-2024 is in line with the 1.5 °C trajectories of the One-Earth Climate Model (OECM), based on the geographic location of directly-owned electricity producers. CNP Assurances thus undertakes to keep the carbon intensity of its portfolio below the decreasing 1.5 °C trajectory assessments of the OECM (from 410 to 216 kgCO_2eq/MWh between end-2019 and end-2024);
- talking with eight companies (six directly and two *via* the Climate Action 100+ 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.

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

Target achievement rate	2020	2021
Target to reduce the carbon footprint of the directly held equity and corporate bond portfolio by 25% over the 2019-2024 period	65%	125%
Target to reduce the carbon footprint of the directly owned real estate portfolio by 10% over the 2019-2024 period	58%	100%
Target to reduce the carbon intensity of direct owned electricity producers by 17% over the 2019-2024 period	172%	212%

The alignment methodologies are described in 4.4.6.

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

4.4.2 Coal sector 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.

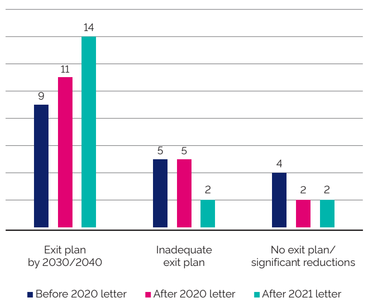
In an effort to go even further and align with a scenario compatible with global warming limited to 1.5 °C, in 2020 CNP Assurances undertook to achieve zero exposure to thermal coal in its investment portfolio by 2030 in EU and OECD countries, and by 2040 in the rest of the world.[1] At end-2021, CNP Assurances' direct exposure to thermal coal was estimated at €49 million (i.e. 0.01% of total investments), down 32% compared to 2020. This calculation covers 38% of CNP Assurances investments.

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 10% 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



The result of two years of dialogue between CNP Assurances and the 18 directly owned companies is as follows:

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

At end-2021, four out of 18 companies still did not meet CNP Assurances expectations: two have an inadequate exit plan and two have no exit plan.

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*

4.4.3 Oil and gas sector policy

Exclusion policy

In February 2021, CNP Assurances adopted its first oil and gas sector policy, based on an unconventional fossil fuel exclusion policy 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:

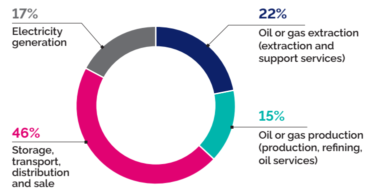
- Producing companies:
  - direct investments in a company in the oil and gas sector that develops new oil or fossil fuel gas exploration or production projects (conventional or unconventional);
  - direct investments in sector companies (exploration, drilling, extraction, processing, refining) deriving 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 in euro-denominated and unit-linked portfolios, covering the entire value chain and isolating the percentage of revenue earned from oil or gas for each company. 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-2021, CNP Assurances' direct and indirect exposure to the oil and gas sector was estimated at €7,767 million (i.e. 2.1% of total investments). This calculation covers 37% of CNP Assurances investments.

BREAKDOWN OF CNP ASSURANCES' OIL AND GAS SECTOR EXPOSURE



Shareholder engagement policy

In addition to these exclusions, CNP Assurances' oil and gas policy is based on strong shareholder engagement. CNP Assurances is committed to conducting rigorous shareholder dialogue with companies in the sector to support them in their energy transition and ask them to adopt a strategy aligned with a 1.5 °C scenario, particularly by calling on them to immediately discontinue any new oil or fossil fuel gas (conventional or unconventional) exploration/production projects.

In line with its shareholder engagement policy, CNP Assurances conducts a dialogue with oil and gas sector companies when they are not sufficiently advanced or transparent in the following areas:

- commitment to immediately cease financing any new oil or fossil fuel gas exploration or production project (conventional or unconventional).
- Publication of indirect GHG emissions related to the use of energy products sold to their customers (scope 3 emissions).
- Absolute GHG emissions reduction target, including:
  - short-, medium- and long-term targets to achieve the goal of zero net emissions by 2050,
  - aligned with current scientific knowledge and, as far as possible, validated by the Science-Based Targets initiative (SBTi),
  - covering at least 95% of scope 1 and 2 emissions and at least 66% of scope 3 emissions.

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

- Target of reducing methane emissions in their value chain to reach a target close to zero net methane emissions, and participation in an initiative such as the Oil & Gas Climate Initiative (OGCI), the Methane Guiding Principles (MGP) or any other equivalent initiative committed to reducing methane emissions.
- Target of zero routine flaring by 2030.
- Transparency on the actions implemented to achieve these targets.
- Integration of these targets in the company's executive remuneration policy.
- Growth target for low-carbon activities.
- Management of financial risks related to climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and including consideration of the social impacts of energy transition.
- Alignment of the company's lobbying policy with the Paris Agreement.
- Plans for the prevention and management of environmental risks, particularly the impacts of unconventional fossil fuels on water and soil pollution, biodiversity and human health and safety.
- Publication of information on the following topics if the company is affected:
  - percentage of capital expenditure devoted to low-carbon activities,
  - percentage of research and development spending devoted to low-carbon activities,
  - percentage of sustainability-certified biofuel produced,
  - percentage of hydrogen produced by water electrolysis,
  - percentage of revenue derived from unconventional fossil fuels,
  - biomethane development strategy.

4.4.4 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 taken from 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. Additionally, in accordance with the recommendations of the Science-Based Targets initiative, two distinct methods are also used:

- 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 serves to define carbon intensity levels per physical unit of activity (e.g. tCO_2/GWh for energy production or tCO_2 per metric ton 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, etc.

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. It is compared to the benchmark equity investment universe at the same date.

Estimated implicit temperature of equities and corporate bonds held directly by CNP Assurances	Estimated implicit temperature of equities held directly by CNP Assurances	Estimated implicit temperature of the benchmark equity investment universe
2.0 °C	1.9 °C	2.0 °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 2021 and 2025, on a constant portfolio basis. Emissions aligned with a 1.5 °C trajectory between 2012 and 2021 are therefore not sufficient to be aligned with a 1.5 °C trajectory between 2021 and 2025. Furthermore, these projections do not account for any potential arbitration decisions made between 2022 and 2025.

4.4.5 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 sections 4.4.2 and 4.4.3.). 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 54% reduction in the carbon footprint of CNP Assurances' directly held equity portfolio between 2014 and 2020 goes well beyond these targets.

In the real estate sector, CNP Assurances has developed a green charter (see section 4.3.2) 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 trajectory 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 5% per year between 2015 and 2021.

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 woodland 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*

4.4.6 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).

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. At end-2021, 77% of the direct equity and corporate bond portfolio was covered by the calculation. Directly held equities and corporate bonds account for approximately 29% of CNP Assurances investments.

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 in 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). At end-2021, emissions were measured for 73% of directly owned real estate assets. Directly owned real estate assets account for around 4% of CNP Assurances investments.

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 of 1.5 °C, representing a 17% reduction in the average carbon intensity of electricity producers directly owned by CNP Assurances in 2019 (254 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. At end-2021, this target covered around 1% of CNP Assurances investments.

	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 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 of 17% reduction in carbon intensity between 2019 and 2024 to 216 kgCO$_2$eq/MWh. This target was exceeded at end-2021 three years ahead of schedule, with carbon intensity down 35% between 2019 and 2021
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 to reduce the carbon footprint of the directly held equity and corporate bond portfolio by 25% over the 2019-2024 period. The downward trajectory is now significantly under way, with the 2019-2021 reduction consistent with the multi-year target
Real estate	**17 kgCO$_{2eq}$/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$_2$eq/m^2 by end-2024	**17 kgCO$_{2eq}$/m^2 by end-2024** Target to reduce the carbon footprint of the directly owned real estate portfolio between 2019 and 2024 by 10% to 17 kgCO$_2$eq/m^2 by end-2024. This target was achieved at end-2021 three years ahead of schedule, with the carbon footprint down 10% between 2019 and 2021

4.5 Alignment with international biodiversity agreements

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 now, 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.

By signing the Finance for Biodiversity Pledge in September 2021, CNP Assurances 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
Target to measure the biodiversity footprint of the entire directly held equity and corporate bond portfolio by end-2023	58% [1]
Target to conduct an inventory and analysis of the impact of directly owned logistics platforms biodiversity by end-2022	100%
Target to measure the biodiversity of all French woodland assets by end-2025	18%
Target to devote 3% of French woodlands to ageing islands and natural evolution areas by end-2025	15%

CNP Assurances' strategy for the preservation of biodiversity is in line with the United Nations Convention on Biological Diversity (1992 Rio Summit), particularly regarding aspects related to education, cooperation, information exchange, identification measures and conservation initiatives. The presentation below shows the strategies and actions implemented by CNP Assurances.

(1) *Calculation performed in March 2022 on the portfolio at end-2021, after publication of the 2021 NFPS.*

4.5.1 Training, dialogue and cooperation

CNP Assurances regularly carries out employee awareness-raising initiatives on biodiversity, as well as training for Investment division staff. CNP Assurances is committed to raising awareness of biodiversity challenges among all asset managers by end-2021. An internal working group on biodiversity in investments was set up in 2021. The members of the Climate and Biodiversity Risk Committee receive quarterly reports on the impacts of biodiversity loss on the economy, investments and insurance.

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.

As from 2021, CNP Assurances undertakes to engage with five companies every year to encourage them to adopt a strategy aligned with international biodiversity agreements by end-2024. CNP Assurances also undertakes to encourage infrastructure companies in which it holds a significant share and is a director to measure and manage their biodiversity footprint.

In 2021, biodiversity was discussed with five companies, in line with the commitment made, i.e. in 26% 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 2021, 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.

In 2021, CNP Assurances integrated biodiversity into regular dialogue with the asset management companies in charge of its logistics platforms, in accordance with the commitment made when it signed the *Finance* for Biodiversity Pledge.

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 targets to increase positive impacts and reduce the adverse 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.

4.5.2 Identification and measurement of impacts on biodiversity

Investments in companies

CNP Assurances has incorporated the pressure exerted by climate change on biodiversity in its strategy to decarbonise its investments in equities and bonds since 2015. 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:

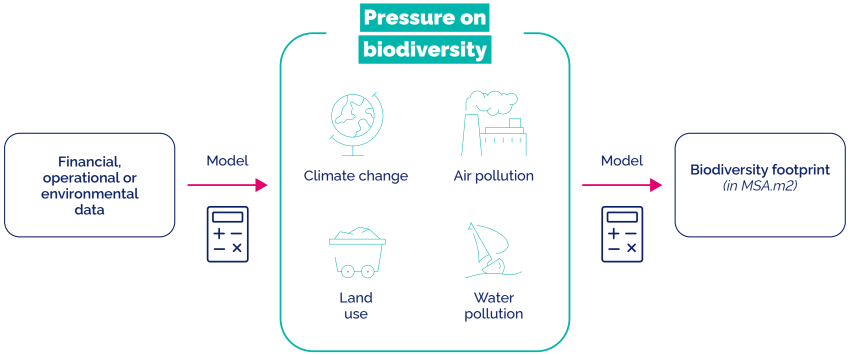
- activities disrupting large or fragile areas;
- programmes in place to protect biodiversity and land use;
- controversies over the use or management of natural resources;
- water dependence;
- treatment of discharges into water.

The materiality analyses carried out by credit analysts include a variety of issues in multiple sectors, with the aim of reducing the impact on biodiversity, such as pollution, waste management, soil erosion and deforestation.

in late 2020, CNP Assurances carried out an initial biodiversity footprint measurement on 11% of its directly held equity and corporate bond portfolio. At end-2021, the calculation was expanded to cover 58% of the portfolio. 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 is measured using the Corporate Biodiversity Footprint, a method developed by I Care & Consult and Iceberg Data Lab[1]. Iceberg Data Lab provided data on companies in sectors with the greatest impact on biodiversity. This metric includes the main sources of pressure on biodiversity, as indicated in IPBES reports: land use change, contribution to climate change, atmospheric pollution (nitrogen oxides) and freshwater ecosystem pollution (release of toxic products).

The tool estimates these sources of pressure on the basis of financial, operational or environmental data published by companies or models, taking into account the geographic location of companies and their upstream and downstream impacts (Scope 3). The impact is measured annually, in MSA.m². MSA (Mean Species Abundance) is a metric created by the Netherlands Environmental Assessment Agency (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.m². 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.



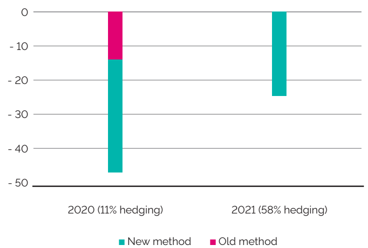
The measurement carried out at end-2020 on five sectors (food & beverage, oil and gas, energy, forests and paper, waste) served to estimate the biodiversity footprint of the equity and corporate bond portfolio held directly by CNP Assurances at -14 MSA.m² per K€ invested. At end-2021, the calculation was expanded to around thirty sectors and estimated this footprint at -25 MSA.m² per €k invested.

This significant variation can be attributed to a very significant change in methodology between the two measurements. The main impact of the change in the CBF methodology between version 2.3 (March 2021) and version 2.9 (March 2022) is attributable to the coverage of new sectors (chemicals, real estate, textiles, finance, etc.) and time assumptions.

In the new version, the future impact of a change in land use is included in the calculation. A change in land use has a lasting impact on ecosystems. It takes roughly ten years for land to return to an undisturbed state (relaxation time). This convention change more accurately reflects the lasting impact of changes in land use due to the Company's activity.

The contribution of this pressure to the result of the biodiversity footprint is thus significantly higher, particularly in sectors with a significant physical footprint (agriculture, mining, textiles, etc.). The result at end-2020 was recalculated in order to better understand the change in footprints. At end-2020, the biodiversity footprint was -47 MSA.m² per €k invested with the new methodology, compared with -14 MSA.m² per €k invested using the previous methodology.

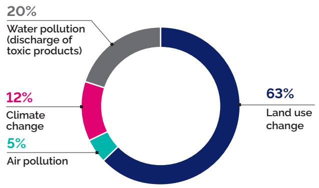
BIODIVERSITY FOOTPRINT OF THE DIRECTLY HELD EQUITY AND CORPORATE BOND PORTFOLIO IN MSA.M2/€K



(1) More information on the Corporate Biodiversity Footprint approach can be found at www.icebergdatalab.com

The biodiversity footprint at end-2020 covered 11% of the portfolio, in the most intensive sectors in terms of impact. Expanding the scope to 58% of the portfolio at end-2021 made it possible to include less intensive sectors, resulting in a lower biodiversity footprint. However, this average footprint conceals significant disparities by sector and type of pressure.

BREAKDOWN OF BIODIVERSITY FOOTPRINT AT END-2021 BY TYPE OF PRESSURE



The measurement of the investment portfolio's biodiversity footprint 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.

Because measurement of the biodiversity footprint is still new and evolving, there is a lack of alignment between the different methodologies employed to measure the biodiversity footprint of portfolios. Rather than being an accurate measurement of a footprint, the Corporate Biodiversity Footprint establishes a non-financial accounting system for biodiversity used to identify the most exposed sectors, define priorities and begin to measure the impact of an exclusion or engagement policy.

In addition, it offers the opportunity to position a company within its sector and to identify the challenges of its activities and sources of contribution in terms of impact on biodiversity, serving to initiate 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.

Woodland investments

In its French woodlands, CNP Assurances undertakes to measure the biodiversity of all woodland assets by end-2025 using a recognised method (IBP: inventories of potential biodiversity) and to maintain or improve the level of biodiversity measured by this method.

2021 was the year of the first major biodiversity inventory campaign using the IBP method developed by the CNPF (National Woodland Property Centre). After training, the teams worked hard to meet the goal of inventorying all of 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 first inventory, 18% of forest assets was inventoried. To date, Société Forestière de la Caisse des Dépôts employees have prepared over 500 IBP inventories on CNP Assurances woodlands spanning more than 600 km. These woodlands boast substantial habitats, with 15,000 dendro-microhabitats housing local fauna having been identified.

4.5.3 Biodiversity conservation initiatives in the field

In real estate assets

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. This target was already achieved at end-2021;
- 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.).

In forests

The 57,116 hectares of woodlands owned by Caisse des Dépôts (at end-2021) are sustainably managed by Société Forestière de la Caisse des Dépôts. Biodiversity preservation is one of its management objectives. 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. 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;
- assign 3% of forested land to ageing islands and natural evolution areas by end-2025;
- contribute to wetland restoration through partnerships with local associations.

Gaudinière woodland ponds (source: Société Forestière de la Caisse des Dépôts)

While developing training programmes and methodologies to achieve these objectives, initial actions were carried out in 2021: a preliminary analysis of green and blue belts was launched in 2021 on the emblematic Gaudinière woodlands (2,061 hectares in a predominantly agricultural region). The analysis of green and blue belts consists in identifying the challenges for flora and fauna present, notably taking a macro view of biodiversity reservoirs, ecological corridors permitting wildlife movement, and disruptive elements (urban areas, roadways, 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.).

At end-2021, 15% of the target for ageing islands and natural evolution areas by end-2025 had been achieved.

2021 also provided an opportunity to establish partnerships with local environmental associations, either to monitor the population, conduct diagnostic analyses of habitats or restore environments. Around ten partnerships across France were either signed or in progress at end-2021. Of particular note was the continuation of tranquillity clauses aimed at limiting the disturbance of birdlife, and more specifically wood grouse, from 15 December to 30 June, and preserve the fir trees on which they feed. Similarly, the study of amphibians and their preferred habitats, woodland ponds, in the Gaudinière woodlands served possible to identify and diagnose more than thirty ponds starting in 2021.

4.6 Social and environmentally themed investments

In addition to its investment policy incorporating ESG criteria, CNP Assurances actively invests in social and environmental themes.

4.6.1 Socially-themed investments

CNP Assurances has invested in social and sustainable bonds for several years. These bond address major social issues and contribute to sustainable value creation for all stakeholders. At end-2021, the amounts invested by CNP Assurances in social bonds totalled €1.8 billion.

CNP Assurances also invested in several social thematic funds for a total committed amount of around €400 million at end-2021. These funds cover themes related to housing, social barriers in the funding of businesses, and support for the social and solidarity-based economy.

CNP Assurances has partnered with a long-term loan fund benefiting around one hundred European SMEs since 2016. Since June 2016, it has also supported the NovESS fund, the aim of which is to support and expand the transition of the social and solidarity-based economy (healthcare, social welfare, circular and collaborative economy, energy and demographic transition). Mindful of the non-financial contribution, the NovESS fund uses a social impact measurement tool to assess the impact of each project on several criteria, including job creation.

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.

4.6.2 Environmentally-themed investments

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 transition risk.

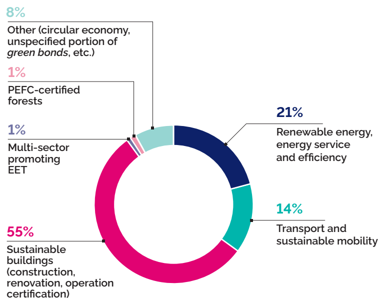
CNP Assurances has thus implemented two complementary initiatives: supporting companies in their energy transition, and financing sustainable economic opportunities for key players in this transition.

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 €10.4 billion at end-2018 to €20 billion by end-2023.

At end-2021, this target was 99% achieved, with AuM in green investments of €19.9 billion, i.e. 5.9% of CNP Assurances investments. Of these green investments, AuM in green bonds amounted to €8.7 billion at end-2021. In early 2022, CNP Assurances raised its target to €25 billion in green investment AuM by end-2025.

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 CBI (Climate Bonds Initiative), Greenfin label and I4CE landscape of climate finance (energy, mobility, real estate and forest sectors).

BREAKDOWN OF GREEN INVESTMENT AUM AT END-2021



CNP Assurances has invested in private equity funds in the eco-energy, eco-industrial and *cleantech sectors*, and made direct and indirect investments in renewable energy infrastructure, sustainable mobility, water and waste treatment, notably *via* the Meridiam Transition fund. This fund, launched in late 2015 with asset management company Meridiam, finances innovative development projects involving energy transition, local services such as heat networks and waste-to-energy processing, electricity and gas networks and innovative renewable energies.

In addition to these funds, CNP Assurances has directly invested in green bonds financing specific environmental projects.

Furthermore, in 2020 CNP Assurances invested €55 million in the Objectif Climat funds, which use innovative methods to incorporate the fight against global warming in asset management. These funds were selected by CNP Assurances and nine other French institutional investors via an RFP coordinated by Caisse des Dépôts and supported by the French Insurance Federation.

CNP Assurances issued its first green bond in 2019

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

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 €25 billion in green investment AuM by end-2025.

In accordance with the Green Bond Principles, CNP Assurances has published annual reports disclosing the use of the funds raised and certified by an independent third party. At end-2020, 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%).

Impacts of green projects financed by CNP Assurances' green bond:

- 3.37 GWh in annual final energy consumption avoided, i.e. 668 tCO_2eq, thanks to the renovation of two buildings;
- 11,532tCO_2eq net storage in 2020 *via* the two financed forestry operations;
- 100% of financed projects have obtained or are in the process of obtaining certification or a label.

Section 5

Appendices

5.1 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, in particular 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 to 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 investment 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 respect for the freedom of association and the right to collective bargaining, the elimination of forced labour and 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.

5.2 Methodologies

5.2.1 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 directly held *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:

RISK SCORE = **PROBABILITY OF OCCURRENCE (Po)** [Exposure to climate change ⊗ Time change of climate indicator] × **RISK SENSITIVITY** [Severity of impact ⊗ Security category]

5.2.2 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, etc.;
- insurance against the main climate risks: wildfires, storms, natural disasters, snow, ice, frost and hail.

5.2.3 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 Indefi to map out the geographic 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 available 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 gave CNP Assurances a snapshot as 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 an 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.

5.2.4 Calculation of the carbon footprint of the corporate portfolio

Information used for analysis

The carbon footprint estimate was carried out by CNP Assurances. The data required to produce the carbon footprint are scope 1 and scope 2 emissions published by companies, and retrieved mainly *via* the CDP and Bloomberg. CNP Assurances uses the latest published information. Accordingly, the carbon footprint at 31 December 2021 was calculated on the greenhouse gas (GHG) emissions of companies in 2020. Some companies (marginal percentage of CNP Assurances AuM) do not publish this information, in which case CNP Assurances chose not to estimate it.

The carbon footprint at 31 December 2021 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 2020 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 metric tons of CO_2 equivalent per €k invested.

Interest rate assumptions are as follows:

$$\frac{\sum^{i} \left(\dfrac{\textit{Market value of i company shares and bonds}}{\textit{i company's balance sheet value}} \times \textit{i company's greenhouse gas emissions (scopes 1 and 2)} \right)}{\textit{Gross acquisition value of all equities and corporate bonds}}$$

i: a company in the equities and bond portfolio reporting its emissions to the CDP or Bloomberg.

These estimates are volatile and depend notably on the data collection methods and scope within firms and changes in benchmark emission factors.

5.2.5 Improved energy performance of real estate assets

For the purpose of meeting the 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 optimize energy use;
- use of renewable energies.

5.2.6 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 metric tons] 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;
- parallels of shapes between inflows and outflows.

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.

This flow is used to determine the carbon exported by wood cutting, which is expressed as the volume of wood sold, then converted into CO_2 volumes, serving to determine the annual "carbon emissions" effect of forests.

5.3 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 (ESG) issue.

AML-CFT: Anti-money laundering and counter-terrorist financing.

APM: Anti-personnel mines.

BREEAM: Building Research Establishment Environmental Assessment Method.

CB: Cluster bombs.

CBF: Corporate Biodiversity Footprint.

CBI: Climate Bonds Initiative.

CDP: Non-profit association collecting annual reporting on greenhouse gas emissions and environmental strategies from thousands of companies around the world.

Climate Change Adaptation: Current and expected climate change adjustment process and its effects.

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).

CRREM: Carbon Risk Real Estate Monitor.

CSR: Corporate Social Responsibility.

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.

FFA: Fédération française de l'assurance (French Insurance Federation).

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 significant 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).

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).

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 a verification by the Finansol Committee.

GBP: Green Bond 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.

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.

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.

HQE: High environmental quality.

HSE: Health, safety and environment.

IBP: Inventory of potential biodiversity.

IEA: International Energy Agency.

ILO: International Labour Organization.

IPBES: Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

IPCC: Intergovernmental Panel on Climate Change.

$kgCO_2eq$: kilograms of CO_2 equivalent.

KYC: Know Your Customer.

Label ISR: 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.

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.

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.

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 Decarbonization 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.

SRI: Socially Responsible Investment.

SSE: Social and solidarity-based economy.

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_2 eq: metric ton of 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.

ULP: 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.

5.4 List of insurance contracts classified as Article 8 and Article 9 within the meaning of the SFDR

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

ACTIVAL	CAPI ONE SELECT	EXCELIUS 3	OCEOR HARMONIE	PLURIVAL	TENDANCES
AIKIDO	CAPIPOSTE	EXCELIUS 4	OCÉOR VITALITÉ	POINTS RETRAITE ECUREUIL	TOSCANE VIE
AIR LIQUIDE	CAPIPOSTE 2	EYDEN	OPTIVAL	POL EMPL DIF18	TRESOR EPARGNE
AMPLI CRISTAL	CAPIPOSTE 3	EYDEN CAPI	OPTIVIE	POSTE AVENIR	TRESOR EPARGNE CAPITALISATION
ART 82 EURO	CERTIVAL	FIPAVIE SERENITE	PALATINE DIMENSIONS	PREFON EPARGNE	TRESOR EPARGNE INDIVIDUEL
ASCENDO	CNP ONE	FIPAVIE SERENITE CAPI	PATRIMONIO CRESCENTE	PREFON RETRAITE	TRESOR PATRIMOINE
ASSISTANT OBSÈQUES	CNP ONE CAPI	FLORIVAL	PDT310 ART82	PROJET DE VIE (CASINO)	TRESOR PATRIMOINE CAPI
ASSURDIX	CNP PATRIMOINE CAPI	FONPEL	PEA CAPI	QUIETUDE AUTONOMIE	TRESOR PREVOYANCE GARANTIE OBSEQUES 2
ASSURDIX 2	CNP PATRIMOINE LIBERTE PLUS	GARANTIE RETRAITE ECUREUIL	PEP COLLECTIF	REG COLL EPARG	TRESOR VIE
ASSURÉCUREUIL	CNP TRESOR AUTONOMIE	GARANTIE RETRAITE ECUREUIL EURO	PEP ECUREUIL PRÉVOYANCE	RENTE DIFF AFD	TRESOR VIE PROF.
ASSURFONDS	CNP TRESOR GENERATIONS	GMO	PEP EVOLUTION	RENTE DIFF. COL	TYPE 4 PB AN GA
ASSURIMMO	CNP TRESOR PROJETS	HORIZON RETRAITE	PEP POSTE	REP GDT	VALORYS
ASSURIMMO 2	COLLECT MADELIN	IMPACT 1	PEP POSTE PLENAVENIR	RET VERS SUCC	VEGA PATRIMOINE
BON CARCEPT PU	COMPLEA	INITIATIVES PLUS	PEP POSTE PRIME UNQIUE	RETRAITE TYPE 4	VIAGERYS
BON CARCEPT VR	COMPTA7	INITIATIVES TRANSMISSION	PEP TRANSMISSION	RICOCHET	VIE ONE SELECT
BON D'INVESTISSEMENTS PER	COMPTE SICAV PREVOYANCE ECUREUIL	LIVRET ASSURANCE VIE	PER	SAINT HONORE INNOVATION	VIVACCIO
BON D'INVESTISSEMENT PER CE PARIS / ECUREUIL	CPTE BONS EPAR	MADELIN COLLECT	PER CE	SAINT HONORE INNOVATION CAPI	YOGA
BPE EMERAUDE	CREDIT FONCIER	MULTISUP COL 82	PER COLL. EPAR.	SHELL	CACHEMIRE PATRIMOINE
CACHEMIRE	CREDIT LYONNAIS	MULTISUPPORTS CNP	PERE	SELECTION CINTO	CNP TRESOR PERFORMANCE
CACHEMIRE 2	CRPS GENERIQUE	MUTAZUR	PERP ASSYLIO	SELECTION CINTO CAPI	PEP ECUREUIL RETRAITE
CACHEMIRE PER	E RETRAITE PPC	NUANCES	PERP CE	SELEXANCE 1818 / IXIS EXCELLENCE	PERSPECTIVES ECUREUIL RETRAITE CE PARIS
CANOPIA	EASYVIE	NUANCES 2	PERSPECTIVE CAPI	SELEXIO	POINTS RETRAITE PROF.
CANOPIA (MIG)	ECUREUIL PERFORMANCE GARANTIE	NUANCES 3D	PERSPECTIVE VIE GENERATION	SG INNOVATION CAPI	SOLESIO PERP EVOLUTION
CANOPIA (NET)	ECUREUIL PROJET	NUANCES CAPI	PERSPECTIVES ECUREUIL	SG INNOVATION VIE	TRANSATLANTIQUE CAPI PATRIMOINE
CANOPIA CAPI	ECUREUIL REVENUS GARANTIS	NUANCES GRENADINE	PFR SPV 7479E R	SOLESIO PERP HORIZON	TRANSATLANTIQUE VIE PATRIMOINE
CANOPIA CAPI (MIG)	EPI	NUANCES PLUS	PLAN EPARGNEUC1	SOLESIO VIE	TRESOR CAPITALISATION
CAPÉCUREUIL	EXCELIUS 1	NUANCES PRIVILEGE	PLEIN TEMPS	SOLUTION PLAN EPARGNE RETRAITE	TRESOR PREVOYANCE ASSURAVIE 3
CAPEOR PREMIER	EXCELIUS 2	OCEOR EVOLUTION	PLEIN TEMPS PER	SUEZ R4J	

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

5.5 Climate Energy Act and SFDR cross-reference table

Topic	Decree No. 2021-663 of Article 29 of the Climate Energy Act	Article 4 of the SFDR Regulation	Corresponding section in this report
Entity's general approach	Entity's general approach		Section 1.2
	Client information		Section 1.3.1
	Article 8 and Article 9 financial products		Section 1.3.5
	Attribution of new portfolio management mandates		Section 1.4.3
	Adherence to a charter, code, initiative or label	Compliance with responsible corporate behaviour codes and internationally recognised standards of due diligence and disclosure	Section 1.2
Internal resources	Financial, human and technical resources		Section 1.4.4
	Enhancement of internal capacities		Section 1.4.4
Governance	Knowledge, skills and experience of governance bodies		Section 1.4.1
	Inclusion in remuneration policies		Section 1.4.4
	Integration in the internal rules of the Board of Directors		Section 1.4.1
Engagement with issuers or asset management companies	Scope	Summary of engagement policies	Section 4.1
	Voting policy		Section 4.1 + online 2022 shareholder engagement policy
	Review of engagement strategy and voting policy		Section 4.1 + Online 2022 Shareholder Engagement Policy Report
	Investment strategy decisions		Section 4.2 Section 4.4.2 Section 4.4.3
Adverse impacts		Policies for the identification and prioritisation of main adverse impacts onsustainability and related indicators	Section 2.2
		Description of main adverse impacts on sustainability and any associated actions taken	Section 2.1 Section 4.3 Section 4.6

Topic	Decree No. 2021-663 of Article 29 of the Climate Energy Act	Article 4 of the SFDR Regulation	Corresponding section in this report
Alignment with the Paris Agreement	Quantitative target for 2030	Degree of alignment with the goals of the Paris Agreement	Section 4.4.1
	Internal alignment assessment methodology		Section 4.4.6
	Result at end-2021		Section 4.4.1
	Use of the target in the investment strategy		Section 3.3 Section 4.3
	Change in investment strategy: unconventional coal and hydrocarbon policies		Section 4.4.2 Section 4.4.3
	Oversight of results and changes		Section 4.4.2 Section 4.4.3
Alignment with long-term biodiversity targets	Measurement of compliance with the goals of the 1992 Convention on Biological Diversity (CBD)		Section 4.5
	Stress reduction analysis and impact		Section 4.5
	Biodiversity footprint indicator		Section 4.5
Risk management	Risk identification, assessment, prioritisation and management process		Section 3.1 Section 3.2
	Integration into the contractual framework		Section 3.2
	Recommendation of the European authorities		Section 3.2.1
	Risks related to climate change		Section 3.3
	Risks related to biodiversity loss		Section 3.4

5.6 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	1.4 Governance of the responsible investment strategy
	Management's role in assessing and managing climate-related risks and opportunities	1.4 Governance of the responsible investment strategy 3.2 Sustainability risk management process
TCFD Strategy	Climate change-related risks and opportunities identified in the short, medium and long term	3.3 Climate change-related risks
	Impacts of these risks and opportunities on organisation, strategy and financial planning	3.3 Climate change-related risks
	Potential impact of different scenarios, including the 2 °C scenario, on organisation, strategy and financial planning	3.3 Climate change-related risks 4.4 Alignment with the Paris Agreement and convergence towards a 1.5 °C trajectory
TCFD Risk management	Methods used to identify and assess climate-related risks	3.1 Identification, assessment and prioritisation of sustainability risks
	Methods used to manage climate-related risks	3.3 Climate change-related risks 4.4 Alignment with the Paris Agreement and convergence towards a 1.5 °C trajectory
	Integration of climate risk identification, assessment and management processes into the overall risk management process	3.2 Sustainability risk management process
TCFD Indicators and targets	Metrics used to assess climate change-related risks and opportunities, as part of the company's strategy and risk management	3.3 Climate change-related risks 4.4 Alignment with the Paris Agreement and convergence towards a 1.5 °C trajectory
	Greenhouse gas emissions (scopes 1, 2, and if necessary 3) and related risks	3.3 Climate change-related risks
	Targeted objectives for managing climate change-relatedrisks and opportunities	1.2 Summary of our responsible investment strategy

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