ESG-CLIMATE REPORT
OF CRÉDIT AGRICOLE ASSURANCES
2023

Period from
1 january 2023 to 31 december 2023

WORKING EVERY DAY IN YOUR INTEREST AND FOR SOCIETY

ASSURANCES

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE ASSURANCES

For the eighth consecutive year, Crédit Agricole Assurances has maintained its leading position, ranking 1st French insurer. This ranking illustrates the way in which we consolidate the relationship of trust with our partners in the Crédit Agricole Group, and to which extent, we have strengthened our solidity and our business with our clients over the past eight years. We are mindful of our responsibilities to the sectors, our clients and the issuers in which we invest.

Crédit Agricole Assurances has continued its efforts in 2023, to support the transitions of societal challenges. The year 2023 was marked by many uncertainties, exacerbated by geopolitical tensions and the increase in extreme climatic events. While inflation seems on the way to being brought under control, the year 2024 opens with the same uncertainties, leading our clients and society to a growing need for security and a renewed demand for our social responsibility. The attitude of Crédit Agricole Assurances and its management is one of optimism through conviction, as demonstrated by Crédit Agricole Assurances' achievements in 2023.

Through the strength of our model as a local universal banker-insurer and the commitment of our team members, I am confident in our ability to mobilize around these challenges. One of our main objectives is to strengthen our ambition in terms of our social project, in order to better support social inclusion, as well as the energetic and environmental transition.

As a responsible investor, Crédit Agricole Assurances has launched an innovation challenge in 2023 dedicated to water-related risks, integrating climate and energy transition, in line with the Crédit Agricole Group's Societal Project. This challenge, aimed at startups, focuses on six issues on which Crédit Agricole Assurances wishes to have a direct societal impact: climate risks, water damage, water consumption, water in agriculture and responsible investments and savings. Whether we are thinking of droughts, floods or pollution, water is a major issue for the world of today and tomorrow. Over 60% of the French population is highly or very highly exposed to climatic risks, and water represents a significant proportion of these risks. In line with the Crédit Agricole Group's purpose, to act every day in the interests of its clients and society as a whole, we are committed to supporting our clients in the transition and to facing up to the risks generated by these changes.

2023 was also marked by an investment in the Canadian company Innergex. This partnership is fully in line with the Crédit Agricole Assurances Group's commitment to a low-carbon economy. It also contributes to Crédit Agricole Assurances' goal of helping to finance 14 GW of installed renewable energy capacity by 2025.

On the social front, we must continue to anticipate tomorrow's challenges. With the «Bien Vieillir» law on the horizon, we wish to reaffirm the role of insurance in responding directly to the needs of an ageing population. By 2050, France (excluding Mayotte) could see the number of senior citizens losing their independence reach 4 million, representing 4.3% of the total population. We therefore need to anticipate and adjust our approach to the challenges ahead. As a leading institutional investor, Crédit Agricole Assurances wants to be among the leading players in promoting access to healthcare and ageing well. We remain committed to anticipating social challenges and making a positive contribution to the well-being of our policyholders.

So we are certainly a company, but a company that wants to act, every day, for clients and society's interest.

Nicolas Denis
Chief Executive Officer
Crédit Agricole Assurances

2023 HIGHLIGHTS

Calculation of a biodiversity footprint for **40%** of portfolio

Contribution to **13.5 GW** (base 100% holding) capacity of production in the renewable energies (2025 target 14 GW)

Environmental Certification over **50%** of Real estate assets in m²

Rehabilitation real estate portfolio assets (e.g. Green Square)

90%: share of Euro funds covered by ESG analysis

12.3 bn of Green bonds **2 bn** Social bonds **2.6 bn** Sustainable bonds. I.e. **17 bn** of GSS (5% of overall outstandings Euro + unit-linked)

Thermal coal: lowering to **5%** the threshold for sales generated by issuers (euro funds)

Investments in three funds themes related to biodiversity

14% of eligible assets Taxonomy (turnover) with **3%** aligned

50% of CAA's energy mix in renewable energies

23% of opposition votes at general assemblies

ESG rating and carbon footprint of real estate heritage

Investments in two funds for decarbonisation and one for mobility

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1. THE ENTITY'S GENERAL APPROACH TO TAKING THE CRITERIA INTO ACCOUNT ENVIRONMENTAL, SOCIAL AND QUALITY GOUVERNANCE

Since the implementation of Article 173 of the 2015 Law on Energy Transition for Green Growth, the 2017 recommendations of the Task Force on Climate-related Financial Disclosures[1] (TCFD) and the current Article 29 of the Energy-Climate Law, Crédit Agricole Assurances has been presenting its ESG-Climate policy and therefore the consideration of Environmental, Social, Governance factors in its investment analysis and decision-making processes. These factors can significantly affect society and its environment, and consequently the profitability of companies and projects in which Crédit Agricole Assurances invests. Fundamentally, this involves a selective approach to issuers according to their practices, in order to support an orderly transition to a more sustainable economy. The aim is to limit risks for the company and its investments (largely made on behalf of clients), but also to limit negative impacts on the environment and society.

In line with the Crédit Agricole Group's roadmap, Crédit Agricole Assurances intends to fully manage the risks and opportunities associated with climate change **and strengthen its commitment to financing the energy transition. By aligning its ESG-Climate policy with the Paris Agreements (planned phase-out of thermal coal by 2030, reduction of the carbon footprint of portfolios) and with the goal of carbon neutrality by 2050,** Crédit Agricole Assurances will contribute to international for the greenhouse gas emissions reduction targets by favouring a balanced reduction within each sector and geographical area in which it operates.

1.1. GOVERNANCE

The following entities contribute to the framing and implementation of Crédit Agricole Assurances Group's ESG-Climate policy:

CRÉDIT AGRICOLE S.A.

Crédit Agricole S.A. defines the responsible investment policy for all its subsidiaries, including Crédit Agricole Assurances.

Crédit Agricole S.A. owns 100% of the holding company of the Crédit Agricole Assurances group.

The ESG-Climate strategy of Crédit Agricole Assurances is integrated into that of the Crédit Agricole Group. Crédit Agricole SA's policy is available on their website: **https://www.credit-agricole.com/notre-groupe/le-projet-societal-du-groupe-credit-agricole.** In the face of major environmental, societal and agricultural challenges, Crédit Agricole is committed to accompanying all its clients through the transitions, at the heart of daily life, at the heart of the real economy of the regions:

- Climate action and the transition to a low-carbon economy
- Strengthening cohesion and social inclusion
- Making agricultural and agri-food transitions a success.

Crédit Agricole will step up its action in favour of the energy transition by accelerating investments in green energy instead of fossil fuels.

CRÉDIT AGRICOLE ASSURANCES

As insurance is confronted with many societal issues (ageing population, dependency, new uses such as mobility, increase in climate events), Crédit Agricole Assurances has the capacity to positively and sustainably impact society and its clients through its products and investments.

As part of the Crédit Agricole Group's societal project, Crédit Agricole Assurances has developed its CSR policy along three lines, corresponding to its three main activities: **insurer, investor and company.** Crédit Agricole Assurances' main societal ambitions are described below:

(1) The TCFD was set up at COP21 to define recommendations for corporate climate-related financial transparency. Chaired by Michael Bloomberg, its final report published in June 2017 specifies the 4 pillars expected in corporate climate reporting: governance, strategy, risk management and the indicators and metrics used.

Climate action	Cohesion & Social Inclusion	Agro and Agri Transitions
Acting for the climate (contributing to a low carbon economy, integrating carbon neutrality into our offerings, limiting the carbon footprint of our buildings and our business, increasing carbon capture and a commitment to biodiversity through reforestation).	Strengthen social cohesion and inclusion (promoting access to housing, digital technology, etc.), to health and food in the regions, making day-to-day insurance accessible to all).	Making agricultural and agri-food transitions a success.
Climate/Inclusion cross-functional actions (responsible UC and CSR guidelines, prevention to promote climate and inclusion, involving employees in solidarity actions).		

As an **insurer,** Crédit Agricole Assurances' primary responsibility is to protect its clients by offering products, advice and quality of service tailored to their expectations and needs. A preventive approach is integrated into the design of its products. Crédit Agricole Assurances is also committed to integrating social and environmental issues throughout its value chain.

As a **responsible company,** Crédit Agricole Assurances strives to take into account the social and environmental impacts of all its activities, whether in its purchasing processes, resource management or waste management, for example. Crédit Agricole Assurances also attaches particular importance to the development of its employees, notably through quality of life at work, fair treatment and the promotion of diversity.

As a **responsible investor,** Crédit Agricole Assurances bears a major responsibility for the choice of companies in which it invests (via the mandate entrusted to management companies or via its direct investments). Aware of this responsibility, Crédit Agricole Assurances applies a selective approach to issuers based on extra-financial criteria. The nature of the Crédit Agricole Assurances Group's investment activities means that it is particularly active in sectors that meet people's essential needs, such as real estate, healthcare and ageing well, and renewable energies.

Its climate ambitions as an investor are:

- Reducing exposure to fossil fuels and aligning investment portfolios with the Paris Agreement,
- The transition to a low-carbon economy and contribution to climate change mitigation and adaptation, in particular by continuing to invest in renewable energies and reducing our carbon footprint,
- Supporting the local economic fabric while meeting the basic needs of the population.

To this end, we have defined a time horizon to materialize our ambitions.

Our ambitions for 2025

	Climate	Cohesion & Inclusion	Agro/Agri
Investors	Develop our stewardship in renewable energies to reach 14 GW in 2025, vs. 5.2 GW at the end of 2020. Reduce the carbon footprint of our listed investment portfolios[2]: By -25% by 2025 (compared to 2019). No direct investment in a coal developer.	Develop and enhance investments in access to housing, food, health, digital at most large number, in territories.	Pursue investments in support to the agricultural and agri-food sector.

(2) Listed portfolio: equities and corporate bonds

1.2. ADHERENCE TO CHARTERS/INITIATIVES BY CAA

Charter/Initiative/ Working Group	Year commitment	Objective pursued by the initiative
PRI (Principle for Responsible Investment) PRI Principles for Responsible Investment	2010	The Principles for Responsible Investment (PRI) were launched by the United Nations in 2006. It is a voluntary commitment aimed at the financial sector, encouraging investors to intergrate Environmental, Social and Governance (ESG) issues into their portofolio management. The PRI is one the ways to move towards the widespread inclusion of ESG aspects by financial players.
Tobacco-Free Finance Pledge	2020	International Treaty aimed at reducing the impact of tobacco on the world economy, by reducing the links between the financial sector and the tobacco industry (See tobacco sector exclusion section). CAA has undertaken not to invest in the tobacco sector.
PSI (Principle for Sustainable Insurance)	2021	Setting up a framework to encourage the insurance industry to integrate environmental, social and governance (ESG) criteria into its decision-making.
NZAOA	2021	Limit the rise in global average temperature to 1.5°C. Insurers and investors committed to making their investment portfolios carbon neutral by 2050 (See Section 6 Paris Agreement). CAA has committed to quantitative targets for 2025 with the protocol.
Forum for Insurance Transition to Net Zero (anciennement NZIA)	2022	The Insurance Transition Forum to Carbon neutrality (FIT), led and organized by the United Nations, is a new sutrctured dialogue and multi-stakeholder forum aimed at supporting the necessary acceleration and intensification of voluntary climate action by the insurance sector and key stakeholders. Chaired by the United Nations Environment Programme (UNEP), the FIT will work with insurance market players (insurers, reinsurers, brokers, etc) and collaborate with insurance regulatory and supervisory bodies, standard-settings organizations and carbon neutrality initiatives, the scientific and academic community, civil society, and other key stakeholders (e.g. sustainability disclosures initiatives, real economic actors).
TNFD (Crédit Agricole Group)	2022	The Tasforce on Nature-related Financial Disclosures (TNFD) is a global initiative with the mission to develop and provide a risk management and disclosure framework that allows for the reporting of nature-related risks and taking action based on their evolution. By being a member of the TNFD forum since 2022, the Crédit Agricole Group has participated in several pilots TNFD to test the LEAP-FI process and provide beta framework comments for financial institutions. The TNFD's recommendations will help us to identify and assess our dependencies, impacts, risks and material opportunities related to nature.

Joining these various initiatives has enabled the Crédit Agricole Assurances Group to strengthen its CSR and to help formalize and set objectives for each of its three pillars: Insurer, Investor and Company. It has also enabled us to mobilize more of our operational business lines.

1.3. A WELL-ESTABLISHED ESG-CLIMATE STRATEGY IN THE CRÉDIT AGRICOLE ASSURANCES GROUP

Crédit Agricole Assurances, committed for many years as an insurer, investor and responsible company, is stepping up its efforts to protect its clients with committed and responsible offers, to integrate ESG criteria into its investment decisions while taking into account the social and environmental impacts of its activity.

Crédit Agricole Assurances' responsible investment strategy involves integrating environmental, social and governance (ESG) criteria into the investment process. The aim is to reconcile financial objectives with environmental, social and governance considerations, seeking to generate a positive long-term impact while preserving the financial value of investments.

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Taking ESG criteria into account serves distinct purposes:

- Not to be associated with socially unacceptable practices.
- Contribute to the transition of our economies towards sustainable models.
- Contribute to various other social objectives (inclusion and ageing well).
- Improvement of risks management Related to sustainability issues.

Taking ESG issues into account allows for a better understanding of companies and their activities, reduces volatility, has an impact on asset disposal valuation and is thus a good way to identify risk factors that are not taken into account in a traditional financial analysis. A transaction may be interrupted for ESG criteria reasons.

This responsible investment strategy takes various forms:

Exclusion/ divestment	Exclusion or divestment: this approach consists in excluding certain industries or companies in its investment portfolio because of their negative impact on the environment or society. For example, CAA may exclude active companies in fossil fuels or controversial weapons.
ESG integration	Integration of ESG criteria: this involves integrating ESG criteria into financial analysis to assess the risks and opportunities associated with an investment. This may include factors such as a company's governance practices, its environmental impact, and its management of social risks.
Investment theme	Thematic investment: this strategy involves investing in sectors or specific themes that have a positive impact on the environment or society. For example, investment in renewable energy, clean technologies or education.
Shareholder engagement	Shareholder stewardship: this means using the power of influence as a shareholder to encourage companies to adopt sustainable practices. This may include dialogues with the company's management, voting at general meetings and the motion for resolutions.

Fully in line with the Crédit Agricole Group's climate commitments, Crédit Agricole Assurances continues its action **for a low-carbon economy through its investments in favour of the energy transition.** For its investments, Crédit Agricole Assurances focuses on sectors that meet the basic needs of the population: **real estate, energy, health and agri-food,** which also enable it to contribute to the Sustainable Development Goals[3] (SDGs).

(3) Website details: https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/.

SCOPE

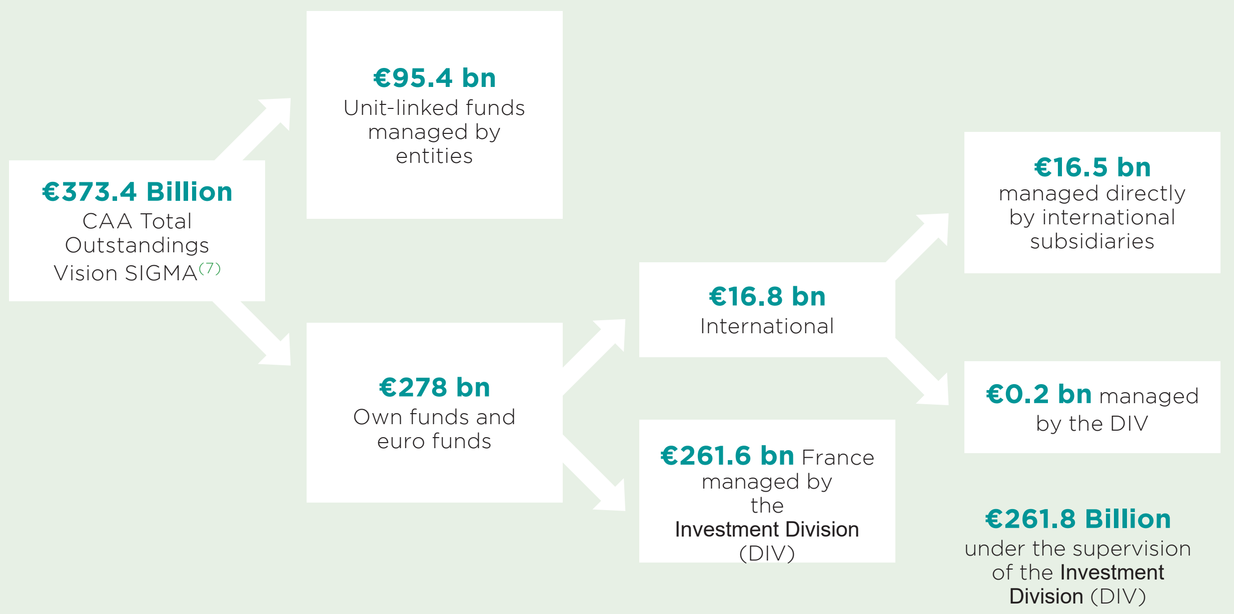
Crédit Agricole Assurances' ESG-Climat policy applies to all Crédit Agricole Assurances Group entities. At the end of December 2023, the Crédit Agricole Assurances Group's total assets under management represented 373.4 bn at market value (MV), with 278 bn euros of assets in the[4] euro funds and in the[5] equity funds, and more than 95 bn unit-linked funds[6] at market value.

Regardless of how the assets in our portfolios are held, the ESG-Climate approach covers all asset classes, applying methodologies adapted to the specific features of each (fixed-income or equity management mandates, segregated funds, open-ended funds, direct management by the Investment Department and administered by the management companies).

The Crédit Agricole Assurances Group's asset management activities are carried out for a large proportion of the assets under management by the asset manager Amundi.

To ensure the transparent allocation of new management mandates and promote responsible asset management, Crédit Agricole Assurances has asked Amundi to carry out the due diligence process for the selection of euro and equity funds.

Breakdown of assets under management within the Crédit Agricole Assurances Group



Regardless of the type of support (euro funds, equity, unit linked accounts), normative exclusions (see normative and sectoral sections) coming from the Crédit Agricole Group are applied to all financing activities of Crédit Agricole Group entities, in particular to all Crédit Agricole insurance investments.

In addition to normative policies, Crédit Agricole Assurances applies the sector policies managed and centralised by the Crédit Agricole Group (see Crédit Agricole Group sector policies: https://www.creditagricole. com/head-and-engage/our-strategy-csr-be-actor-d-a-sustainable-society/our-sector-policies).

Sectoral policies in particular on coal (more ambitious thresholds) and tobacco applied by Crédit Agricole Assurances.

(4) By euro funds, we mean investment vehicles representing guaranteed capital contracts that carry a risk of financial performance from the investment vehicles to the insurer. These are in France euro funds (standard euro funds and euro growth funds) and abroad, guaranteed funds.

(5) By capital, we mean assets that do not represent insurance contracts but correspond to the insurer's own business and cover regulatory capital requirements. The returns on these assets accrue entirely to the insurer.

(6) By unit-linked contract, we mean investment vehicles where the client bears the risk of financial performance.

(7) SIGMA: CAA group's financial assets base.

The application of these exclusions to equity and euro portfolios and the ESG integration process are illustrated in the following diagram:

	Direct management	Management delegate Group Amundi	Management delegate outside Group	Normative exclusions	Sectoral exclusions Group Crédit Agricole	Sectoral Exclusions CAA	ESG analysis
Equities	✓	✓		✓	✓	✓	✓
Bonds	✓	✓		✓	✓	✓	✓
Sovereigns & similar		✓		✓	✓	✓	✓
Supranational and agencies		✓	✓	✓	✓	✓	✓
Real Estate	✓		✓	✓	✓	✓	✓
Infrastructure	✓	✓		✓	✓	✓	✓
Private Equity	✓	✓		✓	✓	✓	✓
ULF: segregated funds		✓	✓	✓	✓	✓	✓
ULF: open-ended funds		✓	✓	✓	✓		✓

It should be noted that these exclusions also apply to unit-linked products, where they are applied by the companies management (see 1.3.4.)

1.3.1. NORMATIVE AND SECTORAL EXCLUSIONS

- **Exclusion/divestment**
- ESG integration
- Thematic investment
- Shareholder stewardship

Crédit Agricole Assurances does not wish to be complicit in practices deemed unacceptable. Through its commitment policy, Crédit Agricole Assurances can change the issuer's practices. Despite various queries, reminders and disstewardship warnings from various investors, the issuer may continue to engage in activities deemed reprehensible that lead us to include it in our list of issuers excluded from our investments. This list is regularly updated in coordination with the Crédit Agricole Group and our Amundi representative.

We apply this list of unacceptable practice exclusions to all of our assets.

1.3.1.1. Roles and responsibilities

Crédit Agricole Assurances defines, within the framework of the Crédit Agricole Group Policies and with the support of Amundi's expertise, the strategy and exclusion themes that apply to its portfolios. Once the exclusion themes are defined, Amundi is responsible for applying the list of prohibited issuers or groups of issuers according to a risk framework. In practice, Amundi assigns these issuers a rating of G, which is the lowest in its internal rating scale. For collective funds managed by other management companies (i.e. excluding Amundi), these are responsible for complying with the rules communicated by Crédit Agricole Assurances during the investment process. These asset management companies have previously committed themselves, when the management mandates are contracted, to the respect of the client's rules.

1.3.1.2. Normative exclusions

The exclusion policy for unacceptable practices (rated issuers G See Amundi rating section) is intended to apply to all financial assets of Crédit Agricole Assurances Group companies. In practice, it applies in full to mandates and segregated funds, regardless of the management company.

The exclusion policy applies to private issuers as well as public and similar issuers. By issuers assimilated to sovereign issuers, we mean all local authorities (e.g. regions), state subdivisions, supranational entities (e.g. the European Investment Bank) and public entities that do not have an operational activity involving strong ESG risks. For example, the Caisse d'Amortisation de la Dette Sociale is an issuer assimilated to a state, whereas EDF is assimilated to a company in terms of ESG-Climate risk analysis.

This policy is based on the following three pillars:

Exclusions for repeated and proven violations of all or part of the 10 principles of the UN Global Compact

Some companies have repeatedly and demonstrably violated all or part of the 10 principles of the Global Compact on Human Rights, Labour Standards, the Environment and the Fight against Corruption.

The Global Compact is based on the Universal Declaration of Human Rights. Collaboration with the Office of the United Nations High Commissioner for Human Rights has resulted in the development of tools to help companies implement it, as well as the Guiding Principles on Human Rights and Business adopted by the Human Rights Council in 2011.

The Covenant refers to the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work (1998), with which close cooperation has been established The Declaration proclaims eigh fundamental covnentions in the four areas outlined in the principal above.

The Pact is based on certain principles of the 1992 Rio Declaration on Environment and Development, such as the precautionary principle, and on Chapter 30 of Agenda 21 of the Rio Summit, which specifies the role of business in sustainable development.

The principle against corruption refers to the United Nations Convention. A collaboration with Transparency International has been established in this respect.

Human rights

P1: Promote and respect the protection of the right of the International Covenant on their sphere of influence.

P2: Make sure you are not complicit in violations human rights.

Labour standards

P3: Respect freedom of association and recognise the right to collective bargaining.

P4: Eliminating all forms of mandatory labour

P5: Effectively abolish child labour.

P6: Eliminating discrimination in employment and by profession.

Environment

P7: Applying the precautionary approach to environmental issues.

P8: Promoting greater responsibility on the environment.

P9: Promote the development and dissemination of environmentally friendly technologies.

Fight against corruption

P10: Taking action against corruption in all its forms its forms, including extortion and bribes.

Exclusion of States from the international community and aggressive tax practices

Private issuers are not the only ones to have unacceptable practices. This is also the case for certain States and similar issuers (or public entities). Debt securities issued by these countries are therefore excluded from investments. Except where justified, private issuers with an address in these States are also excluded. These exclusions are based on two criteria:

- **Embargo policies:** the states placed under embargo by the sanctions committee of the UN Security Council, the US OFAC (Office of Foreign Asset Control), the European Union; the restrictions issued by the French state are the basis for the list of states excluded from our portfolios.
  These are generally states that commit crimes or collective abuses or are known to be engaged in terrorist financing.
- **Tax-sensitive countries:** we do not invest in non-cooperative states or territories in the sense Article 238-0 A of the French General Tax Code, or in countries and territories that are not cooperative for tax purposes and that appear on the EU list.

Controversial arms exclusions

The Crédit Agricole Assurances Group recognises the right of states to defend themselves in symmetrical (conventional) or asymmetrical conflicts (e.g. terrorist attacks) and thus to support and finance a defence industry and the research and development of new weapons. Only so-called "controversial" weapons are covered by this exclusion policy. Two features are needed to qualify a weapon as non-controversial:

- Discrimination: must not indiscriminately target military objectives and civilian populations in conflicts or after conflicts (e.g. mines still active).
- Proportionnalité : the human damage must not be disproportionate to the achievement of the military objective.

The whole chain leading to the development of controversial armaments is targeted: design, production, financing, transport, distribution, storage...

1.3.1.3. Sectoral exclusions

Apart from the normative exclusions mentioned above, strict rules are applied in particular on tobacco and coal. These exclusions are built into fund managers' management tools to prevent them from investing in these issuers. The risk business line of Amundi and CAA is responsible for carrying out second-level controls.

Compliance with Crédit Agricole Group's sector policies on coal and tobacco is governed by the list of countries/ Restricted Issuers sent to asset management companies and international companies.

Exclusion of the tobacco industry

TOBACCO FREE PORTFOLIOS

World No Tobacco Day was held on 31 May 2020. Ahead of this event, the Australian Tobacco Free Portfolio (TFP) organisation, which is committed to reducing the number of deaths related to tobacco-related diseases, announced at the Tobacco-Free Finance Pledge (TFFP) that it had obtained the signature of Crédit Agricole Assurances. The pledge was to exit the tobacco sector completely within the next three years. Since the third quarter of 2020, Crédit Agricole Assurances' portfolios no longer hold tobacco sector securities.

This exclusion policy is applicable to the tobacco sector as a whole, including suppliers (application threshold for whole tobacco companies: revenues above 5%), cigarette manufacturers and retailers (application threshold: revenues above 10%).

Reinforcement of the exclusion policy for coal companies

Crédit Agricole Assurances operates in two ways:

- Progressive exclusions under Group threshold criteria.
- Crédit Agricole Assurances' coal withdrawal criteria.

The Crédit Agricole Group has updated its new sector policies dealing with coal, which now include commitments related to the gradual exclusion of thermal coal from its portfolios. These policies take into account the share of revenues generated by companies in the thermal coal industry and their transition trajectory. **Crédit Agricole is committed to excluding thermal coal from its portfolios by 2030.** The coal policy adopted in the climate strategy is based on three sectoral policies: coal-fired power plants, mines and metals and transport infrastructure.

Coal policy

2017	2018	2019	2020	2022	2023	2030
▸ Threshold of more than 50% lowered 30%	▸ Threshold to 25%	▸ Threshold at 25% ▸ Taking into account criteria related to the production electricity	▸ Implementation of the sectoral coal policy of CAA working group of politics sectoral Coal Group Credit Agricole	▸ 20% threshold of turnover or 70M tons (extraction) ▸ 50% threshold of the turnover (production electricity) ▸ Development of projects	▸ CA Direct investment: threshold by 5%	▸ Exit of the coal

In 2016, Crédit Agricole Assurances divested itself of issuers earning revenues from coal extraction with increasingly restrictive threshold conditions (more than 50% of their turnover in 2016; in 2017, more than 30% of their turnover or producing 100 million tons and more of coal per year; in 2018, the threshold was further lowered to 25%). In 2019, the coal policy was extended to active companies in the production of electricity and the thresholds were regularly lowered.

Since 2022, Crédit Agricole Assurances has been withdrawing from issuers:

- Generating more than 20% of their sales in coal mining or producing 70 million tons or more of coal per year (mining);
- Generating electricity where revenues from coal-fired electricity account for more than 50% of revenues from this activity;
- Whose sales derived directly (mining) or indirectly (generation of electricity) from coal represents between 20% and 50% of the issuer's total sales;
- Developing or planning to develop new thermal coal capacity across the entire value chain (producers, extractors, power plants, transport infrastructure).

In 2023, these criteria **still apply to securities held through funds and the criteria have been revised for securities held directly.**

In 2023, these criteria still apply to securities held through funds and the criteria have been revised for securities held directly.

In order to achieve its ambition to phase out thermal coal in 2030, Crédit Agricole Assurances is pursuing a sector-specific coal policy. Crédit Agricole Assurances has validated the strategy of an early exit **from issuers whose revenue from coal is greater than 5% for all investments held directly** (excluding green bonds), made in respect of euro funds and own funds. 350 Million were sold in 2023.

Thermal coal: lowered **5%** ofturnover (euro funds)

Normative and sectoral exclusions are supplemented by the inclusion of issuers' extra-financial performance.

Unconventional Hydrocarbon Policy

Crédit Agricole Assurances, as part of its delegated management to Amundi, excludes companies whose activity (exploration and production) is exposed to more than 30% of turnover from unconventional hydrocarbons (shale oil, shale gas and oil sands).

This policy applies to all active management strategies and all passive ESG strategies on which Amundi applies discretionary management. To assess companies' exposure to unconventional fossil fuels, Amundi uses metrics from data providers to provide a broad data coverage. It also allows them to gain a better understanding of companies' exposure to unconventional hydrocarbons. Due diligence may also be carried out to enrich or challenge the information received from its suppliers.

1.3.2. EXTRA-FINANCIAL CRITERIA IN OUR MANAGEMENT OF EURO AND EQUITY (GENERAL ASSETS)

- Exclusion/divestment
- **ESG integration**
- Thematic investment
- Shareholder commitment

The operational implementation of the investments of the Crédit Agricole Assurances Group entities, in particular on euro funds and equity, is based on management mandates entrusted primarily toasset management companies (mainly the asset management company Amundi, a subsidiary of the Crédit Agricole Group) for listed securities, and on the other hand on direct management by the Investment Department (DIV) for unlisted securities, mainly relating to real estate and certain categories of shares. In all cases, the management is carried out within a framework of defined risk.

In Crédit Agricole Assurances' responsible investment strategy, several criteria are considered to evaluate companies or investment projects. The main criteria include:

Environmental Criteria (E)

- They assess a company's impact on the environment. This includes natural resource management, reduction of greenhouse gas emissions, water consumption, waste management, preservation of biodiversity, etc.
- Crédit Agricole Assurances seeks to support companies that take measures to minimise their environmental footprint and that contribute to the transition towards a more sustainable economy.

Social criteria (S)

- They assess the impact of a company on society. This includes human resources management practices, working conditions, diversity and inclusion, stakeholder relations, human rights protection, employee health and safety, etc.
- Crédit Agricole Assurances seeks to invest in companies that respect social norms, promote equal opportunities and have a positive impact on the communities in which they operate.

Governance criteria (G)

- They assess a company's governance structure and practices. This includes transparency of financial reporting, independence of the Management Board, executive compensation, risk management, anti-corruption, etc.
- Crédit Agricole Assurances seeks to invest in companies that adopt solid and transparent, governance practices thus fostering the confidence of shareholders and stakeholders.

90%: share of the Euros fund covered by an ESG analysis

These ESG criteria are used to assess a company's performance in terms of sustainability and responsibility and have an impact on management. Crédit Agricole Assurances seeks to select companies that comply with best practices in terms of sustainability and have a positive impact on the environment and society.

Our investment strategy (euro funds and equity) is therefore based on a detailed selection process and a minimum rating required at several levels (individual issuer rating, portfolio rating, comparison to a reference universe). Indeed, the average ESG rating of the portfolio must be equal to or higher than the ESG rating of the investment universe or the benchmark index.

Today, with the gradual implementation of ESG ratings on our assets, extra-financial analysis covers more than 90% (vs. 75% in 2022) of assets representing equity and euro funds in 2023, mainly based on extra-financial rating methods developed within the Group.

Of the €278bn in assets under management (equity and euro funds) at Group level, €251bn at market value (223+28) integrate ESG criteria in several dimensions:

Amounts in EUR bn	Entity assets Managers			
Asset classes (not transparent)	CAA Steering	Delegated Asset Management to the Amundi Group	Delegated Asset Management Outside Group (incl. international **entities**)	**Total**
Non-core shares land	0	9		**9**
Bonds corporate	0	96	0	**96**
Sovereigns & assimilated		58	0	**58**
Supranational and agencies		35	0	**36**
Listed real estate (land shares)		4		**4**
Real Estate unlisted	20		0	**20**
Infrastructure	11	3		**14**
Private Equity	1	6	0	**7**
Dedicated mutual funds		18	0	**18**
Open funds Other (to be specified)		15	1	**16**
Options		0		**0**
Total Euro Funds	**32**	**245**	**1**	**278**

The **CAA Steering** column covers the assets on which the Investment Department manages and monitors its Investments.

The **Amundi Group delegated asset management** column refers to assets that are monitored by the management company Amundi (a subsidiary of the Crédit Agricole Group) and its subsidiaries (CPR AM, BFT) by including certain non-group management companies (Amundi due diligence process), particularly for open-ended UCIs.

The **Non-Group Asset Management** column corresponds to the monitoring carried out by Amundi non-Group asset management companies with which the Investment Department is in contact. This also includes the outstandings of international entities that are not monitored by the Investment Department.

Amounts in EUR bn	Volume of assets covered by analyses and indicators, exclusion policies, trajectory calculations ESG policies and indicators				
Asset classes (non-transparent)	Normative Exclusions	Sectoral exclusions	Internal ESG analysis CAA (Strategic investment + real estate)	Analysis/Rating ESG Amundi "best in class"	CAA Amundi ESG filter
Non-real estate Equities	9	9	na	8	8
Bonds corporate	96	96	na	94	91
Sovereigns & assimilated	58	58	na	58	58
Supranationals and agencies	36	36	na	35	35
REITS	4	4	na	4	4
Real Estate unlisted	20	20	18	2	
Infrastructure	14	14	9	3	
Private Equity	7	7	1	6	
Dedicated mutual funds	18	18	na	7	4
Open funds Other (to be specified)	16	16	na	5	
Options	0	0	na	0	0
Total Euro Funds	**278**	**278**	**28**	**223**	**201**
			10.0% ESG integration	**80.4%**	**72%**

The columns **"Normative exclusions", "Exclusions: tobacco", "2030 coal phase-out" and "Hydrocarbon exclusions"** refer to the criteria mentioned above in the normative and sectoral exclusions.

The **CAA ESG Internal Analysis** column refers to the scope of assets whose extra-financial analysis is covered by the ESG team of Crédit Agricole Assurances' Investments Department.

The **Amundi best in class ESG analysis/rating** column refers to assets where an extra-financial analysis performed by Amundi is materialised by a rating.

The **CAA-Amundi ESG Filter** column refers to the holding thresholds of the securities in the portfolio.

Amounts in EUR bn	Taxonomy, trajectories of the Paris Agreement and biodiversity				
Asset classes (non-transparent)	Voting & stewardship policy	Taxonomy 5.a D533	Strat. align. Paris Agreement (temperature, footprint carbon)	Strat. align. Biodiversity (7. D533)	Scope NZAOA
Non-real estate shares	8	9	9		9
Bonds corporate	94	96	96	85	96
Sovereigns & assimilated	Out of scope	58	58	52	na
Supranationals and agencies	Out of scope	36	36		36
Listed real estate (real estate shares)	4	4	4		4
Real Estate unlisted	20	20	20		11
Infrastructure	13	14	Out of scope		9
Private Equity	7	7	Out of scope		na
Dedicated mutual funds	7	18	Out of scope		na
Open funds Other (to be specified)	5	16	Out of scope		na
Options	0	0	0		na
Total Euro Funds	**158**	**278**	**223**	**137**	**165**
	57%	**100%**	**80%**	**49%**	**59%**

1.3.2.1. ESG integration on listed securities (€223bn)

As mentioned above, the management of listed securities is mainly delegated to the management company, Amundi. Amundi uses an ESG (Environment, Social, Governance) rating method to assess the companies in which it invests. This rating methodology is based on several data sources and is designed to measure companies' ESG performance in a systematic and objective manner.

Amundi ESG rating (see Amundi website Our ESG approach | The Amundi Group[8] which explains its rating methodology for more information).

It should be noted that the list of data sources used by Amundi is not exhaustive and may vary depending on the specific needs of the company and developments in the field of responsible investment. Amundi strives to collect data from reliable and diverse sources to obtain a global and objective view of companies' ESG performance. Amundi's research team conducts in-depth analysis and uses quantitative models to assess companies' ESG performance.

ESG ratings allow Amundi to identify companies that have opportunities to improve environmental, social and governance practices. Amundi can then engage with these companies to encourage them to adopt more sustainable and responsible practices.

Amundi can also use ESG ratings to exclude certain companies from its investments. Companies involved in controversial activities or with poor ESG performance may be excluded from the investment portfolios delegated to Amundi.

ESG ratings allow Amundi to provide clear and transparent information to its investors about the ESG performance of the companies in which it invests. This enables investors to make informed decisions and understand the impact of their investments on environmental, social and governance issues.

(8) *https://legroupe.amundi.com/notre-approche-esg*

Here are some key elements of Amundi's ESG scoring methodology:

1. Data Collection

- Amundi collects data from various sources, such as specialised rating agencies, NGOs, reports of companies, databases government, etc. These data provide information on environmenttables, social and governance performance of companies. Amundi also has of resources dedicated to ESG research.

2. Analysis quantitative

- Amundi uses quantitative analysis To assess the ESG Performance of companies. This analysis is based on specific indicators related to the environment, social and Governance factors. By example, Amundi may examine a company CO2 emissions its policy diversity and inclusion, or composition of its Board administration.

3. Weight criteria

- ESG criteria are weighted according to their relative importance. Amundi uses a specific methodology to assign weights to the different criteria, based on their potential impact on the financial performance- Wax and long-term sustainability companies.

4. ESG Rating

- Once the data is collected and analysed, Amundi assigns an ESG score to each evaluated company. This score is usually based on a scale from 0 to 100, where a higher score indicates superior ESG performance. Companies are then ranked according to their overall ESG score.

5. Integration in management of assets

- ESG scores are used by Amundi to guide its investment decisions. Amundi's portfolio managers can consider the ESG performance companies when building and managing their portfolios, favouring companies with strong ESG performance and avoiding those with poor performance.

It is important to note that the use of ESG ratings may vary depending on specific investment strategies.

Crédit Agricole Assurances relies mainly on Amundi to manage its voting and stewardship policy for assets managed under mandate while having a view with frequent monitoring (monthly, quarterly depending on the subject) of the indicators. As such, Crédit Agricole Assurances chooses to exclude issuers with the lowest ESG performance in their sector or with a high reputational or even controversial risk.

For governments, factors E, S and G can have an impact on their ability to repay their debt in the medium and long term. They can also reflect how countries are tackling ESG issues that can undermine global stability. The Amundi methodology is based on around 50 ESG indicators deemed relevant by Amundi's ESG research to address risks and sustainability factors.

At the end of the rating process specific to our management company, the rating is on a rating scale ranging from A for best practices to G, for the least good either for company ratings or for sovereign ratings. Note that G-rated securities (including issuers excluded for unacceptable practices) are excluded from all active management of our asset management company.

Each asset portfolio is considered ESG if management conditions are met (see following points for companies and sovereigns).

1.3.2.1.1. Securities issued by corporates (€139bn ESG)

Securities issued by companies in the financial and extra-financial sectors account for more than one third of the overall portfolio and are invested mainly in France and Europe. The portfolio has relatively low exposure to ESG risks. Indeed, Crédit Agricole Assurances adopts for its various mandates (universe rated by the financial agencies) the best-in-class "CAA ESG Filter" method (limited management rules) deployed mainly by Amundi (part of which includes green bonds). Threshold constraints are monitored monthly.

CAA-Amundi ESG Filter

Fixed Income Portfolio (€127bn)

- The outstanding amount of assets rated E, F and G (in the event of a downgrade) must remain below a certain threshold of the portfolio at market value.
- The outstanding amount of non-ESG rated and non-significant assets must be held subject to market value portfolio thresholds.
- The average rating of each portfolio must be at least equal to C (i.e. 0.5).
- The average rating of each portfolio must be at least equal to that of its "reference universe".

Equities + Real Estate portfolio (€12bn)

- Assets rated E, F or G (in the event of a downgrade) or unrated must comply with the conditions for holding thresholds in the portfolio at market value.
- The average rating of each portfolio must be at least equal to C (i.e. 0.5).

1.3.2.1.2. Focus on Green, Social and Sustainable Bonds (GSS) (€15bn)

The Crédit Agricole Group holds more than 11.1 billion euros (vs. 8.4 billion euros in 2022) in green bonds (standard Green Bonds Principals), including 3 billion euros issued by Sovereigns & Similar. In addition, the Group also holds €1.5bn (vs. €1.1bn in 2022) in social bonds (social bonds) and €2.6bn (vs. €1.9bn in 2022) in sustainable bonds (Sustainable bonds).

12.3 bn of Green bonds **2 bn** Social bonds **2.6 bn** Sustainable bonds. I.e. **17 bn** of GSS (5% of overall outstandings Euro + unit-linked)

Entity	Green bonds (bn)	Social bonds (bn)	Sustainable bonds (bn)	Total GSS (bn)
Predica	8.9	1.12	2.14	12.19
Crédit Agricole Vita	0.69	0.01	0.02	0.73
CAA Retirement	0.67	0.12	0.22	1.02
Pacifica	0.39	0.24	0.08	0.71
Spirica	0.25	0.01	0.05	0.31
CACI	0.14	0.04	0.04	0.21
CAA Holding	0.03	0.01	0.02	0.07
GNB Seguros	0.01		0.004	0.02
CALIE Lux	0.01	0.007	0.001	0.02
CA Life Greece	0.01	0.001	0.005	0.01
CA Life Insurance Japan	0.01			0.01
CA Assicurazioni	0.00		0.0002	0.00
CTU/CA Zycie	0.00	0.00	0.00	0.00
Grand total	**11.15**	**1.56**	**2.58**	**15.29**

1.3.2.1.3. Sovereigns and Similar (€58bn ESG)

Our public bonds ("sovereign" and "treasury" categories within the meaning of the Barclays classification) represent more than 58 billion euros, i.e. nearly 21% of the overall portfolio (euro funds and equity). The extra-financial ratings of these issuers are generalised on these assets and monitored.

"ESG" designation for Sovereigns

The outstanding amount of assets rated E, F and G (in the event of a downgrade) must remain below a certain threshold of the portfolio in terms of market value. The average rating of each portfolio must be at least equal to C (i.e. 0.5).

1.3.2.1.4. UCITS: integration of ESG criteria (€4bn)

At end-December 2023, our portfolio of UCITS (interest rates and shares), largely dedicated to the Crédit Agricole Assurances Group, represented nearly 34 billion euros in market value.

Many of the funds managed by Amundi in which Crédit Agricole Assurances is invested have an ESG approach through the integration of a "beat the benchmark" approach and even in some cases are certified (SRI and Finansol label). Illiquid assets (e.g. real estate) managed by Amundi also include an ESG charter and, for certain areas of expertise delegated to external managers, an ESG component in the due diligence carried out.

1.3.2.2. ESG integration on unlisted securities (€28bn)

1.3.2.2.1. ESG analysis of investments made directly (10 bn hedge on Private Equity + Infrastructure held directly)

The Investment Department makes investments through various diversification vehicles (real estate, infrastructure, debt funds, Private Equity, etc.), which are not listed, and which do not fall within Amundi's scope of delegation and require the development of a specific ESG rating model.

Depending on the themes and assets, there may be multiple objectives.

To illustrate, on the environmental side, Crédit Agricole Assurances invests in renewable energy infrastructure to support the energy transition (wind, solar, hydroelectric) mainly with partnerships such as Engie in France and Europe, Eolia Renovables and Orsted. Other renewable energy carriers are under consideration, such as hydrogen for storage (HY24).

In addition, Crédit Agricole Assurances invests in real estate with a high level of environmental certification. The quality of environmental certifications contributes to climate policy and a reduction in the carbon footprint. Furthermore, some real estate investment programmes make it possible to respond to societal projects such as access to affordable rents or neighbourhood renovations, while relying on quality assets in terms of environmental standards.

The system for assessing and integrating ESG criteria in our direct investments will eventually cover all portfolio outstandings (diversification assets). These are mainly equity investments in unlisted companies, considered strategic, where we sit as a director on the Board of Directors. This presence on the Board of Directors allows us to have levers, particularly on voting and stewardship policies.

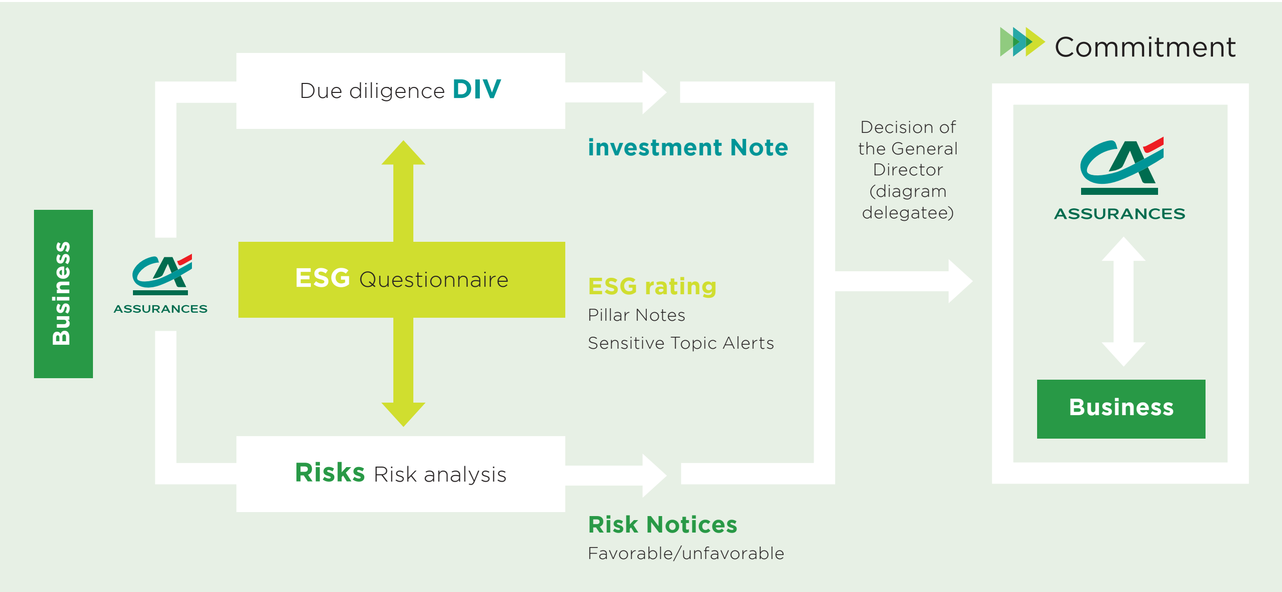
These are mainly companies which are therefore not covered by credit rating agencies or management companies.

Our methodology was reviewed by an independent external firm and validated by the comitology set up by our corporate governance (see Section 3). This review allowed us to check the consistency of the weightings with the challenges of the European Corporate European Sustainable Reporting Disclosure (CSRD) directive.

This ESG rating group is composed of the ESG team, direct asset managers and several department heads (CSR, Risk and Compliance). It meets on a case-by-case basis and is responsible for taking sustainability criteria into account in investments.

The first phase of implementation of the internal rating concerns our investments already in the portfolio. Today, we are gradually integrating internal ESG analysis in order to integrate extra-financial advice into new investment files, which are then analysed by the Risk Division.

ESG considerations are now initiated even before the start of the investment cycle, as soon as opportunities are sought.



It should be noted that the internal rating philosophy is different from that of our main asset management company (which manages the listed part), which is based on the best in class (ranking of issuers by sector). For investments considered strategic, we are more in line with the **continuous improvement of the Company.** Crédit Agricole Assurances aims to advance companies on ESG issues and support them in the implementation of their ambitions on ESG issues.

As part of this internal rating tool, the extra-financial analysis department of the Investment Department has prepared a questionnaire that is sent to all partners.

This questionnaire includes nearly 80 questions spread over four pillars (Steering, Environmental, Social/Societal, Governance) including specific sectoral questions. Under each of the pillars, there are various challenges.

This questionnaire covers topics related, in this case, to the energy transition, the decarbonisation strategy, governance, equity issues, biodiversity.

Extra-financial internal analysis

ESG Steering

- Materiality
- ESG Governance
- CSR Strategy

Governance

- Governance, risk management, internal control
- Conduct of business

Environmental

- Pollution
- Biodiversity and ecosystems
- Resource use and circular economy
- Climate change

Social

- Structure - Own staff
- Clients
- Affected communities Workers in the chain of value Equity and equality
- Health & Safety Staff
- Well-being and social benefits

For example, on the ESG steering pillar, the maturity level of the company's ESG governance is analysed based on its consideration of extra-financial issues (by whom?, how? ...). under the social pillar, working conditions are particularly important in the value chain (accident rates, etc.).

The questionnaire, which is divided into standard questions and sector-specific questions, is mainly based on qualitative answers and quantitative data allow us to assess the evolution compared to the previous analysis.

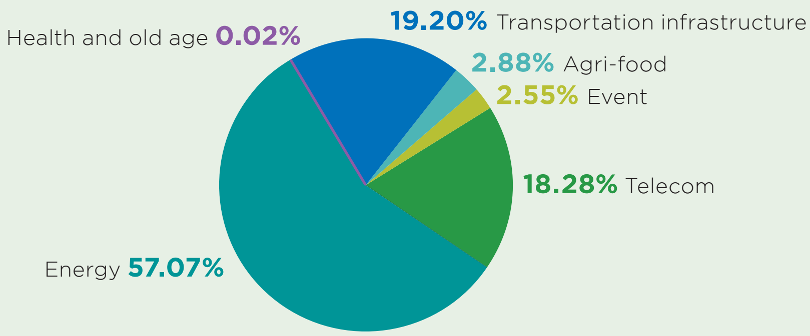
A work to identify priority and secondary issues by sector was carried out with the allocation of a weighting based on the ranking.

The ESG score is based on the 80 questions grouped by issue (cited above). The score assigned to the issue depends on its materiality (which lowers the score) and the action plans implemented (which raise the score).

The ESG score (the internal score is harmonised with Amundi's alphanumeric format but has a different approach) is based on 100 and is calculated by deducting points when the management of a material issue by the company is insufficient or in the event of a lack of response.

The dashboard is used as **a tool for interaction with Governance, highlighting areas for improvement that are useful for the stewardship of partner companies.**

Breakdown of direct investment by business sector, covered by the ESG rating - 10 billion



For certain Private Equity and infrastructure funds, the Investment Department is responsible for managing them and the main asset manager, Amundi, is responsible for monitoring them.

The funds in this asset class are selected by Amundi PEF as part of a due diligence process.

It should be remembered that ESG practices in private markets remain poorly transparent despite the importance of the stakes and the role of this asset class.

In the case of the funds' investment due diligence, the approach is based on three pillars: the investment pillar, the operational diligence pillar and the ESG diligence pillar.

This first phase enables the partners to be assessed qualitatively and allows them to compare themselves with other comparable players. Then, there is the possibility of signing a "side letter" to the fund manager setting out the commitments (sector exclusions, compliance, specific rules dictated by the UNPRI, etc.). An annual follow-up allows this dialogue with management companies to be maintained with a questionnaire targeting the management company itself (overall strategy, investment process, commitment, transparency) and a questionnaire on the substance and to see the progress made.

It should be noted that it is much easier to obtain high-quality information on recent funds than on old funds that were in the portfolio.2/3 of subscriptions since the implementation of the regulation are Articles 8 and 9.

The main ESG aspects monitored by the funds' investment team concern:

On the Environmental pillar

- Alignment with the Paris Agreement, carbon footprint, consideration of biodiversity, management of exposure to climate and transition risks, exclusion policy.

On the Social pillar

- Sharing of value creation, employee shareholding, training, diversity and inclusion policy, equal opportunities and treatment, gender diversity, employee health and safety, diversity in senior management.

On the Governance pillar

- Constitution and independence of the Board, good governance (policy for managing financial and extra-financial risks), presence and requirement of a responsible investment policy.

1.3.2.2.2. Extra-financial rating on our unrated real estate assets (€18bn)

The work to implement the ESG rating on real estate assets took more than a year. The real estate portfolio is composed of mono-underlying assets (one building) or multi-underlying assets (several buildings), identified by a single ISIN code.

For a given asset, each of the buildings held is rated according to two methods, one based on the certification of the building and the other based on the specific characteristics of the building.

Buildings are rated from 100 to 0, then the rating is transcribed on a scale from A to G, like all other rated assets. In the case of a double rating (certified building), the better of the two ratings is used. Buildings without certification and without information on their specific characteristics are by default and conservatively classified as G/NR.

The rating based on certification depends on the certifier and the type and level of certification. For example:

Certificate	Axis	Level
HQE	Construction	Exceptional
		Excellent
		Very good
		Good
		Without global level

ESG Rating of real estate assets

Entity	Real Estate ESG coverage unrated (bn)	% coverage on real estate unrated	% SG hedging/entity's overall outstandings
Predica	15.4	100%	7%
CAA Retirement	1.6	100%	9%
Pacifica	0.5	100%	9%
Spirica	0.5	34% (€1.6Bn)	8%
CACI	0.06	100%	4%
CACI	0.04	100%	8%
Grand total	18.1	90% (€20.1bn)	7%

1.3.3. FOCUS ON INVESTMENTS THAT GENERATE VALUE, THAT MEET THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) AND HAVE AN IMPACT ON ALL REGIONS

- Exclusion/divestment
- ESG integration
- **Thematic investment**
- Shareholder commitment

Crédit Agricole Assurances wishes to be among the first players to act in favour of access to housing, digital technology, health and food in the regions:

- Access to housing for as many people as possible, improvement of the quality of life in the city and social diversity: renovation of «heart of the city» neighbourhoods (Massy, Bobigny, Issy).
- Access to Health and Ageing Well Tomorrow (Icade Santé, Ages&Vie).
- Access to food (Semmaris).
- Digital access (TDF, Vauban Infrastructure Fibre).

1.3.3.1. An Investor, committed to real estate, who contributes to societal changes by promoting a sustainable and liveable approach to the city

Real estate (including via real estate companies) accounts for a significant portion of Crédit Agricole Assurances' investments (€24bn or 8.7% of the total portfolio of euro funds and equity representing €278bn for the CAA group), which ensures that this asset class meets the best market standards in terms of energy performance.

Real Estate ESG criteria are notably reflected in the attribution of HQE, BREEAM or LEED certification, which requires compliance with specifications taking into account in particular the use of materials or technologies with a limited impact on the environment, waste management, water management, noise limitation, energy and thermal performance.

Environmental Certification over **50%** Real estate assets in m^2

Crédit Agricole Assurances' real estate portfolio, mainly located in France, covers more than 2.3 million m^2 of certified surface area (unlisted real estate) out of a total of more than 4.6 million m^2. This represents nearly 51% of the area certified in the portfolio (application of a building certification policy (HQE, BREEAM or LEED)).

To assess the performance of buildings (in terms of energy, environment, health and comfort), there are several levels of certification (e.g. PASS, GOOD, VERY GOOD, EXCELLENT, EXCEPTIONAL) where the higher the level to be achieved, the higher the requirements.

Une certification environnementale de type HQE, BREEAM ou LEED peut couvrir différentes étapes d'une opération immobilière : la reconstruction, la construction ou l'exploitation. Un immeuble peut donc avoir différents types de certification pour une même opération.

An environmental certification of the HQE, BREEAM or LEED can cover different stages of a real estate operation: reconstruction, construction or operation. A building may therefore have different types of certification for the same transaction.

With more than €9.3bn in market value (i.e. €12.5bn in expert value corresponding to the property value of the building) of certified real estate assets in its portfolio at end-2023 (3.3% of the overall portfolio out of €278bn), Crédit Agricole Assurances will continue its investments taking into account environmental and social criteria such as energy performance, the social utility of the assets and the contribution to the improvement of regional metropolitan areas.

Crédit Agricole Assurances continues to increase the proportion of environmentally certified real estate assets in its unlisted office real estate portfolio (real estate companies have their own certification policy).

In practice, it is easier to bring a building up to standard during the holiday phases (change of tenant) and in cases where there are few tenants. Any new program to build or rehabilitate a building is now aimed at environmental certification. We are pursuing a "green restructuring" effort, an effort that is made possible in reconstruction by the departure of tenants in a commercial asset.

The breakdown by type and level of certification of our real estate assets at Group level is detailed below:

	Construction		
Level of certification	2021	2022	2023
No Level*	102,221 (12%)	102,221 (10%)	75,007 (7%)
Good / good / pass**	140,619 (16%)	164,224 (15%)	173,294 (16%)
Very good / very good / silver***	373,118 (43%)	399,726 (37%)	426,087 (38%)
Excellent / exceptional / platinum core****	244,646 (29%)	402,383 (38%)	441,275 (40%)
Total m^2	860,604	1,068,553	1,115,664

Level of certification	Operation 2021	Operation 2022	Operation 2023
No Level*	356,026 (30%)	356,026 (29%)	358,234 (28%)
Good / good / pass**	150,120 (13%)	161,320 (13%)	160,687 (13%)
Very good / very good / silver***	130,410 (11%)	186,534 (15%)	193,420 (15%)
Excellent / exceptional / platinum core****	535,063 (46%)	537,945 (43%)	551,923 (44%)
Total m²	1,171,619	1,241,824	1,264,264

Level of certification	Reconstruction 2021	Reconstruction 2022	Reconstruction 2023
No Level*			
Good / good / pass**	25,013 (34%)	18,607 (15%)	18,670 (15%)
Very good / very good / silver***	40,861 (55%)	83,479 (67%)	83,328 (68%)
Excellent / exceptional / platinum core****	8,268 (11%)	21,749 (18%)	21,162 (17%)
Total m²	74,142	123,835	123,160

Example: Carré Vert rehabilitation 2023 (Levallois-Perret)

Rehabilitation real estate portfolio assets (e.g. Green Square)

- By choosing rehabilitation, we were able to save the equivalent of:
  12 round trips by plane Paris/New York
  or 168,000 km from Twingo in town,
  or 12 years of heating a 3-room flat in Paris

Background
- Restructuring of 5 buildings for an area of approximately 20,000 m² by prioritising the circular economy.
- Limiting the carbon impact construction and reducing waste.

Approach
- Reducing greenhouse gas emissions.
- Re-use of materials in place at the site.

Environmental balance sheet
- Adherence to a specific site charter by the contracting companies.
- Excellent HQE Certification
- Total mass of waste from our rehabilitation: 6,560 tons (vs. 26,000 tons if demolition).
- Amount of carbon emitted into the atmosphere for the "Carré vert" project 20,672 tCO^2eq (vs. 33,653 tCO^2eq with new materials).

On existing assets, the tertiary decree of July 23, 2019, relating to bonds for actions to reduce final energy consumption in buildings for tertiary use, **sets an ambitious target for reducing energy consumption by 2030, 2040 and 2050. These objectives are taken into account when restructuring assets.**

Audit work (ECD) is underway on all 100%-owned residential buildings to determine the impact of new regulations (apartments rated F and G in particular) and to implement a performance improvement programme (change of door frames, heating systems, insulation, etc.).

In addition, with the inventory of Energy Performance Diagnostics (EPD) on the residential sector and from consumption for the tertiary sector, CO^2 emissions were collected directly and/or estimated. The requests were addressed to the various managers, prioritising ownership and the sector.

Carbon footprint of real estate assets

At 31/12/2023, the outstanding amount on which issues can be calculated represented 86% of m^2 of the direct real estate portfolio, 50% of the indirect portfolio, i.e. 58% of the overall portfolio.

Overall portfolio

Entity	CO^2 emissions	M^2	GHG emissions in KG CO^2 / m^2/ year
CAA Global	60,241,918	2,727,462	22.09

1.3.3.2. Meeting strong demographic and societal demand

Apart from the environmental factor, Crédit Agricole Assurances places particular importance on the social dimension of its real estate assets. The aim is to promote access to housing, and thus make it financially accessible to the middle classes, in stretched areas. Crédit Agricole Assurances invests in open-rent and intermediate-rent housing programs that meet environmental and social challenges, insofar as they respond to strong demographic and societal demand by promoting a mix of housing types and offering products with high standards in terms of amenities and energy performance. This means meeting a number of structural challenges: creating and maintaining jobs in areas far from traditional financial centers, revitalizing disadvantaged urban areas, including groups at risk of social exclusion, and reducing inequalities.

Crédit Agricole Assurances invests both in Ile-de-France and in the main French cities (Bordeaux, Lyon, Marseille, Nice, Toulouse), focussing on new operations that help meet growing demand for housing. Crédit Agricole Assurances invests in the economy on a sustained and sustainable basis in areas with high potential.

As part of its real estate investment policy, Crédit Agricole Assurances is also investing in the restructuring of urban neighbourhoods and is part of the overall policy of Greater Paris. These restructuring projects aim to create pedestrian eco-neighbourhoods in the heart of the city, focused on catering, food businesses and services. They illustrate our unique strategy as a long-term investor in high-quality mixed-use urban projects, combining housing, shops and offices, located in high-potential areas.

In addition, as an administrator of one of our properties, we support them in the transformation of commercial city entrances into new mixed-use neighbourhoods, in particular to cope with the shortage of housing in dense areas and to adapt to new consumption trends. Moreover, urban dysfunctions must be addressed by integrating environmental issues by taking into account the development of nature in cities, the development of soft mobility, and the production of buildings of high environmental quality.

In order to strengthen the diversification of its commercial asset portfolio, Crédit Agricole Assurances has finalised a partnership specialising in retail in European railway stations. This concerns the operation of commercial concessions relating in particular to the Gare Montparnasse (Paris) and five stations in Italy (Milan, Turin, Rome, Padua and Naples). These assets represent a total surface area of 42,000 m^2. The train station welcomes more than 130 million visitors per year. Our partner Altarea will continue to manage these assets.

Financing companies active in caring for vulnerable people

Ageing well at home	People with loss of autonomy	Local Ecosystem: Health (pharmacy, doctors...), services (grocery store...)

In addition, Crédit Agricole Assurances through its entity Crédit Agricole Assurances Retraite has strengthened its involvement in the fields of health and ageing well. A real estate partnership has been established with Clariane and the Banque des Territoires (Caisse des Dépôts et Consignations) in the development of senior "Ages & Vie" residences throughout the country. It is an innovative programme for the construction of collective housing for senior citizens.

It is a shared home, a new solution for elderly people who are losing their independence or who have disabilities and who can no longer stay at home but want to stay in their neighbourhood or village.

Each residence offers 16 places and allows the creation of six permanent jobs as auxiliary staff (including two housed on site for a 24-hour presence).

With the launch of the programme in 2019 and an initial development of 150 residences by 2023, more than 300 residences are planned, i.e. more than 4,800 rooms and the creation of 2,000 direct jobs for 2025 throughout France.

1 residence → 16 places → 6 auxiliary jobs

It is an original and inclusive model in the heart of the regions that offers a safe and human-sized living environment. Around 50 residences (1 residence = on average 2 houses) were put into operation in 2022, bringing the network to more than 100 residences.

Launch in 2019

Phase 1 : 140 residences in 2022
Phase 2 : target of 170 residences in 2025

Phase 1 : investment fully completed
Phase 2 : investment in progress
(36 sites acquired)

+300 residences in 2025

The ageing of the population is leading to demographic upheavals that must be anticipated in all dimensions of the regions: housing, public spaces, services, equipment, shops, transport.

1.3.3.3. An investor committed to services: access to food and health-related care, event organisations

Crédit Agricole Assurances is also an investor in other alternative asset classes such as **Private Equity.** The amount of exposures amounted to nearly 7 billion euros at the end of 2023 (2.5% of the total portfolio of euro funds and equity). These direct investments in Private Equity consist of equity investments in companies or via Private Equity funds (delegation to two asset management companies), dedicated to the Group's insurance companies on the themes of Health/Ageing, Agrifood (Semmaris with Rungis) and BtoB services.

Focus on Comexposium, one of the world leaders in organising events and animating communities around their business and passions. Comexposium organises more than 150 professional and general public events, covering more than 10 business sectors (connecting 48,000 exhibitors and 3.5 million visitors, 365 days a year). Their CSR strategy is presented to the Board of Directors at least once a year. Moreover, this criteria has been included in the targets for obtaining variable compensation from the Chief Executive Officer.

- Reducing the environmental impact of trade shows and events by limiting waste, optimising energy consumption, favouring sustai-nibility mobility for visitors and exhibitors.
- Promoting a responsible purchasing policy from the suppliers-sisters by integrating CSR criteria.
- Raising awareness among employees and stakeholders to the challenges of sustainable deve-lopment through their programme "All Involved".
- Promoting the circular economy by offering waste recovery, the equipment reconditioning and by limiting consumables.
- Measuring and offsetting the carbon footprint of events with a certified carbon assesment that covers scopes 1, 2, 3 emissions.

Most Engaged LP Award - 2024 Recipient

In addition, Crédit Agricole Assurances was awarded the prize of the most committed limited partner (institutional investor in a fund) by Agefi Private Equity.

This award recognises institutional investors whose investment strategy makes a significant contribution to the dynamism of French companies and regions.

In 2023, in line with the Societal Project, investments sought to prioritise renewable energies, the transition to a low-carbon economy and ageing well. The contribution to the Clean H2 Infra Fund, which invests exclusively in the development of carbon-free hydrogen, the fundraising of Verkor, a French producer of batteries for electric vehicles, and the partnership with Innergex renewable energy demonstrate this commitment.

1.3.3.4. Contribution to the "Climate Ambition" marketplace initiative

Crédit Agricole Assurances' strategy responds to strong societal demand. Indeed, Crédit Agricole Assurances contributed to the "Ambition Climat" market initiative, which made it possible to invest a total of €600 million (including €60 million contributed by Crédit Agricole Assurances) in the financing of companies incorporating objectives to reduce the climate impacts of their activities.

This took the form of three vehicles aligned with the objectives of the Paris Agreement.

- Two funds investing in the shares of listed companies (€230 million for each of the two funds managed by Amundi and Sycomore AM),
- A fund investing in European "investment grade" bonds (EUR 125 million managed by HSBC GAM).

1.3.3.5. An investor who supports digital access in the regions

Crédit Agricole Assurances has also diversified its portfolio by investing in the telecommunications and digital infrastructure sectors. Indeed, Crédit Agricole Assurances acquired 45% of the capital of Bluevia, Telefonica's rural fibre optic platform FTTH (Fibre To The Home), in consortium with Vauban Infrastructure Partners. Bluevia's asset portfolio includes 3.9 million already connected homes and a pipeline of 1.1 million homes that will be fully deployed by 2025. Continuing its investment policy in this sector, Crédit Agricole Assurances has increased its exposure to Inwit. Inwit is the Italian leader in telecoms towers with 22,800 towers deployed throughout the country, giving it a 45% market share.

1.3.3.6. CAA: a player committed to the energy transition

To meet environmental, societal and economic challenges, Crédit Agricole Assurances' investments in particular in favour of the energy transition ("clean" technologies, i.e. very low greenhouse gas emissions) are mostly made within the Infrastructure Pocket. Our investments in infrastructure, mainly in France and Europe, are mainly made through equity investments (direct and through funds).

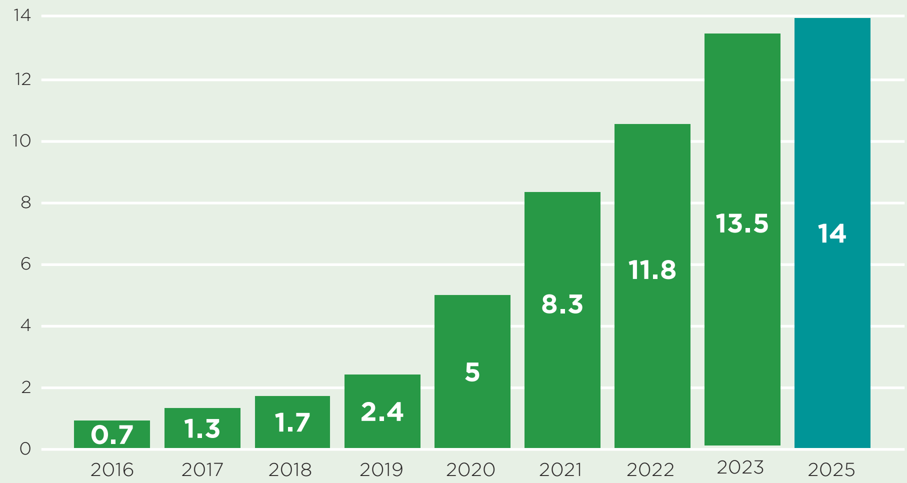
The technologies and types of assets recognised by Crédit Agricole Assurances are as follows (capital and debt financing):

- Hydro-electricity.
- Electricity production by wind turbines. Electricity production by solar panels.
- Tidal power generation. Electricity production by geothermal.
- Biomass energy production, bioenergy.
- Technologies with high energy efficiency (e.g. cogeneration) and/or destruction waste (e.g. heat networks).
- Buildings with particularly low energy consumption (e.g. positive energy buildings, BEPOS).
- Means of transport offering a significant reduction in greenhouse gas emissions compared to the efficient technologies in place.
- Excluding buildings and transport, any new industrial process that brings a very significant reduction in greenhouse gas emissions compared to the best existing technologies.
- Investment in research and development in such processes even if they are not yet in the industrial exploitation phase.
- CO^2 sequestration technologies.
- Green bond outstandings (financing all or part of the technologies and/or assets above).

Investments in renewable energies (RES) are at the center of Crédit Agricole Assurances' strategy, which aims to strengthen its commitment to the energy transition, in line with its 2025 target.

Crédit Agricole Assurances aims to contribute to financing an installed capacity of 14 GW by 2025 (100% ownership base).

CAA strategy in the development of RES (in GW)



Contribution to **13.5 GW** (base 100% holding) capacity of production in the renewable energies (2025 target 14 GW)

To achieve this objective, Crédit Agricole Assurances invests in "brownfield"-type partnerships (assets already operational only), but also in development platforms (including renewable projects to be developed, known as "greenfield").

The year 2023 was marked by three major investments operations focused on decarbonisation and mobility:

VERKOR
Gigafactory of batteries
16 GWh of production
Equipment for
300 000 vehicles
Electrical / year
Reindustrialisation / employment
Transition / Electrification

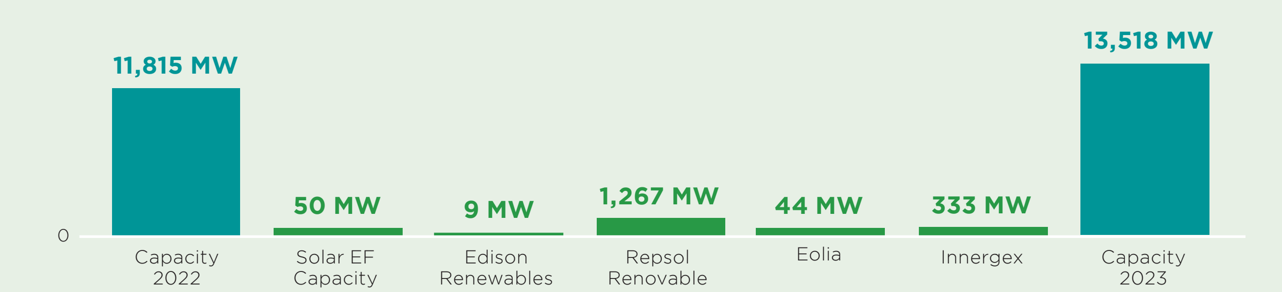
INNERGEX
Renewable energy
First platform
French EnR for CAA
333 MW of capacity established in France
Energy independence
Ecological transition

INDIGO
Transport / mobility
2nd operator of parking in Spain
70+ concessions (47 cities)
14.5 M vehicles / year
Urban / sustainability mobility and energy transition

Investments in two funds for decarbonisation and one for mobility

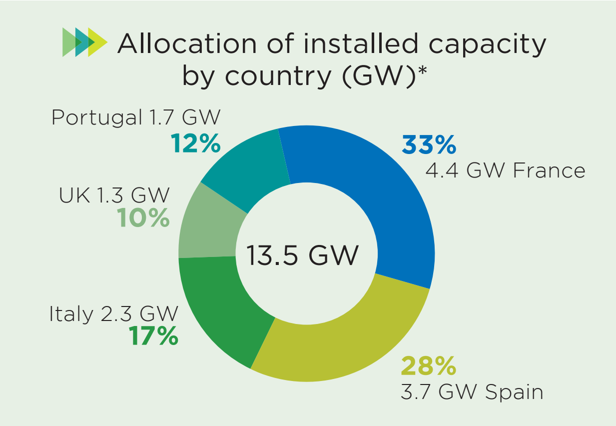
Investment activity also buoyed up in the rest of the portfolio: acquisitions via Repsol Renovables (Asterion + ConnectGen); acquisition of 60 locomotives in ELL, expansion of the VIF fibre platform, hybridisation project (Movhera), etc.

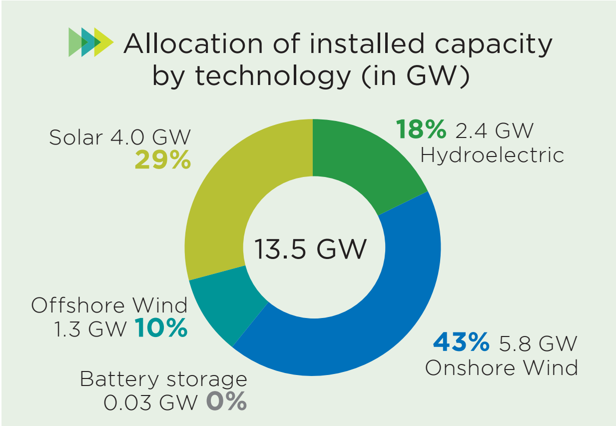
An increase in installed capacity in renewable energy production to reach around 13.5 GW (on a 100% ownership basis) at end-2023, i.e. 4.9 billion euros in market value (nearly 5 GW in Crédit Agricole Assurances share).



Crédit Agricole Assurances is one of the main investors in France in renewable energy contributing to the financing of nearly 7% of total installed renewable capacity in France at the end of 2023 (around 13% in wind and 9% in solar based on 100% ownership).

A historic partnership with Engie since 2014, gradually supplemented by strong and sustainable partnerships with the main players in the sector (Edison, Repsol, Eurowatt, TotalEnergies, Urbasolar and Ørsted).





** Estimates made by CAA's Investment Division as at 31/12/2023*

Installed capacity of 13.5 GW at end-2023 (based on 100% ownership), distributed between France and most of its neighbouring countries, leading in investments in the energy transition (Spain, Italy, Portugal and the United Kingdom); strong geographical diversity to reduce exposure to regulatory risks and cushion the impact of climate hazards.

Strong technological diversity: portfolio initially built on onshore wind, before moving to solar energy, and more recently to hydroelectric and offshore wind.

Crédit Agricole Assurances' investments in unlisted infrastructure in 2023 therefore focused on key sectors in line with the Group's CSR approach.

These operations are fully in line with the Crédit Agricole Group's Societal Project and the trajectory of achieving Crédit Agricole Assurances' objectives of contributing to the installation of a 14 GW capacity by 2025 in renewable energies.

1.3.3.7. Spirica, an entity of the CAA Group, the first insurer to launch a euro fund dedicated to the fight against global warming "Climate Objective Euro Fund"

A major innovation on the market

As an innovative, responsible and committed insurer, Spirica wanted to contribute to the major societal challenge of financing the ecological transition by creating a new fund in euros called "Article 9" within the meaning of the SFDR. regulation - a first on the market - with a specific investment objective: the fight against global warming.

A demanding selection methodology

The "Climate Objective Euro Fund", created in December 2023, aims to exclusively support projects that contribute to the fight against global warming, by pursuing two major objectives:

- **Climate change adaptation and mitigation:** financing clean transport, land use planning, clean buildings, circular economy, renewable energy production, energy infrastructure, etc.
- **Sustainable management of our resources:** sustainable waste and water management, regenerative agriculture, refo-restation, etc.

This new fund will consist of:

- on the one hand, a bond mandate that invests only in green bonds, financial instruments issued exclusively to finance projects with a positive environmental impact;
- on the other hand, a diversification pocket composed exclusively of supports meeting the transparency requirements of Article 9 of the SFDR regulation and the investment objective pursued.

All the fund's components are rigorously selected using a strict methodology that combines normative exclusions, sectoral exclusions and prioritisation of the defined themes, based in particular on the recommendations of the France Nation Verte plan.

Normative exclusions	Sector exclusions	Thematic prioritisation**	Excluded countries & issuers list*
90% sustainable investments and 30% alignment to taxonomy			Exclusion from tobacco industry Sectoral exclusions related to fossil fuels aligned with Greenfin criteria
Green Bonds Mandate GB ESG analysis: - Issuer - Project - Transparency	**Diversification** Application of the most high standards of the asset class		Thematic recommendations **Bond pocket:** - 100% Green Bonds = Guarantee of transparency and environmental alignment - Selection of Green Bonds after study of the project to be financed - Rating on ESG criteria **Diversification** - SFDR. Article 9

** Embargoes, fiscally sensitive countries, controversial armaments, repeated and proven violations of the principles of the Global Compact.*

*** Financing clean transport, spatial planning, clean buildings, circular economy, renewable energy production, energy infrastructure, sustainable waste and water management, regenerative agriculture, reforestation, etc.*

The materials must demonstrate with maximum transparency their positive impacts on the energy and ecological transition. The contribution to the UN Sustainable Development Goals (SDGs) will also be assessed for each of the funded projects.

An important issue of transparency and education

The aim of the fund is not only to enable policyholders to contribute to building a more sustainable future but also to **measure the concrete impact of their investments,** through the provision **of an extra-financial impact report** aimed at **making information as transparent and educational as possible.**

Support from experts in sustainable finance

In addition, in order to reinforce its approach, Spirica wished to be supported **by a committee of independent sustainable finance experts represented by 2DII**[9] which will be responsible for providing advice to enable Spirica to strengthen the contribution of the euro fund) the fight against global warming in the long term and to support Spirica in the performance of extra-financial educational reporting.

This new euro fund is now available in several **life insurance and capitalisation** contracts **insured** by Spirica and will be **gradually rolled out to the majority of policies insured by Spirica by the end of 2024.**

(9) Founded in 2012, 2DII is an independent, non-profit think tank that works on solutions to align financial markets and regulations with the goals of the Paris Agreement.

1.3.4. EXTRA-FINANCIAL CRITERIA IN OUR MANAGEMENT OF UNIT-LINKED FUNDS (UFS)

The previous sections concerned financial assets representing capital and euro funds for which the insurer chooses investment vehicles (in compliance with regulations and internal risk limits). Crédit Agricole Assurances wanted to specifically address financial assets representing unit-linked life insurance contracts because it is **the client who chooses his investment vehicles** within a universe defined and managed by Crédit Agricole Assurances.

Regardless of the euro funds, unit-linked policies account for more than €95bn at the Crédit Agricole Assurances Group level. Their impact in terms of carbon footprint and extra-financial risks cannot be neglected.

Since the 2015 Paris Climate Agreement, responsible investment has gradually taken on a new role in the universe of funds offered in the contracts.

New regulations have reinforced this approach.

Following the Pacte law of 2019, the range of investments responsible for life insurance contracts has gradually been strengthened. Since 2021, it has been mandatory to offer within the contracts at least one unit of account (unit of account) of each label recognised by the SRI, Greenfin or Solidaire State.

The characteristics of these various labels are:

The SRI label

The SRI label was created in 2016 by the Ministry of the Economy and Finance. It allows you to choose responsible and sustainable investments. It meets certain criteria divided into 6 defined themes by order.

The Finansol label

The Finansol label, created in 1997, is awarded by the professional association Finansol. It ensures that savings contribute to the financing of activities that generate significant social utility and certifies that reliable, regular, and clear information is provided by the institution managing the solidarity savings investment.

The Greenfin label

The Greenfin label (formerly known as the "TEEC" label) was created at the end of 2015 during COP 21 by the Ministry of Ecological and Inclusive Transition. It certifies funds that finance companies contributing to the green economy and excludes those from the fossil fuel sectors.

In 2023, as in 2022 and 2021, many funds were subject to steps to evolve their management and obtain a label. Outstandings of funds labelled on our contracts have sharply increased, thanks in particular to the label-approval of supports.

At the end of 2023, unit-linked policies held in the contracts of Crédit Agricole Assurances Group entities, for which information is reported, include:

	Predica	CAAR	Spirica
SRI label	€21,416 MILLION	€1,186 MILLION	€1,781 MILLION
Greenfin label	€661 MILLION	€192 MILLION	€62 MILLION
Finansol label	€119 MILLION	€110 MILLION	€109 MILLION

In addition, in March 2021, the Sustainable Finance Disclosure Regulation (SFDR.) came into effect, classifying funds according to their level of integration of ESG criteria in their investment process. As of January 1st 2023, the SFDR level 2 regulation came into force, requiring so-called «Article 8» and «Article 9» funds to commit to a minimum level of sustainable investment, and to specify this in an appendix to their fund prospectuses.

The management companies were then required to review the classification of their Article 8 and Article 9 funds.

Article 8

- Financial products that promote, among other characteristics, environmental and/or social features, provided that the companies in which investments are made apply good governance practices.

Article 9

- Financial products with a sustainable investment objective.
- Financial products which must be able to propose monitoring indicators on measurable and quantifiable objectives.

The Unit linked assets of Predica (+96% managed by asset management companies of Credit Agricole Group subject to the same sectoral and normative rules as euro funds), CAAR and Spirica, falling under Articles 8 and 9 of SFDR represented at the end of 2023:

	Predica	CAAR	Spirica
Article 8	€30,752 MILLION	€2,206 MILLION	€3.4 MILLION
Article 9	€457 MILLION	€3.28 MILLION	€0.7 MILLION

In addition, Predica has been offering positive impact structured products in the form of green bonds and social bonds since 2020.

At the end of 2023, the amounts of Green Bonds and Social Bonds marketed by PREDICA amounted to:

	Predica
Green Bonds	€1,157 MILLION
Social Bonds	€412 MILLION

12.3 bn of Green bonds **2 bn** Social bonds **2.6 bn** Sustainable bonds. I.e. **17 bn** of GSS (5% of overall outstandings Euro + unit-linked)

To strengthen its commitment to responsible investment, Predica develops and promotes to its clients a range of committed funds, respecting extra-financial criteria defined and monitored over time.

Launched in 2021, Amundi's Committed and Responsible Portfolio aims to offer Crédit Agricole's clients a selection of responsible unit-linked funds in free management.

Since the beginning of the year, it has been structured around the three pillars of the Group's Societal Project, namely:

- Climate action & environment
- Contributing to societal changes
- Making Agricultural & Agro/Agri transitions work

This range offers around twenty UCs on current themes such as: Amundi France Stewardship, Amundi - KBI Aqua ISR, BFT France Emploi ISR and CPR Invest - Climate Action."At the end of 2023, the total amount of support in the Amundi Committed and Responsible Range comprised:

SRI label	€8,724 MILLION
Greenfin label	€64 MILLION
Finansol label	€77 MILLION
Not labelled	€846 MILLION
TOTAL	€9,711 MILLION

Regarding collective pension contracts, an FTE is dedicated to analyze and monitor ESG elements using the technical and human resources below:

- Use of due diligence and SCORECARDS Amundi on management companies and external funds.
- Systematic integration of ESG criteria and Crédit Agricole Group exclusions for fund selection (2023 is the year of strengthening ESG analysis in contracts).
- Use of the PREDICA/CAAR referencing database to ensure that funds meeting the Group's requirements are selected based on extra-financial criteria.
- Internal verification of the classification of SFDR. funds, Label and exclusion before integration into a contract via our data providers (Engine, Morningstar).
- Use of the technical and human resources of the BU ERI in order to complete our analyses.

	Fund	Collective retirement stocks
Segregated funds	14	€1.9bn
Article 6	34	€0.9bn
Article 8	148	€1bn
Article 9	7	€0.003bn
TOTAL	203	4 Billion

Responsible Supply Side

Besides, since 2019, Spirica has created a sustainable development range. The aim of this range is to support its distribution partners in the selection of responsible unit-linked products by highlighting the products which, according to an analysis methodology developed by Spirica, offer an optimised ratio between performance and the consideration of extra-financial criteria. This range was updated in 2022: the selection methodology was reviewed according to different filters. Among them, the "exclusion" filter made it possible to include in the selection only unit-linked media classified "Article 8" or "Article 9" within the meaning of the SFDR. Regulation. The sustainable development range has also been expanded with new investment themes.

It now includes 48 vehicles (39 mutual funds and 9 real estate unit trusts) classified in two sub-ranges:

- Labelled range: only supports with at least one sustainable French label (SRI, GreenFin and Finansol label) - 27 selected supports.
- The thematic range: only supports investing in a specific sustainable theme (e.g. environment, human development, infrastructure or real estate) - 21 selected supports.

Offering policyholders responsible and solidarity-based unit-linked policies

In addition, since 2020, Spirica has regularly offered several Positive Impact Structured Products. Two Structured Products were offered in 2023. These Structured Products are innovative and focused on a responsible theme. Among the underlyings of these products, those of ESG type are preferred. The organisation issuing the product undertakes to use an amount equivalent to 100% of the assets collected to finance Positive Impact projects in the following areas:

- Green categories: renewable energies, green buildings, low greenhouse gas emissions transport, water management and treatment, pollution prevention and control, circular economy...
- Social categories: job creation and preservation through SME financing, socio-economic progress, low-rent housing, access to education and vocational training, access to healthcare, etc.

In addition, with regard to unlisted unit-linked products, Spirica adopts a referencing policy focused exclusively on the referencing of support in units of account classified Article 8 and/or Article 9 within the meaning of the SFDR. regulation.

Article 8 funds accounted for 50% of their referencing in 2023 (vs. 2022) for Spirica.

	2022	%	2023	%
Number of UCI referencing	86		128	
o/w SFDR. UCI 9	12	14%	14	11%
o/w SFDR. UCI 8	36	42%	64	50%

Also, in the interest of transparency towards its clients, Spirica asks its asset manager partners to sign a letter of commitment, asking them to kindly transmit all the documentation concerning the materials marketed in terms of sustainability. This approach is in line with our priorities for improvement in our future reports.

1.3.5. CONTINUOUS IMPROVEMENT PLAN

1.3.5.1. Sectoral policies

Furthermore, Crédit Agricole Group continues its work on sectoral policies, particularly in the oil and gas sector, with reviews of criteria thresholds and definitions of scope. Today, the Crédit Agricole Group is naturally involved in all the collective commitments made by major financial institutions by supporting the Net Zero Alliances of the various business lines (banking, asset management (Amundi) and insurance (Crédit Agricole Assurances)); by committing to coalitions against global warming, with, as of January 2022, a total halt to all financing of projects linked to the extraction of shale oil and gas, and tar sands. Operational work similar to that carried out in the coal sector is underway within the Crédit Agricole Group to identify what is conventional and what is unconventional (considered as upstream, midstream, downstream, etc.); the scope (sand, shale oil, deepwater drilling, oil and gas from the Arctic zone); and the exclusion criteria (sales thresholds for producing companies, reserve criteria, criteria relating to infrastructure, relating to hydrocarbon exploration activities, expansion criteria).

1.3.5.2. Unit-Linked accounts

For Units of Account, the coverage ratio of indicators will be improved, particularly for external asset management companies outside the Amundi group. A unit-linked policy is being implemented in 2024 to ensure consistency with the investment strategy applied to capital and euro funds in the face of sustainability challenges.

For collective pension contracts, a portfolio review on SRI, Greenfin and solidarity-based funds is being implemented for 2024. The objective is to offer all clients in stock and new clients Article 8 and 9 funds in order to be in line with the Crédit Agricole Group policy.

In addition, processes are underway to harmonise the extra-financial indicators of international entities in order to provide a consolidated view of these indicators.

2. INTERNAL RESOURCES DEPLOYED BY THE ENTITY

2.1. GROUP INTERNAL RESOURCES

Crédit Agricole Assurances' resources are deployed within the organisation to meet the needs of all entities.

ORGANISATIONAL MEANS

In order to meet the regulatory requirements that increase reporting requests and the proliferation of questions (NGOs, regulators, extra-financial rating agencies, etc.), particularly regarding the integration of ESG criteria for investments, the impact of our distributed products and our direct footprint, Crédit Agricole Assurances has strengthened the consideration of sustainability within its teams. Since 2022, CAA has aligned its strategy with the Crédit Agricole Group's Societal Project, which is structured around three themes:

- Climate action and the transition to a low-carbon economy.
- Strengthening cohesion and social inclusion
- Making a success of the agricultural and agri-food transitions

At the end of 2022, a community of Crédit Agricole Assurances CSR Ambassadors was created. These ambassadors are the focal points of their management on societal issues related to our Responsible Business commitments and are close to Crédit Agricole Assurances' CSR commitments and privileged correspondents. This community is driven internally and participates in the deployment of awareness-raising initiatives for all employees. **Since 2019, 1,162 employees have been able to take part in a Climate Fresco at Crédit Agricole Assurances.**

A training course on CSR issues, which is evolving and gradual, has been launched at Crédit Agricole Group level. In April 2023, an e-learning course on mandatory CSR issues was launched, providing an opportunity to discuss the key concepts of Corporate Social Responsibility (CSR), the main societal issues, as well as the Group's commitments and actions. A specific module on Sustainable Finance is also offered to employees.

To strengthen this system, Crédit Agricole Assurance employees are invited to the "Rendez-vous de la RSE", a quarterly information session with a webconference and a mobilisation session with collective action. In the presence of representatives of the Group's various business lines and external experts, these meetings allow us to analyse a topic related to the societal project and to present our levers of action to be an Insurer, an Investor and a fully responsible Company.

SUSTAINABLE RESOURCES (CREATION OF NEW POSTS, STRENGTHENING OF TEAMS)

Against this backdrop of high demands and ambitious commitments, human and technical resources were allocated to the operational teams.

The implementation of the ESG policy and its monitoring are carried out by the ESG team of the Investment Department. This independent team is in charge of all matters relating to sustainable investments and is integrated into the investment process alongside risk management. In particular, it is responsible for the ESG assessment of the portfolio and the drafting of this report, which complies with Article 29 of the Energy and Climate Act.

In addition, two new positions have been created within the Investment Department to strengthen investments in renewable energies and their monitoring.

Lastly, Crédit Agricole Assurances calls on its main asset management company, Amundi, where more than forty people are involved in extra-financial analysis with diversified profiles (depending on the analysis sector, the years of experience of analysts, etc.). This team produces the various ESG reports of the Crédit Agricole Assurances Group related to its management mandate.

The ESG team (5 FTEs dedicated to sustainable finance) works in collaboration with all the teams within the Investment Department (around thirty people) to integrate ESG criteria into the various asset classes.

TECHNICAL MEANS

The ESG team occasionally draws on external expertise from specialists.

In 2023, the ESG team of the Investment Division also called on a provider (2 people) in the critical review of the ESG-Climate report in order to improve it. The subscription to the biodiversity data provider Iceberg Data Lab has been contracted.

As well, Crédit Agricole Assurances was supported in the unit-linked selection process. Nearly EUR 100 000 was used to finance these consultancy services.

2.2. INFORMATION FOR POLICYHOLDERS

In addition to this extra-financial report, the Crédit Agricole Assurances Group communicates to its policyholders about its ESG-Climate policy through dedicated articles on its website (ad hoc communications as required) and through the "CSR, sponsorship and solidarity" page of the institutional website. Information on the integration of non-financial criteria in investment processes is also provided in the Crédit Agricole Assurances Group's CSR policy, available on the company's website. Press Room - Crédit Agricole Assurances Institutional Website https://www.ca-assurances.com/newsroom/#press_release (ca-assurances.com). Every year, the Crédit Agricole Assurances Group informs its various aspects of its approach to integrating ESG criteria into its activities, particularly in the annual publication of the chapter dedicated to societal issues in the Company's Universal Document.

This report details the carbon footprint of Crédit Agricole Assurances' portfolios. Crédit Agricole Assurances informs clients of the thematic investments linked to environmental, social and governance criteria that were carried out over the course of the year. This information is conveyed in particular through the online news on the Corporate website, via the social and professional networks. Every new thematic investment dedicated to ESG aspects is the subject of a press release like our investment in the Hydrogen fund.

On each of the corporate sites of the entities that are part of the Group, as with other regulations, a section is dedicated to all sustainability information publications (product information, company policy on taking sustainability into account, declaration of the main negative impacts of investment decisions on sustainability factors.

In line with the requirements of European Regulation (EU) 2019/2088, applicable from 10 March 2022, the "Disclosure Regulation"[10] or Sustainable Finance Disclosure Regulation ("SFDR."), this report describes the consideration of sustainability risks and impacts in the investment decisions made by the Crédit Agricole Assurances Group.

For each entity and for each contract listed below that promotes environmental or social characteristics (Article 8 SFDR.), the following are accessible:

- information on the durability of the contract,
- the list of contract supports qualified as "Article 8" and "Article 9" support,
- information on the durability of the contract support.

Quarterly letters and other items with a minimum annual frequency are provided to clients.

The euro funds of Crédit Agricole Assurances entities are investments that can be qualified as an "Article 8" product due to:

- the conditions set out in the management mandates entrusted mainly to Amundi for the euro funds (more than 200 billion euros out of 278 billion euros);
- classifications of the UCITS in which the euro funds are invested amounting to 34.9 billion (81% of the UCITS listed in Article 8; 0.4% in Article 9 and 19% in Article 6 for CAA).

In this context, the new regulations provide for three categories of products that are applied to our portfolios Euros and our unit-linked portfolios:

Article 6

- Financial products that do not promote environmental and/or social characteristics.
- Products not classified Article 8 or Article 9.

Article 8

- Financial products that promote, among other characteristics, environmental and/or social characteristics, provided that the companies in which investments are made, apply good governance practices.

Article 9

- Financial products with a sustainable investment objective.
- Financial products that must be able to propose monitoring indicators on measurable and quantifiable objectives.

2.3. CONTINUOUS IMPROVEMENT PLAN

Crédit Agricole Assurances is committed to improving the visibility of internal resources in order to enhance the effectiveness of its actions.

To meet this objective, Crédit Agricole Assurances plans to expand its team dedicated to extra-financial matters in 2024. In addition, working groups or presentation sessions are planned to be organised within the Investment Department to share more widely on the topics covered by the extra-financial service: biodiversity, voting policy, extra-financial rating, annual review, etc. The final objective is to integrate each player in the investment department, and more generally those impacted by non-financial issues, into the improvement process.

(10) The Disclosure Regulation establishes a framework for publishing sustainability-related information (environmental, social or governance) for investors and allows them to have greater transparency on the consideration of extra-financial risks and negative impacts in investment decisions.

3. APPROACH TO TAKE INTO ACCOUNT ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY CRITERIA IN THE ENTITY'S GOVERNANCE

Crédit Agricole Assurances' ESG-Climate strategy is adopted at the highest level of Governance: the Board of Directors and the Executive Committee. Lastly, the Active Societal Committee, led by the Investment Department, regularly monitors the implementation of its ESG-Climate Policy. This working group includes the Investment Division, the Risk Division, the Compliance Division, Public Affairs and the Business Lines Division specific.

3.1. MANAGEMENT BOARD

The Board of Directors ensures that Crédit Agricole Assurances fulfils its role in all three areas (insurer, investor and employer) in a responsible manner. Indeed, it is formally responsible for ensuring the consistency of commitments and the business plan with regard to ESG issues (strategic projects, implementation of the Crédit Agricole Group's strategic project, risk strategy).

The Council's Rules of Procedure mention in the tasks conferred on the Council and its specialised Committees that the CSR dimension be taken into account. The Board of Directors exercises the powers assigned to it by law and the company's status It determines the orientations of the company's activity and ensures their implementation, in accordance with its social interest, taking into consideration the societal and environmental challenges of its activity.

This includes:

- it defines the strategies and general policies of society;
- it approves, where appropriate, on a proposal from the General Director, the resources, structures and plans for implementing the general strategies and policies it has defined;
- it ensures that the company's commitments and plans are consistent regarding social and environmental issues: when reviewing strategic projects, when the Company adopts the Group Project; when reviewing the risk strategies submitted for adoption, when the scope of these strategies so warrants;
- it approves the company's ESG-Climate report annually.

In terms of CSR strategy, the Board's collective expertise is assessed periodically, i.e. annually by sending each director a questionnaire (annual self-assessment). The answers provide an annual training plan for the coming year based on the questionnaire notes and the requests made.

Since 2023, regulatory training sessions on climate risk and sustainable finance have been provided to directors.

Individual competence is assessed on the basis of diplomas, professional experience, training followed, information acquired through Council meetings.

The profile of directors is quite diverse. They perform various functions, in particular within the various Finance business lines.

Each of the Company's directors fully adheres to the provisions of the Director's Charter, annexed to the Internal Rules of the Board of Directors, of which it forms an integral part.

Accordingly, the Board takes into consideration sustainability issues (social, societal, environmental and governance) in the strategic management of the company. It assesses the potential impacts of these challenges on short, medium and long term performance of the company and be able to assess the social, societal and environmental ambition of the company, the resources and the investments required.

In addition, it identifies the risks and opportunities related to environmental, social and societal issues that may have an impact on the company's strategy and financial performance; it also identifies the environmental consequences of the company's carrying out its activity, whether they are negative (solutions to remedy) or positive (opportunities), real or potential. This includes the social and societal consequences of its business model (including the value chain).

Moreover, compensation is a lever for aligning managers with the implementation of strategic priorities. The management of each entity's extra-financial challenges is taken into account in the variable compensation of senior managers and employees, which makes it possible to mobilise all employees.

As a subsidiary of Crédit Agricole S.A., Crédit Agricole Assurances applies its remuneration policy in accordance with the Group's mutual values and founding cooperative principles. This policy, put at the service of the Group's Raison d'Être "Acting every day in the interest of its clients and society", strives to reward employees and senior managers on objective bases that reflect the performance and sustainable responsibility of the organisation. It also aims to promote sound and effective risk management and links remuneration levels to actual performance over the long term. Accordingly, part of the variable remuneration of Crédit Agricole Assurances' directors is paid on the basis of long-term performance criteria according to economic, financial and societal criteria established in accordance with the long-term strategy of the Group and its entities. More broadly, 10% of the non-economic criteria set to determine the variable remuneration of Crédit Agricole Assurances' directors and senior managers are directly linked to the Group's Societal Project. As regards the collective variable remuneration paid to employees (including risk takers), Crédit Agricole Assurances' incentive criteria in force for the 2023 financial year include the CSR/ESG objectives of the overall approach to the promotion and continuous improvement of Crédit Agricole Group's actions (like the appropriation of the Taxonomy and ESG/CSR training in 2023).

Furthermore, it is important to emphasise that non-financial criteria are fully integrated into the company's collective variable remuneration system and detailed in particular in the incentive agreement. The criteria adopted for 2023 reflect the ambition set out in the corporate plan, namely the continuous improvement of corporate social responsibility actions.

CSR practices are becoming more widespread throughout the Crédit Agricole SA group by committing all entities to a first part of actions defined by Crédit Agricole SA and transposed into the entities, and leaving the entities free to decide on a second series of other actions. All these actions are subject to an evaluation of their implementation.

The increases observed for each of the priorities make it possible to calculate an average increase in the index. The average assessment of each entity's progress will provide a progress index "the FReD progress index"

for the entire Group. This result is audited by an external audit firm. It is also published on the Internet.

3.2. DIRECTOR-GENERAL

In line with the Crédit Agricole Group's strategic societal ambitions, the Chief Executive Officer is responsible for implementation of the Insurance Division's strategy.

3.3. INVESTMENT DIVISION

The Crédit Agricole Assurances Group's Investment Division works for the majority of the Group's insurance companies: mainly French and some international subsidiaries (CALIE and CA Life Greece). It defines, with the companies, their investment strategy which includes the consideration of ESG-Climate issues. It is then responsible for implementing them **in euro funds and in own funds.** As part of this implementation, it manages, on behalf of insurance companies, relations with all financial service providers (asset management companies, corporate and investment banks, etc).

Some of the assets are managed directly by the Investment Department, notably on investments in real estate, infrastructure and debt funds. In terms of ESG-Climate policy, Crédit Agricole Assurances' Investments Department discusses with the Amundi Group's team of extra-financial analysts the evolution of themes, methods and controversies in terms of extra-financial risks. It ensures that the approaches adopted are consistent between the assets managed by the Amundi Group, the assets managed by other asset management companies and the assets managed by itself.

In line with the Crédit Agricole Group's climate strategy and as an institutional investor focused on CSR issues, Crédit Agricole Assurances favours investments that can support the energy transition. In infrastructure assets, Crédit Agricole Assurances has developed recognised knowledge in two sectors with high stakes for the development of an economy and the fight against global warming: energy and transport.

In addition, the Investments Department has developed awareness-raising initiatives on ESG and Climate issues at all levels of Governance and with the Business Divisions.

3.4. OPERATIONAL SOCIETAL GOVERNANCE

Following changes in sustainability regulations and in order to meet the strong ambitions of Crédit Agricole SA's societal project, Crédit Agricole Assurances implemented a new societal governance in 2022. There is a desire to develop solid internal expertise and raise the awareness of all their employees on ESG issues, particularly through the implementation of regulatory training.

It is structured around working groups tasked with investigating ESG/Finance issues and reporting to quarterly or monthly steering committees, then to an umbrella Societal Strategic Committee at the Executive Committee level. Each steering committee is sponsored by a Director, who is a member of COMEX. This governance covers all dimensions of the Crédit Agricole Assurances Group and ensures the implementation of decisions taken as well as regulations relating to sustainability.

This governance dedicated to ESG/Sustainable Finance issues mobilises many stakeholders by bringing together business and support functions within the Crédit Agricole Assurances Group and its subsidiaries.

These various bodies make it possible to monitor the commitments made by the Crédit Agricole Assurances Group in particular through its 2025 societal project and its NZAOA and NZIA alliances, to carry out a regulatory watch and coordinate responses to consultations on sustainable finance. Similarly, in a dense and evolving ESG/Finance regulatory environment, in this case CSRD, corporate governance also monitors the progress of the production of Crédit Agricole Assurances Group's extra-financial reports.

Societal governance involving the main bodies and Crédit Agricole Assurances business lines

Board of Directors
Validates CAA's main guidelines (particularly societal guidelines)

Societal Strategic Committee
Leads initiatives and CAA commitments.
Monitors work on regulatory developments and extra-financial reporting.

Communication Directorate Corporate and CSR Crédit Agricole Assurances
Ensures proper governance implementation

CSR Committees of Crédit Agricole S.A.

Societal Steering Committee
Responsible company **Active**
Retirement Savings **Protection**

Working Groups

Societal Strategic Committee

- Monitor and steer initiatives and commitments of the One 2025 project's societal axis in a consistent manner.
- Monitor coalitions and commitments.
- Monitor progress on regulatory developments and extra-financial reporting.
- Prepare/decide on strategic guidelines for decision in the COMEX/CODIR entities.
- Mobilise all the teams impacted, by optimising the effectiveness of the system (and verifying synergies).
- Report to COMEX CAA Group.

COPIL enterprise responsible	Societal COPIL active	COPIL societal savings/retirement	COPIL societal "Protection"	COPIL project reporting extra-financial
Follow up progress: ▸ Carbon reviews (France and international) ▸ From Greenway (reporting or developments) ▸ Of the programme Ecogestures ▸ Training employees ▸ Of the Constitution networks of correspondents	▸ Validate a methodology For calculating portfolio temperature, verify its implementation work and monitor NZAOA commitments ▸ Lead the work of Taxonomy and Disclosure working groups on assets	▸ Monitor the implementation of the benchmarks ▸ Oversee the work of the relevant WGs (e.g. Disclosure)	▸ Monitor the implementation of the benchmarks ▸ Steering the work of the relevant WGs (e.g. Taxonomy)	▸ Identify and communicate expectations to the WGs on which to build (existing or to be created) and vice versa ▸ Ensuring progress in their work ▸ Validate methodologies proposed by WGs ▸ Sustainability standards: analysis and enforcement ▸ Data Dictionary Tracking / SI Architecture / Industrialisation - Reporting tools including Greenway, CSRD...)

DECISION

Working groups

Direct Footprint Measurement WG	ESG Direct Investment Rating WG	Investment Taxonomy France WG
ESG-Climate WG	Disclosure France WG	Taxonomy subscription France WG
Sustainability Regulatory WG	Reference WG (France and International)	Other
Project WG Extra-Financial Reporting		GT CSRD

INSTRUCTION

Existing WGs New WGs

Awareness and acculturation

The ESG/CSR training system is properly defined within the Crédit Agricole Assurances Group, in line with the Crédit Agricole Group's societal objectives. This program concerns all Group employees in France and abroad and is based on a mandatory module rolled out since April 2023, supplemented by specific training for the business lines (IT, purchasing) and awareness-raising actions on demand (conferences, climate frescoes, etc).

In order to ensure the achievement of the corporate objective of 100% of Crédit Agricole Assurances Group employees trained in CSR issues by 2025, the completion of the mandatory module is monitored by COMEX Sociétal.

All these elements make it possible to clarify the competences of the governance entities on these issues.

3.5. CONTINUOUS IMPROVEMENT PLAN

Crédit Agricole Assurances recognises the importance of effective internal communication and implements tools and processes to facilitate collaboration and information exchange within its organisation.

Crédit Agricole Assurances is constantly striving to optimise its internal processes in order to improve its operational efficiency, and governance may need to evolve.

4. STEWARDSHIP STRATEGY WITH ISSUERS OR WITH ASSET MANAGEMENT COMPANIES AND ITS IMPLEMENTATION

4.1. CAA GROUP STEWARDSHIP POLICY

- Exclusion/divestment
- ESG integration
- Thematic investment
- **Shareholder commitment**

Fully in line with the Crédit Agricole Group's commitments in favour of the climate, Crédit Agricole Assurances continues its action for a low-carbon economy through its investments for energy transition sake and continuing to integrate ESG issues into its business (offers and investments).
As a signatory of the Principles for Responsible Investment (PRI), Crédit Agricole Assurances is carefully studying the work carried out by the United Nations around other alliances.

Crédit Agricole Assurances has also joined the Principles for Sustainable Insurance (PSI), which aim to establish a framework that encourages the insurance sector to integrate environmental, social and governance (ESG) criteria into its decision-making, through four founding principles:

- Incorporate into decision-making the environmental, social and governance issues relevant to the insurance business lines.
- Work with clients and partners to raise awareness of environmental, social and governance issues, and encourage them to better manage risks and develop concrete solutions.
- Cooperating with governments, regulators and other stakeholders to promote a global action within society that addresses its environmental, social and governance challenges.
- Report on the implementation of the Principles and be transparent by regularly publishing progress on their implementation.

Launched in September 2019 at the United Nations Climate Action Summit, the Net-Zero Asset Owner Alliance (NZAOA) brings together insurers and investors who are committed to carbon neutrality of their investment portfolio by 2050. With the main objective of limiting the increase in the global average temperature to 1.5°C, joining the Alliance involves:

- Commit to a transition of investment portfolios to net zero GHG emissions by 2050, Report regularly on progress made.
- Set intermediate targets every 5 years.

By 2025, Crédit Agricole Assurances is committed to:

- reduce the carbon footprint (per million euros invested) of its investment portfolio in Corporate equities and bonds by 25% between 2019 and 2025,
- increase the production capacity of financed renewable energy installations to help finance 14 GW by 2025,
- engage in shareholder dialogue with at least 20 of the highest-emitting companies in the portfolio.

Crédit Agricole Assurances' climate strategy applies to all investments, to the various asset classes and also in the context of delegated management, given that Crédit Agricole Assurances delegates a large part of its management to Amundi, which has joined the Net Zero Asset Managers (NZAM) initiative of the United Nations Environment Programme (UNEPFI).

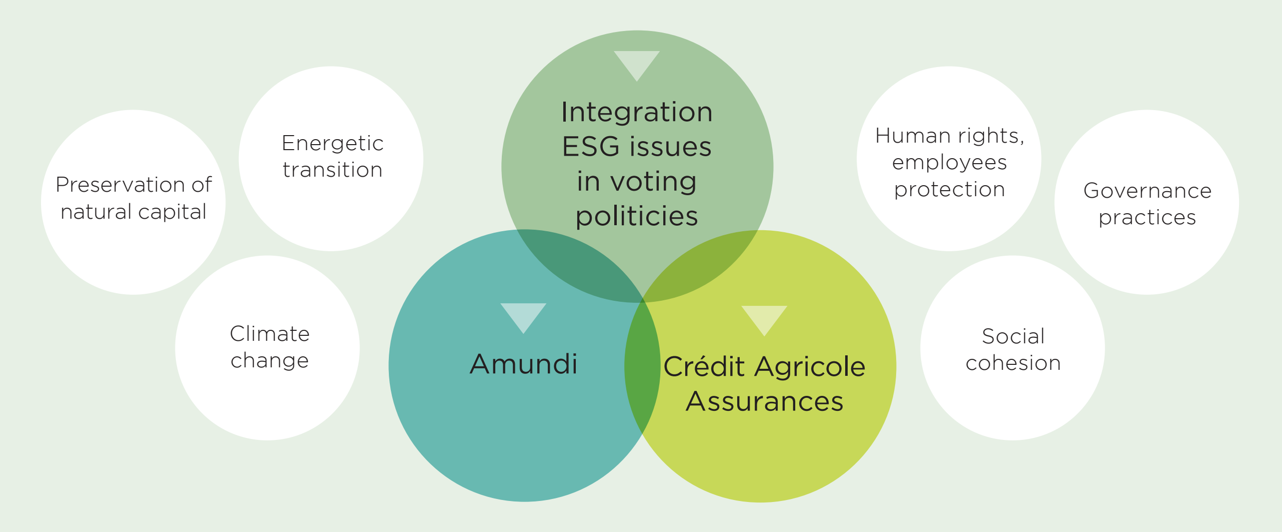
All of Crédit Agricole Assurances' internal stakeholders are involved in the implementation of the approach.

With the implementation of the internal ESG rating (see ESG integration on the unlisted side in section I), in particular on its strategic holdings, Crédit Agricole Assurances has identified the priorities on which to act when it participates in the Board of Directors of the companies in which it is invested. The following topics that could be discussed at these Boards of Directors from 2023 onwards: purchasing (value chain), greenhouse gas emissions, climate risk, governance (risk management and internal control), energy and the impact on biodiversity.

Crédit Agricole Assurances favours a support approach for invested companies rather than an exclusion approach.

4.2. 2023 VOTING POLICY: INFLUENCING ESG PRACTICES IN CORPORATE GOVERNANCE AND SUPPORTING CORPORATE TRANSFORMATION

A distinction is made between two levels: Amundi shares (see Amundi's commitment and voting policies on www. amundi. com) held on behalf of Crédit Agricole Assurances, and Crédit Agricole Assurances' own shares.



4.2.1. VOTING POLICY UNDER DELEGATED MANAGEMENT

Amundi manages a large part of Crédit Agricole Assurances' assets and therefore undertakes and votes on its behalf for these assets. **The implementation of Amundi's voting and stewardship policy is reviewed annually with Crédit Agricole Assurances' Investments Department.**

Amundi's voting policy incorporates climate objectives and focuses on various themes whose priorities are as follows: contribution to the energy transition, contribution to social cohesion (equity ratio, concept of employee director, remuneration policy, transparent approach, regular dialogue).

These themes represent systemic risks for companies but also opportunities for long-term objectives requiring continuous efforts for sustainable transformation.

In this sense, Amundi supports the resolutions that aim to implement greater transparency on companies' climate strategy.

For companies with an insufficient climate strategy when they operate in sectors for which the transition is essential for alignment with the Paris Agreement, AMUNDI's policy will consist in voting the discharge of the Board or the Management, or against the re-election of the Chairman and certain Directors. If the commitment fails, the possible sanctions may lead to a deterioration of the criteria concerned in the overall ESG score or even to an exclusion of the company from the investment portfolios.

In addition, Amundi is in the top 3 worldwide for its voting policy on environmental and social issues

The 2023 Voting Matters report (https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Voting-Matters -2023.pdf) by the UK-based charity ShareAction ranks Amundi 3th among the top 69 global asset managers for its voting practices on environmental and social issues. The NGO assessed 257 shareholder resolutions in 2023.

Amundi is up seven places compared to the previous year, outperforming the other ten largest players.
Its overall score is 98%.

According to the report, European asset managers, including Amundi, continue to lead voting practices at General Meetings. In 2021, Amundi fulfilled its commitment to systematically integrate ESG criteria in its dialogue with companies and in the exercise of its voting rights.

The "ESG Ambitions 2025" societal plan aims to amplify Amundi's commitment to a just environmental transition. As part of the Crédit Agricole Group's collective mobilisation on the subject, this plan has three objectives:

- increase the level of ambition of its savings solutions, services and technological tools;
- continue to engage with the companies in which Amundi is invested to accelerate their transition to a low-carbon model;
- acting on its own activities by ensuring the alignment of its employees and shareholders with its new ambitions.

The following review presents the results of Crédit Agricole Assurances' voting campaign, delegated to Amundi, for 2023.

Euro Funds

In 2023, Amundi voted at 3,592 General Shareholders' Meetings (out of 3,611), out of a total of 2,702 companies. In 2022, Amundi voted at 3,173 General Shareholders' Meetings (out of 3,196). Amundi's attendance rate at the Annual General Meeting rose from 99.2% in 2022 to 99.4% in 2023. To be more precise, at the 3,592 General Meetings at which Amundi voted, 96 were held in France and 3,496 were held on behalf of the international community.

At these Annual General Meetings, 40,319 resolutions were passed (versus 35,011 in 2022), with the percentage of votes cast in opposition reaching 23% (versus 21% in 2022). The rate o f opposition may be perceived as "low", but is explained by the possibility given to issuers to defend themselves, notably during the dialogue phase (transparency approcach on the intention to vote against a resolution).

In all, 66% of General Shareholders' Meetings were the subject of at least one vote against management (vs. 68% in 2022).

23% of opposition votes at general assemblies

	2022	2023
	CAA	CAA
Number of companies voted		2,702
Total number of GAs voted	3,173	3,592
of which France		96
of which international		3,496
Number of votable GAs	3,196	3,611
Percentage of GAs voted	99.20%	99%
Percentage of GAs with at least one vote against management	68%	66%
Total number of resolutions voted	35,011	40,319
Percentage of opposition votes	21%	23%

1. Percentage of opposition votes by management on the main subjects

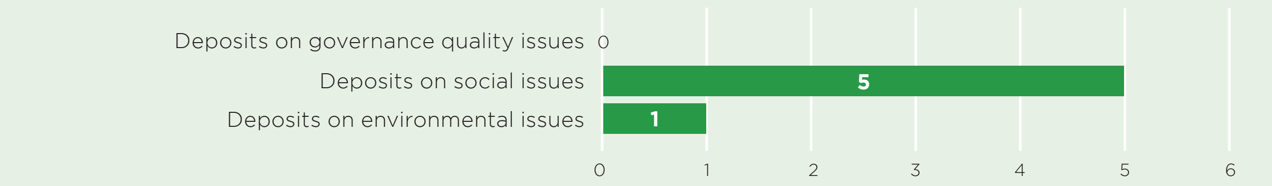
	2022	2023
	CAA	CAA
Structure of Councils	24%	29%
Remuneration	35%	31%
Transactions on Capital	16%	15%
Dividends	9%	9%
Shareholder resolutions	45%	55%
Other	8%	8%

2. Percentage of votes in favour of shareholder resolutions

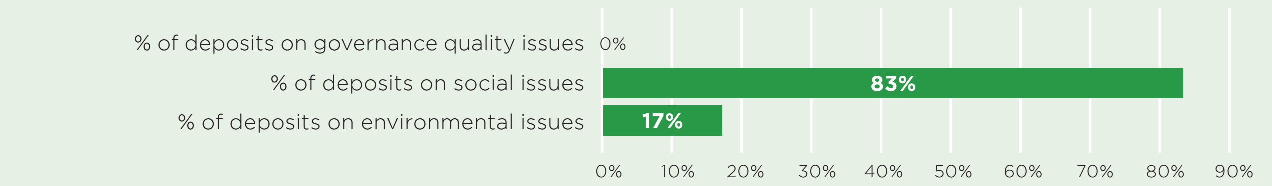
	2022	2023
	CAA	CAA
Remuneration	87%	83%
Governance	89%	72%
Structure of Councils	71%	58%
Climate	88%	88%
Environment	82%	95%
Social/Health/Human Rights	81%	86%
Other	79%	69%

3. Distribution of ESG deposits

Total number of deposits

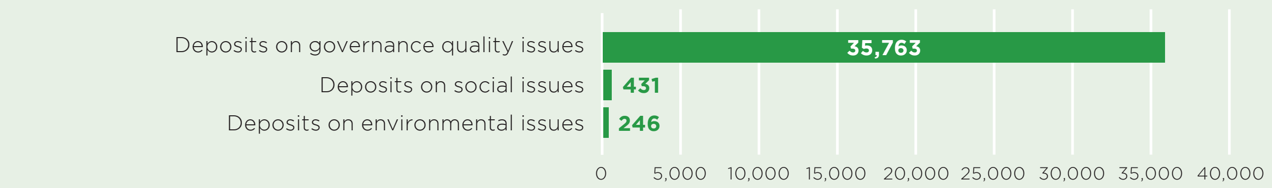


% of ESG deposits on total deposits made

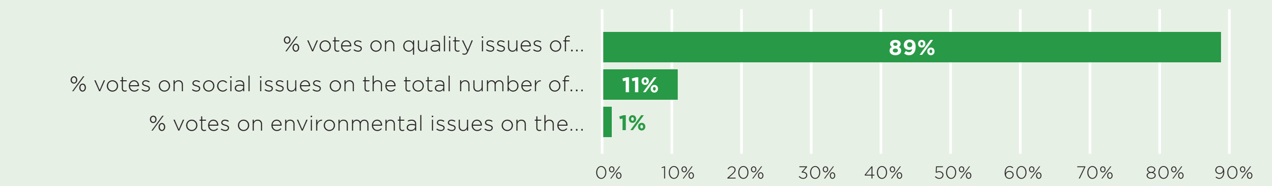


4. Distribution of votes on ESG issues

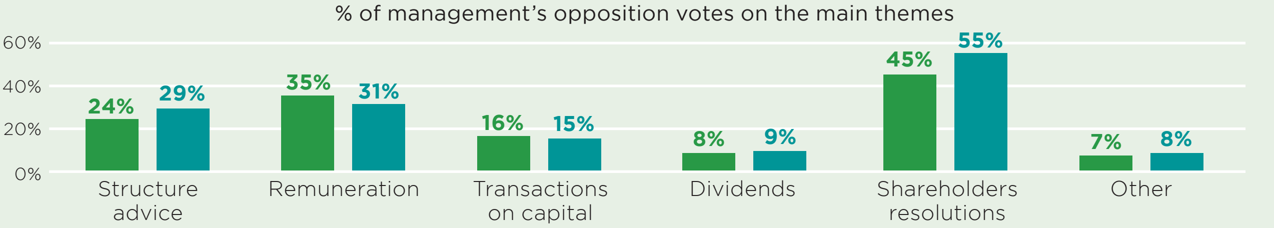
Total number of votes



% of votes on ESG issues on total deposits made



% of management's opposition votes on the main themes



UC Funds (Average):

Amundi scope	Predica	CAAR
Calculation base	€17.7bn	€1.8bn
Votes	1,733	1,847
Votes against management	399	490
E	4	3
S	281	296
G	1,443	1,539

4.2.2. VOTING POLICY OF CRÉDIT AGRICOLE ASSURANCES

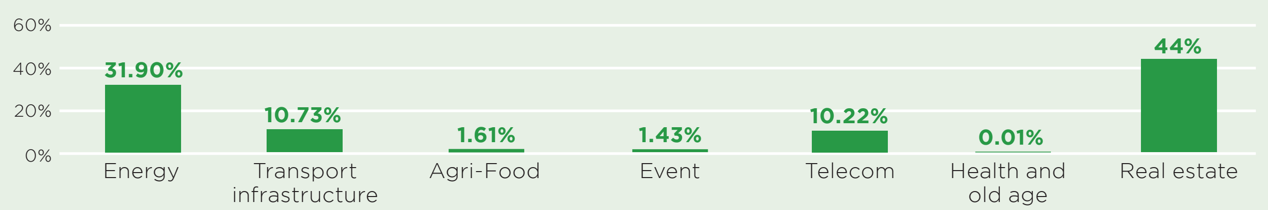
Crédit Agricole Assurances as an investor aims to promote long-term partnerships with an active role in the decision-making bodies of the companies in which it invests. **Crédit Agricole Assurances' voting policy criteria matchs with those of AMUNDI.**

On the governance pillar, the main themes concern relations with shareholders, the functioning of governance bodies, CSR policy and business conduct. Our particular focus is on compliance with the recommendations of AFEP-MEDEF, in particular the presence of independent directors in the remuneration and audit committees and the gender balance in the composition of the governance bodies.

Crédit Agricole Assurances **is directly committed to and votes on its strategic investments** (listed and unlisted), managed by the Investment Department. It can engage directly with issuers and thus exercise its voting rights as a shareholder. Thanks to this influence, Crédit Agricole Assurances can obtain more detailed information on the practices of the companies in which it invests, on their main challenges in terms of financial performance, social responsibility and their action plans, in order to support them in improving their ESG integration practices.

Crédit Agricole Assurances votes on 17 billion euros of assets (listed and unlisted).

Sectors in which CAA votes directly



To strengthen its responsible investor approach in 2023, Crédit Agricole Assurances has established its own ESG-Climate-orientated voting policy, allowing ESG factors to be included in voting decisions.

Scope: The voting policy applies initially to its strategic holdings and to the 20 largest CO^2 emitters on the listed side. The ESG-Climate voting policy applies to entities under the mandate of the Investment Department (DIV). Consideration should be given to extending this policy to international entities outside the IVD mandate.

Operational implementation and governance adaptation: the voting and stewardship policy concerns three asset classes on which implementation is different:

- The 20 largest CO2 emitters: listed emitters held under the Amundi mandate and for which Amundi votes.
- Listed strategic investments on which the ESG analysis is carried out by Amundi and for which CAA ensures the vote.
- Unlisted strategic investments on which ESG analysis is carried out internally and for which CAA ensures the vote.

Work is continuing on formalising the monitoring processes and committees dedicated to votes and the themes to be undertaken by the governance envisaged for these three asset classes.

The main principles of Crédit Agricole Assurances are listed below (not exhaustive):

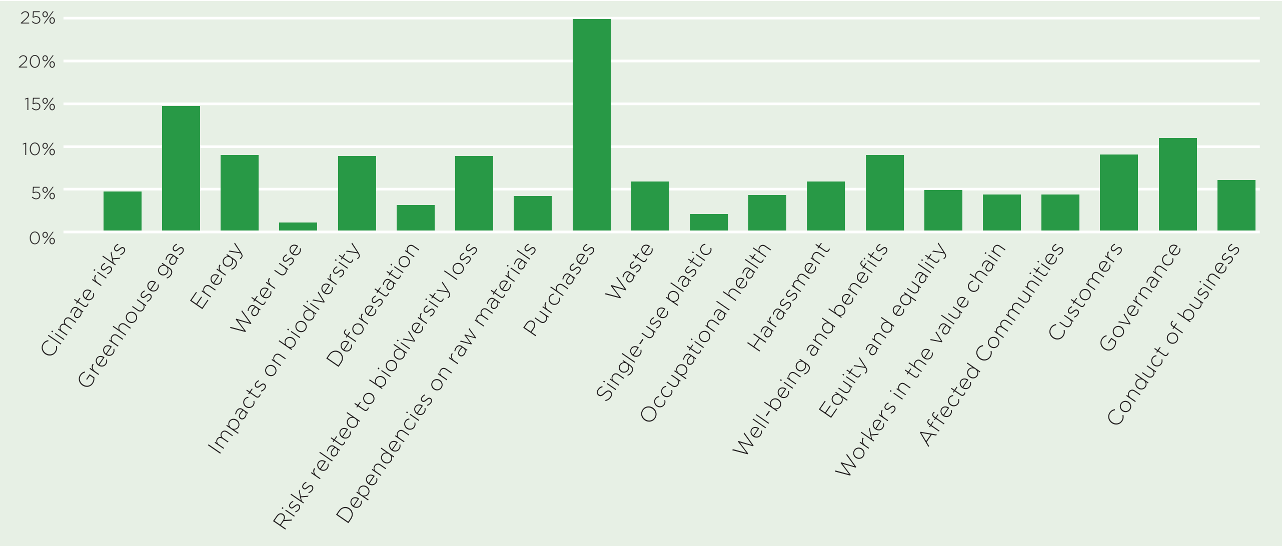
Climate issues	Societal issues	Governance issues
"Say on climate"	Equity and legality of employees	Directors remuneration
Actions to promote biodiversity	Well-being and benefits	ESG Committees
Actions in favour of resources management	Communities in the chain of value	
	Clients	

Say on Climate	▶ CAA encourages companies to regularly submit "Say on Climate" resolutions to shareholders for a vote. CAA recommends the definition of two separate resolutions, for their implementation: one concerning the very definition of the climate strategy applied in the company and the other developing its operational implementation. ▶ CAA supports all shareholder resolutions/actions, which contribute to the development of a climate transition plan. ▶ CAA recommends that companies carry out and publish a carbon review of their activity (on scopes 1 and 2 and on significant parts of scope 3). ▶ CAA advises companies to carry out a life cycle analysis* of their activity, considered as a complementary tool to the carbon balance. ▶ The actions defined in response to the transition objectives must be able to be staggered over time, in the short term, in the medium term and in the long term. ▶ Each resolution deemed socially important must not be rejected for tabling at the General Meeting.
Biodiversity	▶ CAA recommends that companies assess as far as possible: the contribution and impact of activities on biodiversity; the way in which biodiversity issues can impact the activity and the influence of the scope; the way in which negative impacts are treated as positive.
Resource Management	▶ CAA recommends that companies define a responsible purchasing policy with clear and precise items, including a minimum % of purchases from recycled materials, reused components and/or materials certified as sustainable. ▶ CAA recommends that companies put in place an action plan related to reducing or even eliminating single-use plastic. ▶ CAA recommends that companies include recycling and recovery in their waste management plans and define associated targets and action plans to reduce the generation of waste per unit produced in the long term.

Fairness and legality of employees	▶ CAA recommends that companies be transparent about: - Pay differentials (by gender and job type). - The pay equity ratio and its evolution in relation to the company's performance. - Policies and actions on the management of harassment and discrimination at work. ▶ Concerns only corporate companies, which have employees. ▶ Measures to ensure an inclusive and equitable workplace. CAA ensures that the interests of managers are aligned with those of shareholders and employees.
Well-being and benefits	▶ CAA recommends the implementation of an employee share ownership system, or performance-linked bonus systems. ▶ CAA recommends that a portion of the wage bill be devoted to employee training every year. ▶ CAA is in favour of implementing any measure, with formalised objectives, to improve employees' working conditions. ▶ CAA remains vigilant, in each of the companies, to any potential discrimination and/or harassment.

Communities in the value chain	▸ CAA recommends carrying out an impact study on local communities, in the case of planting in new areas. ▸ CAA wants them to be able to analyse the social and economic situation in the area where they are located and to assess the risks directly or indirectly incurred by local communities. ▸ CAA recommends that companies be able to monitor and verify with certainty that there is no use of forced labour that children are not involved and that working conditions remain dignified for workers.
Clients	▸ CAA recommends measuring their satisfaction, if possible from at least two different customer practices (surveys, interviews, mystery clients, etc).
Remuneration of directors	▸ CAA in favour of resolutions that contribute to the alignment of remuneration on the performance and quality of the information provided, concerning the remuneration of directors. ▸ CAA would like to see extra-financial criteria indexed to their performance included in the variable remuneration of directors. These criteria must be defined according to the company's specific characteristics and sector of activity. ▸ CAA wants the extra-financial criteria chosen to be correlated with the environmental issues identified. Criteria must be defined in particular for companies subject to extra-financial reporting obligations, as well as those having a direct impact on the environment following their activity and vice versa (double materiality issue).
ESG Committee	▸ CAA recommends the establishment of an ESG committee. Its objective is to supervise the management of the environmental and social impacts resulting from the activities of companies and also to monitor the commitments, emanating from the various international initiatives on this subject. ▸ CAA recommends that this committee be steered at the level of the management bodies and that it be reviewed regularly, at least annually. In the absence of a committee, CAA recommends that ESG issues be presented to the Boards of Directors. ▸ CAA recommends that ESG-related data be included in the audited reports. The "integrated reporting" approach should be favoured, to highlight the links between the strategy, governance, performance and outlook of the company in this area.

Areas for improvement identified - consolidated CAA



4.3. CONTINUOUS IMPROVEMENT PLAN

2023 is the year of the formalisation of Crédit Agricole Assurances' voting policy. The aim is to carry out an initial assessment following discussions with the various stakeholders.

2024 will see the implementation of the operational process (scope of assets notably on unit-linked funds, materiality thresholds, coordination with management companies and the various directors of investments) and the deepening of certain themes.

5. EUROPEAN TAXONOMY AND FOSSIL FUELS

5.1. PORTFOLIO INVESTMENTS ELIGIBLE AND ALIGNED WITH THE GREEN TAXONOMY

With the adoption of the Sustainable Finance Action Plan by the European Commission in 2018, the European Taxonomy Regulation sets out a framework to promote sustainable investments.

The European Taxonomy Regulation defines a list of economic activities with performance thresholds that measure their contribution to six environmental objectives and ask investors to measure the share of their investments aligned with the European Taxonomy.

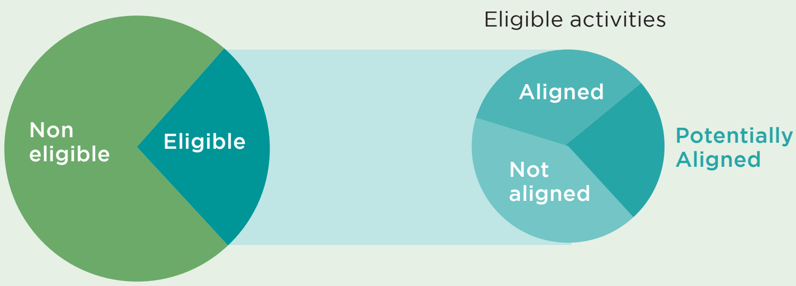
To be aligned with the Taxonomy, these economic activities (7 macro-sectors and 72 sub-activities) must contribute significantly to one of these six environmental objectives, not undermine another objective, comply with minimum social criteria and meet precise technical examination criteria.

These six environmental objectives are:

- climate change mitigation;
- adaptation of climate change;
- sustainable use and protection of water and resources;
- protection and restoration of biodiversity and ecosystems;
- pollution prevention and control;
- transition to a circular economy.

Step 1

Understand the percentage of the company/portfolio revenues from eligible green activities.



Step 2

In eligible activities, meet and pass the criteria of the taxonomy alignment classification substantial contribution test:

- Aligned: As of January 2022, European companies with more than 500 employees will have to declare their turnover, capex or opex that correspond to the taxonomy.
- Potentially aligned: a set of threshold tests based on metric measurements for a company to demonstrate that they contribute significantly to climate change mitigation.
- Not aligned

Step 3

Do not significantly impair other environmental objectives through a no significant harm assessment (NSHD).

Step 4

Meet minimum standards in terms of labour rights.

Today, eligibility (activity identified by the list of economic activities and the related performance thresholds) is based on the reporting of issuers.

In terms of timing, 2022 marked the entry into application of the first delegated act on the first two objectives: as of 01/01/2022, companies must prepare the simplified declaration on eligibility for the taxonomy.

The delegated act on the environment including the other four environmental objectives is adopted in order for companies to make a complete declaration on alignment to the Taxonomy as from 1 January 2024.

The objective of the taxonomy is not to redirect flows but to oblige stakeholders to provide transparency on investment categories according to a standardised classification.

An activity that does not meet the environmental objectives defined by the taxonomy is not necessarily harmful to the environment. This is the case, for example, for the insurance business, which, except for a few rather limited types of contract, is not considered eligible for the Taxonomy. In addition, coverage rates, eligibility and even alignment are limited to the two environmental objectives of the taxonomy.

Crédit Agricole Assurances favours supporting the transition.

Work carried out on the production of the KPI Taxonomie Investissements:

- Calculations based on outstandings at 31.12.23.
- Use of data from the Clarity provider in Q3 2023.

Taxonomy KPIs investments =

Numerator
- **Exposure** to activities economic for each requested breakdown

Calculation of the numerator

$\sum$
- **Market values of assets covered** (Excluding derivating / Excluding sovereigns[11] / Excluding non-subject entities to NFRD / Excluding IGT CAA[12])

×

- **Issuer/ISIN ratio** for each breakdown requested

Denominator
- **Total assets covered** by the KPI

Calculation of the denominator

- **Total investments** of the insurance undertaking (EDP scope: funds € / own funds / unit-linked funds)

−

- Investments in sovereign entities[11] / IGT CAA[12]

Methodology:

- **Scope:** all investments of the Crédit Agricole Assurances (CAA) group, i.e. assets held in respect of the **general fund in euros, units of account and own funds.**
- **Numerator:** application of the SII (market value) values of the State of Investments (EdP), deducted from sovereign outstandings, derivatives, CAA intragroup transactions and entities not subject to NFRD, weighted by the ratio levels communicated by Clarity (data reported by issuers).
- **Investment scope:** EDP: Equities / bonds / funds / loans / derivatives / cash / investment and operating real estate.
- **Unlisted** (i.e. managed directly by the DIV / certified real estate): exclusion of numerator.
- **Sustainable bonds:** treated as a classic bond.
- **UCITS:** transparency based on data reported by issuers/counterparties. Exclusion of numerator in the absence of transparency.
- **Exclusion of non-NFRD entities:** numerator exclusion of non-NFRD entities / Clarity indicators.
- **Derivatives and REPOs:** exclusion in numerator and included in denominator.

(11) Treatment of sovereigns: exclusion of sovereigns from the numerator and denominator.

(12) Exclusion of Crédit Agricole Assurances (CAA) intragroup interests: numerator and denominator only for the Group calculation.

14% of eligible assets Taxonomy (turnover) with **3%** aligned

Presentation of the final results of Table 3 on Taxonomy, based on data reported by issuers only:

Key Performance Indicators (KPIs)		Ratios CAA Group Basis 31.12.23
Total assets (SII Market Value)		**386**
Share of exposures to governments and central banks or supranational issuers		19.54%
Share of assets covered by PKI (PKI denominator - VB SII excluding sovereign euro)		80.46%
Denominator breakdown	Share of non-NFRD entities in total PKI assets	31.21%
	Share of derivatives in total assets covered by the PKI	0.19%
	Share of other assets in total PKI assets	20.23%
	Percentage of NFRD entities in total assets covered by PKI	48.37%
CA eligible for taxonomy (%)		**14.38%**
CA eligible for Taxonomy - Climate Change Mitigation (%)		13.44%
CA eligible for the Taxonomy - Adaptation to climate change (%)		0.95%
CA eligible for Taxonomy - Protection of water and oceans (%)		0.00%
CA eligible for the Taxonomy - Waste treatment and recycling (%)		0.00%
CA eligible for Taxonomy - Pollution Prevention and Control (%)		0.00%
CA eligible for taxonomy - Ecosystems and biodiversity (%)		0.00%
Taxonomy aligned revenue (%)		**2.67%**
Taxonomy aligned revenue - Climate change mitigation (%)		2.67%
Taxonomy-aligned revenue - Adaptation to climate change (%)		0.00%
CAPEX eligible for taxonomy (%)		**15.88%**
CAPEX eligible for Taxonomy - Climate Change Mitigation (%)		15.81%
CAPEX eligible for the Taxonomy - Adaptation to climate change (%)		0.10%
CAPEX eligible for Taxonomy - Protection of water and oceans (%)		0.00%
CAPEX eligible for Taxonomy - Waste treatment and recycling (%)		0.00%
CAPEX eligible for Taxonomy - Pollution Prevention and Control (%)		0.00%
CAPEX Taxonomy Eligible - Ecosystems and Biodiversity (%)		0.00%
Taxonomy aligned CAPEX (%)		**3.53%**
Taxonomy aligned CAPEX - Climate change mitigation (%)		3.53%
Taxonomy aligned CAPEX - Adaptation to climate change (%)		0.01%
Eligibility 2022		**19%**

5.2. SHARE OF EXPOSURES IN THE SECTOR FOSSILS, WITHIN THE MEANING OF THE DELEGATED ACT ARTICLE 4 OF THE DISCLOSURE REGULATION (SFDR.)

The obligation to publish the proportion of assets invested in companies active in the fossil fuel sector (within the meaning of article 4 of the SFDR regulation) is provided for by decree article 29 LEC (delegated regulation 2022/1288). Crédit Agricole Assurances must indicate the proportion of investments during the period covered by the periodic report in the various sectors and sub-sectors, including sectors and sub-sectors of the economy that derive revenues from the exploration, extraction, production, processing, storage, refining or distribution, including transport, storage and trading, of fossil fuels.

In order to define the share of outstanding exposures in the fossil fuel sector, within the meaning of Article 4 of the Disclosure Regulation (SFDR.), it is necessary to follow the following principle. If an entity is involved in carrying out more than one activity in more than one sector (oil and/or coal and/or gas), the total amount of its outstanding (100%) will be recognised only once.

In the following table, the amounts invested are carried forward without taking into account the share of turnover of companies active in the fossil fuel sector. However, it seems interesting to us to assess the exposure by weighting the outstandings by the % of the turnover related to these activities.

Entity	Aggregate Outstanding invested inissuers in fossil fuels (in bn)	% Outstanding Global Entity	Outstanding invested in fossils energy in function turnover (in bn)	% Outstanding Entity	Outstanding amounts Global Entity (in bn)
CA Assicurazioni	0.01	4.6%	0.0	2.3%	0.2
CA Life Greece	0.00	2.0%	0.0	0.9%	0.1
CAA Holding	0.01	1.5%	0.0	0.6%	0.5
CAA Retirement	0.91	5.3%	0.4	2.4%	17.2
CACI	0.10	6.7%	0.0	3.3%	1.5
CALIE Lux	0.00	2.4%	0.0	1.0%	0.1
Crédit Agricole Vita	0.89	5.6%	0.4	2.7%	15.8
Mudum Seguros	0.00	4.1%	0.0	1.9%	0.1
Pacifica	0.30	4.4%	0.1	2.1%	6.8
Predica	10.36	4.5%	5.3	2.3%	228.8
Spirica	0.38	5.8%	0.2	2.4%	6.5
Grand total	**12.95**	**4.7%**	**6.5**	**2.3%**	**277.5**

5.3. CONTINUOUS IMPROVEMENT PLAN

Review of the scope, value chain and issuers.

6. ALIGNMENT STRATEGY WITH THE INTERNATIONAL OBJECTIVES OF ARTICLES 2 AND 4 OF THE PARIS AGREEMENT RELATING TO THE MITIGATION OF GREENHOUSE GAS EMISSIONS

AND, WHERE APPLICABLE, FOR FINANCIAL PRODUCTS OF WHICH THE UNDERLYING INVESTMENTS ARE ENTIRELY CARRIED OUT ON FRENCH TERRITORY, ITS NATIONAL LOW-CARBON STRATEGY MENTIONED IN ARTICLE L.222-1 B OF THE ENVIRONMENTAL CODE

Crédit Agricole Assurances wants to contribute to the fight against climate change and its harmful consequences, environmental, economic, and human in the medium- to long-term. The responsible investor policy component of Crédit Agricole Assurances relies on measurement tools to assess the situation of portfolios and their changes.

Crédit Agricole Assurances' actions are guided by the following objectives:

1. Contribute to the international greenhouse gas (GHG) emissions reduction target.
2. Measure the negative or positive impacts related to climate change on asset valuation and act accordingly to preserve the profitability of investments for policyholders.

In addition to our sector exclusion policy, particularly on coal, several indicators, including the carbon footprint, allow us to monitor developments by 2030/2050 with the aim of aligning our investments with the Paris Agreement.

6.1. ASSESSMENT OF THE ENERGY MIX OF THE PORTFOLIO INVESTED BY CRÉDIT AGRICOLE ASSURANCES

As part of its climate strategy published in June 2019 and its commitment to transparency on its exposures to coal and more broadly to fossil fuels, the Crédit Agricole Group has set up a consolidated extrafinancial data platform. Thanks to its contribution to this database, Crédit Agricole Assurances can assess the energy mix of its portfolios (listed investments managed directly, listed investments managed under mandate and unlisted investments managed directly). This portfolio energy mix indicator tracks our market value exposure to the energy sector, and provides **a breakdown of this financing, weighted by % of sales,** between renewable energies, nuclear power and fossil fuels (fossil fuel storage and transport activities excluded from this calculation).

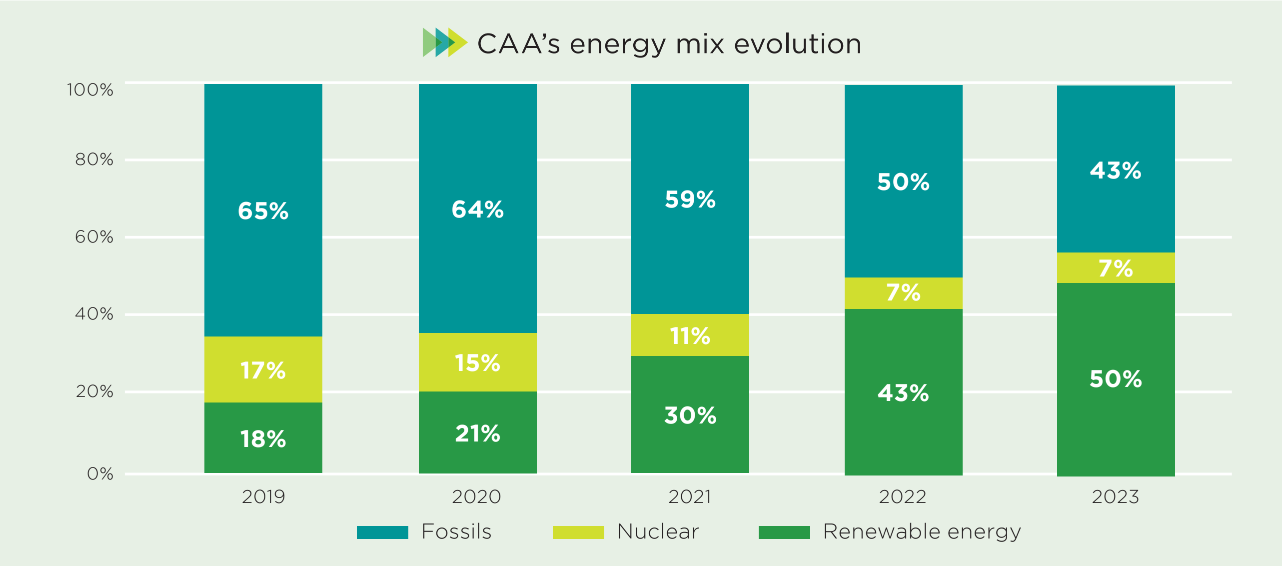
This type of data can be analysed with energy-climate scenarios, used in academic explorations, to evaluate its climate change mitigation policy and thus support a coherent strategy.

Crédit Agricole Assurances continued to invest in renewable energies (RES) in 2023 (+21% vs. 2022) and reduced its share in fossil fuels.

Breakdown of the energy mix (consideration of the % of turnover)

Outstanding in bn	2019	2020	2021	2022	2023
Fossils	7.6	8	8	6.6	6.5
Nuclear	1.9	1.9	1.6	0.9	0.9
ENR	2.1	2.7	4	5.7	6.9
Total	11.6 (3.6% global ptf)	12.6 (3.9% global ptf)	13.6 (4.2% global ptf)	13.3 (4.8% global ptf)	14.4 (5.2% global ptf)

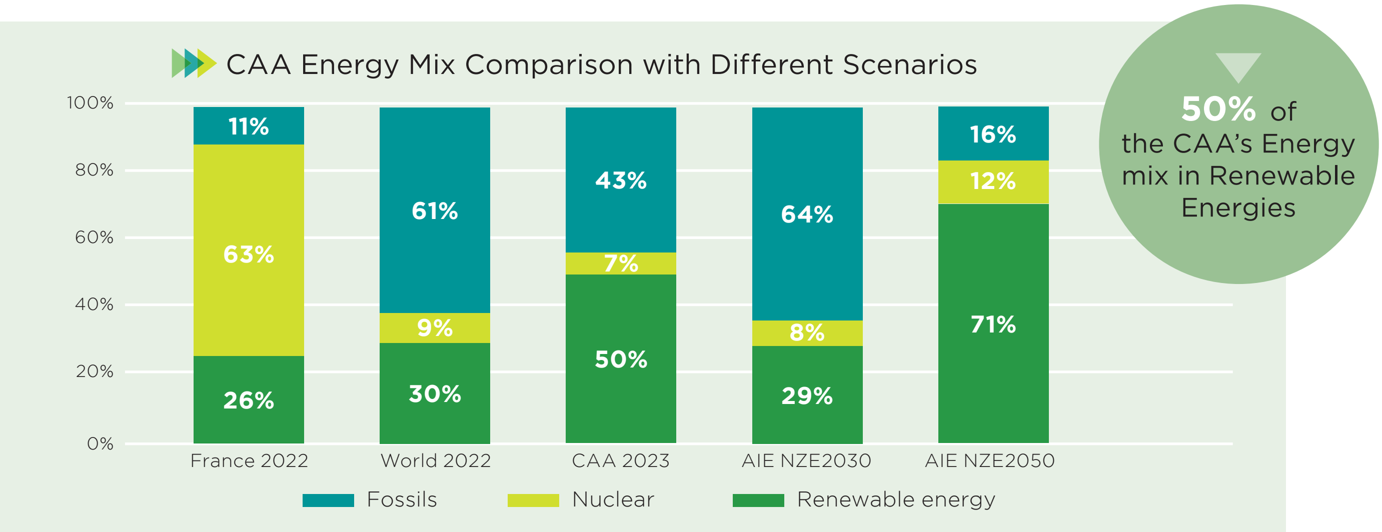
We can see that the proportion of Crédit Agricole Assurances' investments in fossil fuels (€6.5bn) decreased between 2019 and 2023. In addition, the share of renewable energies (€6.9bn) in Crédit Agricole Assurances' energy mix (€14.4bn) increased sharply between 2019 and 2023. For the first time, stocks in NREs are higher than in fossils.



Since 2020, we have been carrying out a comparative analysis of Crédit Agricole Assurances' energy mix with the global energy mix and those recommended by various organisations, in particular the International Energy Agency (IEA)[13].

Every year, the IEA publishes a scenario with projections to 2030 requiring the massive development of renewable energy. It proposes a "Net Zero by 2050"[14] roadmap for global decarbonisation of the energy sector and to achieve the carbon neutrality trajectory.

The IEA 2030 projections have been revised compared to the previous report (+0.5% on fossil fuels and nuclear energy) and also for 2050 (-9.6% on fossil fuels, +1.4% on nuclear energy and +7.2% on renewable energies.



This "energy mix" method shows that Crédit Agricole Assurances' investments in Fossil fuels are less important than the global energy mix measured in 2022[15], which has seen a sharp rise in its share of renewable energies.

The continuation of Crédit Agricole Assurances' investment strategy in renewable energy production infrastructure will allow alignment with scenarios considered sustainable.

Despite investments in the energy transition and in the face of growing global demand for energy services, renewable energies cannot be the main driver of decarbonisation in the energy sector. The other levers can come from the different levels of the value chain (storage, etc.).

(13) The International Energy Agency (IEA) is an intergovernmental organisation created by the OECD in the wake of the first oil shock with the initial aim of ensuring the energy security of OECD member countries, in particular with regard to oil supply. Its missions have expanded today because it informs and advises governments on energy issues by providing numerous data and analyses.

(14) https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach

(15) https://www.connaissancedesenergies.org/levolution-du-mix-electrique-mondial-en-2022-en-2-infographies-240426#:~:text=Cette%20hausse%20de%20la%20demande,production%20mondiale%20de%20694%20TWh)

Breakdown of the energy mix (% of turnover)

	Investments related to RES		Investments related to fossils energy		Investments Related to nuclear		Investments in the energy sector		Outstanding Entity
In Bn	In amount	In %	In amount	In %	In amount	In %	In amount	In %	In amount
CAA Holding	0.00	0.2%	0.00	0.6%	0.00	0.0%	0.00	0.9%	0.49
CAA Retirement	0.33	1.9%	0.40	2.4%	0.09	0.5%	0.82	4.8%	17.16
CACI	0.01	0.7%	0.05	3.3%	0.01	0.6%	0.07	4.6%	1.45
CALIE Lux	0.00	0.4%	0.00	1.0%	0.00	0.2%	0.00	1.6%	0.10
Pacifica	0.06	0.9%	0.15	2.1%	0.02	0.4%	0.23	3.4%	6.77
Predica	6.28	2.7%	5.28	2.3%	0.81	0.4%	12.37	5.4%	228.81
Spirica	0.08	1.2%	0.15	2.4%	0.02	0.3%	0.25	3.9%	6.55
CA Assicurazioni	0.00	0.3%	0.00	2.3%	0.00	0.5%	0.00	3.1%	0.15
CA Life Greece	0.00	0.0%	0.00	0.9%	0.00	0.0%	0.00	0.9%	0.11
Crédit Agricole Vita	0.16	1.0%	0.43	2.7%	0.04	0.3%	0.64	4.0%	15.83
Mudum Seguros	0.00	0.4%	0.00	1.9%	0.00	0.0%	0.00	2.3%	0.10
Total	6.93	2.5%	6.5	2.3%	0.99	0.4%	14.4	5.2%	277.52

6.2. ANTICIPATING THE TOTAL EXIT FROM COAL BY 2030

As part of the Group's climate commitments, Crédit Agricole Assurances has committed to no longer being exposed to coal by 2030. To achieve this we follow the following scenario:

- Inclusion of direct securities (shares and bonds) held directly through the mandate.
- Exclusion of green bonds in the calculation.
- Consideration of a materiality threshold.
- Early exit of issuers least likely to have completed their energy transition by 2030.

Since March 2023, CAA Group has defined its own coal exit strategy, **excluding green bonds,** consisting of:

- Disengaging from direct-owned issuers with coal-exposed revenues of more than 5%.
- Prohibiting new investment flows in the securities of issuers with **with a threshold of 1%** of their turnover from coal.

In 2023, nearly 350 million euros of bonds at market value were sold in the Crédit Agricole Assurances Group portfolio to meet this 5% threshold.

6.3. MEMBERSHIP IN THE NET ZERO ASSET OWNER ALLIANCE

Launched in September 2019 at the United Nations Climate Action Summit, the NZAOA (Net-Zero Asset Owner Alliance) brings together insurers and investors committed to the carbon neutrality of their investment portfolio, with the main objective of limiting the increase in the global average temperature to 1.5°C. Joining this alliance means committing to a transition of investment portfolios to net zero greenhouse gas emissions. By 2050, to report regularly on progress and to set intermediate targets every five years. These commitments are governed by the Target Setting Protocol (TSP), which is revised each year and whose implementation by the members of the alliance is expected within 12 months of their publication.

Being a signatory to the Alliance involves respecting a formal protocol of commitments.

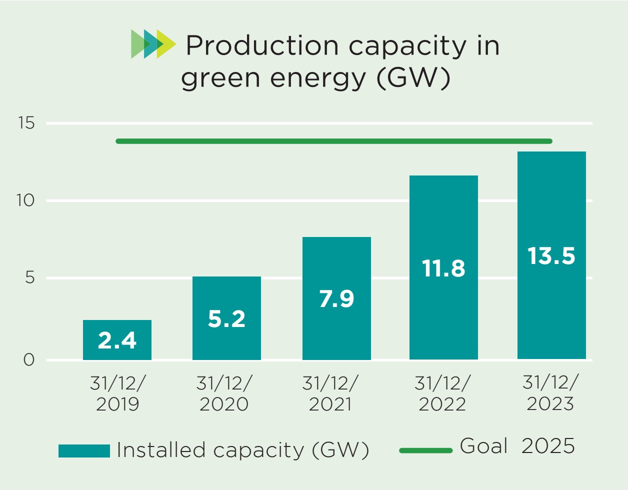
Out of a matrix of four commitments, three mandatory targets are defined by the signatory:

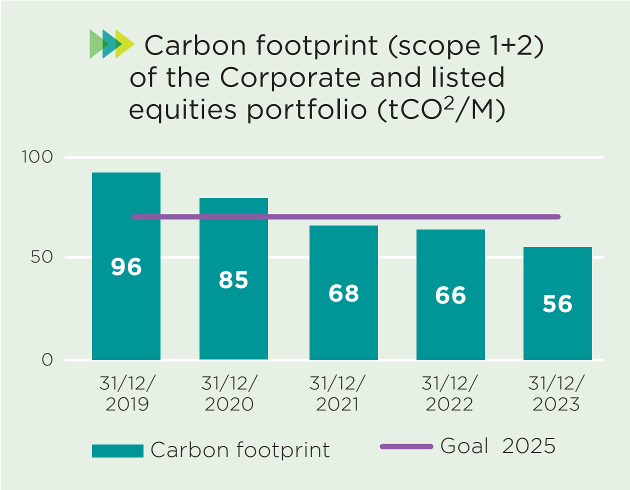
- targets for reducing CO^2 emissions at portfolio level,
- sectoral targets,
- commitment targets (mandatory),
- financial transition/green finance objectives.

In pursuit of its commitments in favour of the climate, the Crédit Agricole Assurances Group integrated the NZAOA in October 2021 and then committed in October 2022, with the protocol v1 of January 2021, to targets for reducing CO^2 emissions in its portfolios by positioning itself on the carbon footprint metric and on a specific scope (reduction ranges imposed between -16% and 29% by 2025 vs 2019), on targets of commitment (to engage in a dialogue with the companies in the portfolio that emit the most) and objectives related to its investments, in renewable energy in this case.

As part of the signing of the Net-Zero Asset Owner Alliance (NZAOA), Crédit Agricole Assurances has committed to (without taking into account the emissions avoided):

- reducing the carbon footprint (per million euros invested) of its investment portfolio in Corporate equities and bonds by 25% between 2019 and 2025,
- increase the production capacity of financed renewable energy installations to help finance 14 GW by 2025,
- engage in shareholder dialogue with at least 20 of the highest-emitting companies in the portfolio.





In order to comply with the latest version of TSP V3 of the NZAOA, the Crédit Agricole Assurances Group must set the following objectives:

- Target for reducing greenhouse gas emissions from investment portfolios: define a target for reducing the carbon footprint of between 40% and 60% by 2030 compared to 2020, **including in particular the real estate portfolio held directly and continue to monitor scope 3 emissions** and sovereign bonds.
- Transition financing objective: to report annually on the progress made in climate-friendly investments.
- Commitment objective: to finalise the Crédit Agricole Assurances Group's voting policy by specifying the rules of stewardship for a sub-portfolio of assets managed by Amundi.

To improve and integrate the scope of coverage of the carbon footprint calculation, work was carried out on the calculation of current emissions from direct real estate. CO^2 emissions are recovered directly or estimated, as appropriate from the Energy Performance Diagnostics (EPD) on the residential and from the consumption for the tertiary.

These are data collected at heterogeneous dates and for which the next update dates vary on an asset-by-asset basis.
At the end of 2023, the outstanding amount on which carbon emissions were calculated represented more than 50% of the total real estate portfolio.

The carbon footprint of our real estate portfolio is **5 tons of CO^2/million euro invested** (data on 11 billion euros).

In addition, work is underway on the carbon emissions trajectory of direct real estate, particularly with the use of the CRREM (Carbon Risk Real Estate Monitor) file.
It is a very precise tool allowing a calculation of the carbon emission trajectory of the portfolio according to the characteristics of each of the buildings (location, use, type of heating, etc...) and therefore to determine a target to be reduced at a given time horizon.

By 2030, all other things being equal, Crédit Agricole Assurances is committed to reducing its carbon trajectory (conservative scenario) by more than 40% (based on 2019) on our listed equities and bonds portfolio (scopes 1 + 2) + real estate held directly (% to be updated if the ambition is revised upwards).

The following assumptions (conservative scenario) have been made and may be influenced by different factors:

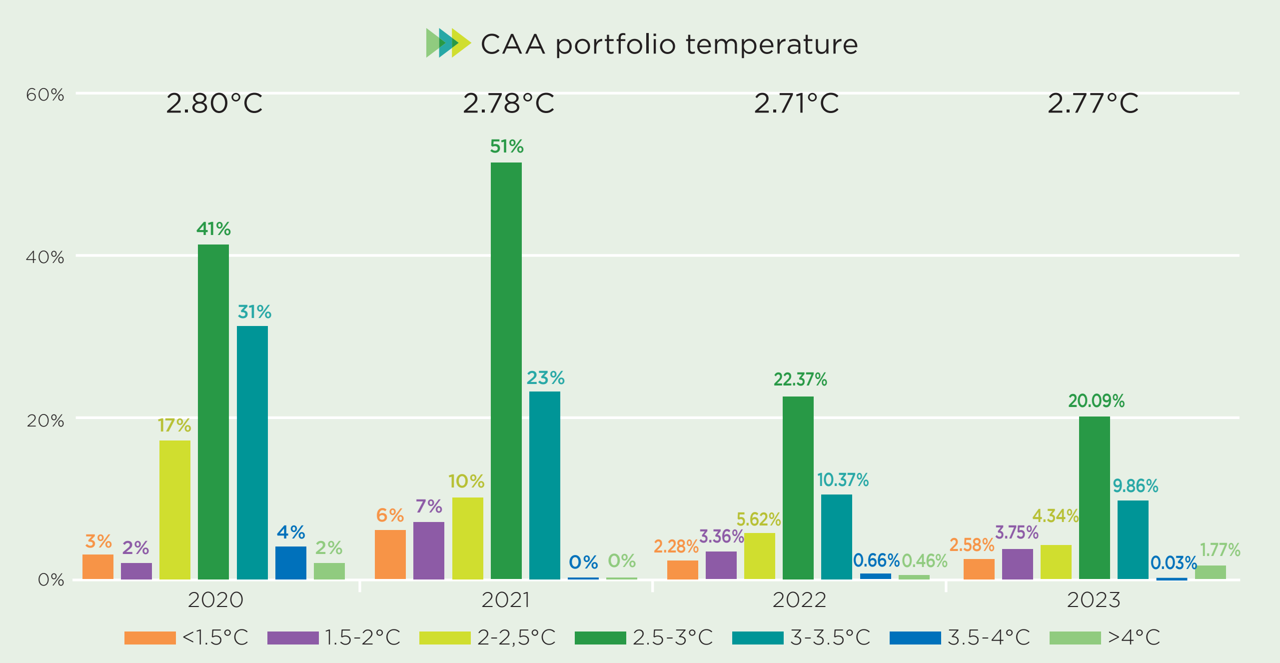
- Economic context and indicator depending on market valuations.
- Simulation based on SBTi commitments made by each of the issuers in the portfolio.
- A change in the portfolio allocation may change the results.
- The reduction trajectory of issuers is assumed to be linear and constant over the coming years, whether they are late or ahead of their announced trajectory (e.g. Veolia announced a 40% decline between 2018 and 2034, i.e. 3.14% year-on-year. Despite the 27% decline recorded in 2023, the pace of 3.14% is applied between 2023 and 2030 in the simulation).
- The share of issuers that have not announced targets remains high, and by 2030 some issuers may announce targets and others may change their previously announced targets.

The carbon footprint of the Corporate + Real Estate global portfolio was 51.1 tons of CO^2/M at 31/12/2023 for a total outstandings of 118.4 billion euros (vs. 2019 at 87.3 tons of CO^2) on scopes 1 and 2.

6.4. TEMPERATURE INDICATOR - ALIGNMENT WITH PARIS AGREEMENT

The aggregate temperature (weighted average of the temperatures of the portfolio's issuers) is 2.77°C (vs. 2.71°C in 2022). We note that the composition of this part of the portfolio is not yet in line with the objectives of COP 21 despite a temperature in line with that of our peers (between 2° and 3°).

This indicator measures the alignment of the carbon emissions trajectory of emitters with global warming scenarios. This metric is calculated by the Iceberg Data Lab (IDL) by looking at an issuer's past emissions trend and carbon reduction targets. Based on these two pillars, IDL builds an issuer's carbon trajectory and then compares it with a reference scenario from the International Energy Agency (IEA). This indicator compares the overall level of portfolio alignment with the overall scenarios. Indeed, it incorporates inputs from the International Energy Agency (IEA) and is calibrated on the basis of the NZE (Net-Zero emissions scenario) and the APS (Amended Pledges Scenario).



Sources: Amundi

For unit-linked policies (available information):

	Predica	CAAR
Calculation base	€17.7bn	€1.8bn
Temperature	2.22°C	2.05°C
Calculation base (bn)	1,420,606,983	1,682,021,348

6.5. MEASURING AND CONTROLLING THE CARBON FOOTPRINTS OF CRÉDIT AGRICOLE ASSURANCES PORTFOLIOS

The carbon footprint measures the greenhouse gas emissions generated by the activities of companies whose securities are held in the portfolio. There is not always a strong correlation between the level of the carbon footprint and the ability to reduce it. Emitter decarbonisation strategies, such as renewable energies contributing to lower emissions levels, are therefore key elements in the choices of emitters and projects.

The carbon footprint, an indicator for monitoring the performance of climate policy, makes it possible to verify the commitments made by issuers ex-post.

6.5.1. AMUNDI'S BOTTOM-UP APPROACH

The calculations, carried out by Amundi, favour a calculation of greenhouse gas emissions at the level of the emitters. Scopes 1, 2 and 3 (key suppliers) were selected. Calculation at the issuer level allows action at this level through the exclusion, overweighting or underweighting of issuers and through shareholder stewardship.

All assumptions and formulas relating to this carbon footprint calculation for corporates are detailed below:

Indicators by **AMUNDI**	**Measuring corporate emissions**	**Measuring country emissions**
Source	Amundi relies on the data provider Trucost to measure the carbon footprint.	Carbon accounting approach based on Consumption Based Carbon Accounting (CBCA).
Scope	Annual emissions (expressed in tons CO^2 equivalent) of companies **(equities and bonds issued by issuers rated private and public).** They include the six greenhouse gases defined in the Kyoto Protocol of which the emissions are converted into global warming (GWP) in CO^2 equivalent. Scope definition: ▶ Scope 1: all direct emissions from sources owned or controlled sources by the company. ▶ Scope 2: all indirect emissions from the purchase or production of electricity, steam or heat. ▶ Scope 3: all other indirect, upstream emissions related to the leading suppliers. First-rank suppliers are those with whom the company has a privileged relationship and which it can directly influence.	Emissions based on consumption (final use of goods and services) which includes both direct national emissions and indirect emissions (imported and exported). It could be debt of GDP.
Calculations	$= \frac{\sum_{i=1}^{n} \frac{\text{Montant investi dans l'entreprise i (action ou dette en M€)}}{\text{Valeur d'Entreprise i (actions+dette en M€) connue}} \text{ x Emissions de l'entreprise i}}{\text{Encours du portefeuille (M€)}}$	$\sum_{i}^{N}$ Domestic issues in the portfolio (tCO^2e) / Rated portfolio outstandings (M). With: Domestic issues in the portfolio (tCO^2e) = Equity share (%) x Domestic issues (tCO^2e). And Equity participation (%) = Amount invested in the country (M) / Corporate public debt (M).

Source: Amundi

With NZAOA membership, calculations are performed quarterly on scopes 1 and 2. This bottom-up approach is part of our commitment to be in line with the Paris Agreement.

Footprint calculations

This indicator has advantages and disadvantages: the footprint depends on the valuation of financial assets in the denominator. Indeed, if an insurer collects more than another insurer (thus its invested outstandings increase more), its absolute carbon footprint will increase by simple volume effect, all other things being equal. However, what seems relevant is the CO^2 efficiency per unit invested on a global level (all other things being equal).

Correcting the effects of sectoral allocations

The sector of activity is the most discriminating factor in terms of the volume of GHG emissions. However, the sectoral allocation can change significantly from one year to the next for tactical reasons. As Crédit Agricole Assurances wanted to avoid short-term effects in order to capture long-term trends, Crédit Agricole Assurances measured the carbon footprint by sector (GICS level 1 sector: breakdown by major sectors of economic activity used by the equity index provider MSCI) and verified that this footprint is indeed declining by trending sector. Indeed, Crédit Agricole Assurances does not wish to penalise one sector more than another in the long term (except for sectoral exclusions) considering that each sector is useful to the economy and society.

Asset classes taken into account in the calculation by entity

The carbon footprint calculation could not be performed for the following assets: listed real estate, unlisted infrastructure and Private Equity, money market, derivatives, structured products and alternative management.

Estimated carbon footprint of portfolio companies (scopes 1, 2 and 3 (upstream))

Amundi revised its carbon footprint calculation method by neutralising issuers with zero corporate value that understated the footprint indicator. Historical data were recalculated by removing all companies with no business value from the scope. In 2023, the estimated greenhouse gas emissions of these companies amounted to 84 tons of $EqCO^2$ in 2023 (vs. 91 tons of $EqCO^2$ in 2022) on average for each million euros invested, i.e. a decrease of nearly 8% between 2022 and 2023. The CAC 40 is around 144 tons of $EqCO^2$ (vs. 149 tons of $EqCO^2$ in 2022) on average for each million euros invested.

The improvement in companies' carbon footprint is largely due to the selection of our investments in the most contributing sectors such as energy and the efforts of issuers in their reduction targets. The measurement of the footprint is sensitive to the market value of the assets and not to the number of assets held in the portfolio.

Euro funds and own funds

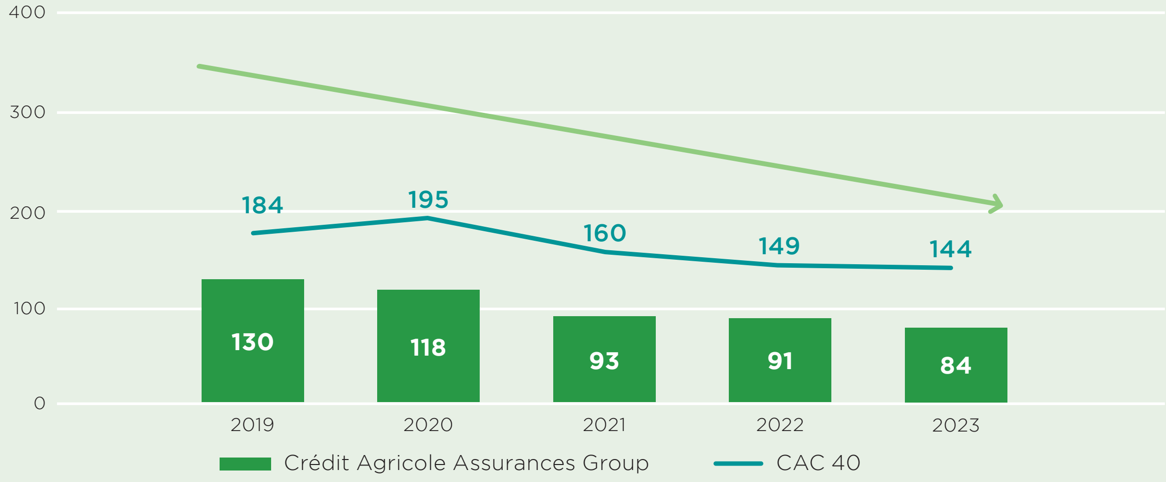
For 2023, the carbon footprint was calculated on the following perimeter:

Corporates

The portfolio of directly held and rated corporate shares and bonds
(all companies in the scope DIV + CA Vita).

The coverage of the carbon emissions analysis is 107 billion euros (for 810 issuers), or 38% of the total portfolio of 278 billion euros.

Carbon emissions in tons CO^2 eq per million euros invested (scopes 1,2,3 upstream)



Scope definition:

- Scope 1: all direct emissions from sources owned or controlled by the company.
- Scope 2: all indirect emissions from the purchase or production of electricity, steam or heat.
- Scope 3: all other indirect emissions, upstream and downstream of the value chain. For reasons of data robustness, in this reporting choice to use only part of scope 3: upstream emissions linked to first-tier suppliers. Top-tier suppliers are those with whom the company has a privileged relationship and can directly influence.

Source: Amundi

The ten largest greenhouse gas emitters (3% of the total portfolio) account for more than 48% of the emissions financed by the portfolio, i.e. 41 tons $EqCO^2$ per million euros invested. Carbon emissions are concentrated mainly in France and in a small number of sectors, in this case in utilities and energy.

Apart from the fact that these sectors are necessary for the economy and society, it is important to point out that certain companies contribute to the energy and ecological transition. They also have the most important levers to reduce greenhouse gas emissions.

For unit-linked policies (available information):

Weighted average of outstandings	Predica	CAAR
Assets under study	€18bn	€1.7bn
Market value basis of calculation	€2.5Bn	€1bn
Carbon footprint (T/M) Scopes 1,2 and 3	100.26	107.83

Estimated carbon footprint of Sovereigns and Similar (Euro Funds)

Since 2018, Amundi has been measuring the carbon footprint of the states held in Crédit Agricole Assurances' portfolio.

States

The coverage of the analysis of carbon emissions is 58 billion euros, or at the end 21% of the total portfolio of 278 billion.

In 2023, Crédit Agricole Assurances' carbon footprint on Sovereigns was 326 tons $EqCO^2$ per million euros invested (vs. 293 tons $EqCO^2$ per million euros invested in 2022) with a majority exposure to the French sovereign (63%).

6.6. CONTINUOUS IMPROVEMENT PLAN

The 2030 target of a reduction of > -40% under the NZAOA V3 protocol will be regularly reviewed in line with market and portfolio trends.

Between 2019 and 2025, a target of -25% was set. CAA is pursuing this action by 2030 and will refine its 2030 trajectory in the course of 2024.

The reviews of sector policies with the Crédit Agricole Group will enable Crédit Agricole Assurances to refine its own sector policies, particularly regarding the exit from unconventional hydrocarbons.

7. ALIGNMENT STRATEGY WITH LONG-TERM BIODIVERSITY OBJECTIVES

The climate challenge is now well known to investors. However, it remains interdependent with that of biodiversity. Climate change is the third pressure factor identified by IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) on biodiversity. In turn, the loss of ecosystems accelerates climate change.

It is important for companies to identify their dependencies and opportunities on biodiversity (and the ecosystem services they provide) while participating in its preservation and restoration.

The Convention on Biological Diversity, adopted at the Earth Summit in Rio de Janeiro in 1992, was the first international convention on the subject.

It has three objectives:

- biodiversity conservation,
- sustainable use of species and natural environments,
- the fair and equitable sharing of the benefits arising from the utilisation of genetic resources.

In December 2022, the Kunming-Montréal Global Biodiversity Framework was adopted and sets the following targets, a number of which are to be met by 2023:

- mobilising $200 billion per year by 2030 from all sources of financing (public, private, international and national),
- protection of 30% of land and 30% of seas by 2030,
- 30% restoration of degraded terrestrial and maritime ecosystems by 2030.

In 2023, France also published its National Biodiversity Strategy, which is a request from the Kunming-Montreal framework. All states must submit their strategies. The objective of the Kunming-Montreal Agreements is to strengthen and complement the objectives and commitments of the Convention on Biological Diversity (CBD).

In the assessment of our investment assets based on Environmental, Social and Governance criteria, the theme of biodiversity is taken into account in the environmental dimension.

7.1. IDENTIFICATION OF PHYSICAL RISKS

The following potential physical risks related to biodiversity have been identified in our portfolios:

Acute risks

- Violent natural phenomena (storm, flood, ...) in connection with climate change leading to disruptions.
- In the works, in the transport and goods flows and in the continuity of the water and energy supply.
- In energy production and distribution (deterioration of energy production or transmission infrastructure).
- In the supply of water or restrictions on its use (increase in central cooling difficulties, decrease in hydropower efficiency).
- Damage to the structures and continuity.

Chronic risks

- Drought and soil erosion, in particular leading to disruptions in water supply or restrictions on water use.
- Metals shortages for wind turbines and photovoltaic panels (price increase and quality decrease in the medium term).
- Scarcity or decline in the quality of certain supplies which could lead to an increase in raw material prices.
- Decreased availability of metals (price increase and quality decrease in the medium term) or sand (price increase and quality decrease).

7.2. IDENTIFICATION OF TRANSITION RISKS

The following biodiversity transition risks have been identified in our portfolios:

Market risks

- Clients increasingly considering the limitation of environmental impacts in their choices (the aircraft is particularly overexposed to these risks but also the communities sponsoring infrastructure).
- Consumers, clients choosing to reduce their carbon energy consumption.
- Political instability leading to increases in commodity prices (e.g. Russian oil and gas).
- Very high upstream impacts with the agricultural sector (animal feed and deforestation, pollution, etc.) exposed to fluctuations in demand linked to meat products and from certain types of crops.
- As the protection of natural areas affects the availability of resources, assets are exposed to changes in markets caused by changes in demand due to price fluctuations.
- Clients/municipalities wanting buildings that are more respectful of biodiversity and less water-intensive.
- Clients/municipalities wishing to mitigate the impact of pesticides causing pollution, requiring appropriate management methods or the establishment of labels.
- Clients/municipalities dealing with invasive alien species requiring specific measures.

Reputation risks

- The very strong impacts on change in use, fragmentation, soil permeabilisation and pollution can generate conflicts of use and citizen mobilisation.
- The very strong impacts on the change in land use of infrastructure, CO^2 emissions and air pollutants of projects can generate conflicts of use and citizen mobilisations.
- Soil degradation, water and soil pollution related to the batteries of the automotive industry, linked to the exploitation of certain resources (sand, copper, wood) that can lead to boycotts or citizen movements, affecting demand.
- Impacts of intensive agriculture in the production of raw materials for the manufacture of biofuels and animal feed (deforestation...)

Political and legal risks

- Access to space and preservation of space in the framework of linear infrastructure projects (strengthening of environmental assessments and compensation measures).
- Controlling these impacts, protecting natural areas that reduce access to certain resources, such as sand, and generate shortages, higher prices, and a decline in quality.
- Regulatory changes to promote renewable energy and decarbonise energy production.
- The evolution of regulations on the use of fuel (fossils, biofuels, etc.) generates significant compliance risks, particularly for the automotive sector; regulations on protected natural areas (exposing to risks of reduced access to resources, increases in costs).
- Increased requirements on building standards, particularly in relation to climate change.
- Strengthening regulations on protected natural areas and the fight against soil sealing invasive alien species and pollution (pesticide for the management of green areas).
- Increased sorting and waste management requirements.

Thanks to the combined analysis of pressures and dependencies on nature according to the volume invested for each sector of the portfolio analysed, the biodiversity-related risks identified are:

- An increase in the cost of certain raw materials due to their scarcity as a result of the erosion of biodiversity or the growth of environmental conservation actions.
- The cost of physical impacts related to the loss of ecosystem services (including water supplies, protection from extreme weather events and soil erosion).
- Transition risks, particularly for the most impactful sectors (real estate and industries).

7.3. GROUP STRATEGY RELATED TO BIODIVERSITY ISSUES

According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services ("IPBES," the IPCC's equivalent for biodiversity), there are five main pressures contributing to biodiversity loss:

1. Changes in land and sea use (30%)
2. Overexploitation of resources (23%)
3. Climate change (14%)
4. Pollution (14%)
5. Introduction of invasive alien species (11%)

Given the linkages between economics, finance and nature, financial institutions have a role to play in protecting and preserving biodiversity and conserving natural capital. In accordance with the United Nations Convention on Biological Diversity (CBD, 1992), Crédit Agricole S.A. recognises the central role of biodiversity conservation for humanity and the importance of its preservation in relation to climate change.

Work on developing a biodiversity strategy covering all Crédit Agricole Assurances pillars (investor, insurer, company) was launched at the end of 2022.

Since September 2023, Crédit Agricole SA has been committed to protecting biodiversity and natural capital by setting five strategic priorities:

CASA	▶ Assess the material impacts and risks related to the loss of nature on our activities. ▶ Integrate nature and biodiversity criteria into sectoral policies. ▶ Mobilising financial resources for activities beneficial to nature. ▶ Support collective action against the decline of nature and ecosystem services. ▶ Reduce our operating footprint and promote biodiversity.

Like the Sustainable Development Goals (SDGs) for sustainable finance, based on the 23 targets identified in the Kumming-Montreal agreement, Crédit Agricole Assurances envisages a strategy on the following targets:

Target 8: Minimise impacts of climate change

- Minimising the impact of climate change and of ocean acidification on biodiversity and increase its resilience through actions of mitigation, adaptation and risk reduction disaster, including through "nature-based solutions" and/or "ecosystem-based approaches".
- **Targets for reducing the carbon footprint (25%), policy on fossil fuels (phasing out of coal, Oil&Gas policy to be established).**

Target 15: Motivate companies to act

- Business impact and dependencies: encourage businesses to regularly assess and disclose their risks, dependencies and impacts on biodiversity, throughout their operations, supply and value chains and portfolios; providing the necessary information to consumers to promote sustainable consumption patterns.
- **Measuring dependence and impact on biodiversity, voting policy to be established.**

Target 19: financial resources mobilisation and biodiversity support

- Substantially and gradually increase the level of financial resources from all sources by 2030 by mobilising at least $200 billion per year. Developed countries pledge to provide at least $20 billion per year by 2025, and at least $30 billion per year by 2030 to help developing countries protect their biodiversity.
- **Invest in green bonds, in thematic funds linked to biodiversity.**

CAA	▶ Taking biodiversity into account in management processes and assessing the biodiversity footprint of investments. ▶ Guide and initiate investments in products with positive impacts to help preserve biodiversity. ▶ Support equity investments in their consideration of biodiversity issues and list environmental certifications of investments in the infrastructure and energy sectors, in order to consider ways of improving them. ▶ Update the shareholder policy document with a sector-based approach, in particular regarding the major impacts identified in the portfolio footprint (e.g. integration of training actions, awareness of sectoral issues on biodiversity, treatment of these topics during ESG boards and committees).

In 2023, the Investment Department implemented first investments in Biodiversity funds. It analysed around ten funds with a strategy to have a minimal or positive negative impact on biodiversity and selected three of them.

The three selected funds offer varied approaches to the theme and universes diversified investments:

Investments in three funds themes related to biodiversity

CPR AM Biodiversity

- Open-end fund actively managed Currently being collected.
- MSCI investment universe World.
- Biodiversity is integrated to management process via the exclusion of issuers Most harmful to biodiversity.
- Biodiversity strategy that has received scientific support of the National Museum of natural History.

Tocqueville Biodiversity

- Open-end Fund launched in November 2022.
- Investment universe World Large and Small Caps.
- The fund includes biodiversity via investment in solution providers and transition companies.

BNPP Eurozone Biodiversity

- Open ETF launched in September 2022.
- Euronext index replication ESG Eurozone Biodiversity PAB Leaders.
- The index selects within Euronext Eurozone 300, after exclusion of worst ESG scores, the most Performing companies in the field of biodiversity from Iceberg Data Lab. So far, the index is concentrated out of 66 stocks.

In addition, Crédit Agricole SA has initiated work to develop a Group Forest Policy to minimise the Group's exposure to risks related to deforestation. This work is part of a broader CASA Biodiversity programme. Crédit Agricole Assurances participates in the working group.

7.4. PORTFOLIO BIODIVERSITY FOOTPRINT ANALYSIS

Committed to environmental issues, Crédit Agricole Assurances measures its impacts and dependencies and assesses the associated risks. In the chapter, two concepts are discussed:

- Risks and dependencies (Outside in vision).
- The biodiversity footprint (Inside out vision).

Calculation of a biodiversity footprint on **40%** of the portfolio

7.4.1. MACRO-SECTORAL ANALYSIS ENCORE

This study on the dependencies (physical risk management) and impacts (transition risks) of our investments was carried out on the basis of the available data from the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database, developed by the Natural Capital Alliance and an expert review.

It is a qualitative aggregate footprint, completely free to access. This tool identifies and assesses biodiversity impacts based on the activities (and sub-activities that make up their value chain) that make up a portfolio. ENCORE also identifies and analyses the dependencies of activities and sub-activities on biodiversity and ecosystem services.

The analysis is based on the expertise of MOONSHOT, which has made available a matrix of dependencies and impacts on biodiversity combined with criteria of the Encore method.

A sector is considered to be highly impactful or highly dependent if it has a high or very high level of pressure or dependence on biodiversity in the Encore method.

The methodology ENCORE is based on the classification of economic sectors linked to the NACE codes.

The study covers the non-State and Supranational and extra-financial portfolios, i.e. 39% of the total portfolio (€108 billion).

82% of the investments in the portfolio analysed are associated with at least one sector highly or strongly dependent on biodiversity.
The main dependency is related to water.

Dependencies	
Share of portfolio **highly** dependent on at least one supply service	**22%**
Share of portfolio **very strongly** and **highly** dependent on at least one supply service	**82%**

		Level of risk very strong	Level of risk strong	Level of risk means	Level of risk weak	Level of risk very weak	Level of risk loose	Total
Dependencies Risks physical	Supply services	22%	60%	0%	18%	0%	0%	**100%**
	Regulatory services and Support - Enabling	1%	6%	40%	53%	0%	0%	**100%**
	Regulatory services - mitigation	7%	93%	0%	0%	0%	0%	**100%**
	Cultural services	2%	0%	0%	0%	29%	69%	**100%**

The 3 most important dependencies are:		Examples of illustrations
Water scarcity	22%	Water scarcity is a major risk for 22% of the portfolio
Landslides	7%	Landslides are a very significant risk for 7% of the portfolio
Tropical Cyclones	7%	Storms/cyclones are a very significant risk for 7% of the portfolio

Source: Moonshot

- 88% of the portfolio's investments have a high or major impact on biodiversity. The biggest impact is pollution.

Impacts	
Share of portfolio that has a **very strong** impact on at least one pressure on biodiversity	**70%**
Share of portfolio that has a **very strong** and **strong** impact on at least one pressure on biodiversity	**88%**

		Level of risk very strong	Level of risk strong	Level of risk means	Level of risk weak	Level of risk very weak	Level of risk loose	Total
Impact Physical risks	Change in the use of watercourses	39%	0%	9%	0%	52%	0%	**100%**
	Loss of forest coverage	49%	15%	2%	0%	35%	0%	**100%**
	Invasive species	0%	0%	9%	55%	0%	36%	**100%**
	Pollution	70%	18%	0%	12%	0%	0%	**100%**

The three most important impacts are:		
Pollution	70%	The most significant impact on biodiversity is pollution
Loss of forest cover	49%	
Change in use of watercourses dc	39%	

Source: Moonshot

- The most significant reputational risk is the environmental impact on protected areas (not measured in Encore).

Reputational risks	
Share of portfolio with **very high** reputational risk	**53%**
Share of portfolio with **very high** and **high** reputational risk	**53%**

		Level of risk very strong	Level of risk strong	Level of risk means	Level of risk weak	Level of risk very weak	Level of risk loose	Total
Reputational risks	Environmental factors	53%	0%	36%	2%	9%	0%	**100%**
	Socio-economic factors	39%	3%	50%	9%	0%	0%	**100%**
	Additional reputational risks	5%	35%	33%	27%	0%	0%	**100%**

The most important reputational risks:		Examples of illustrations
Protected or conserved areas	53%	The most important reputational risk is impact on protected areas.
Land and territories of communities	39%	
Media attention	5%	

Source: Moonshot

- Results matrix: the forest-related sector is the sector with the most risks, representing a relatively small share of our outstandings (1%). The construction sector is the sector with the most outstanding loans (29%) and the second sector with risks to biodiversity.

	Risk categories	Manufacture of household appliances and of articles for current use	Production of machinery, electrical equipment and motor vehicles	Chemical production and other materials	Building materials	Electrical energy production - Combustion (biomass, coal, gas, nuclear oil), geothermal energy	Manufacture of electronics and semiconductors	Food and beverage production	General and specialised retail	Health, pharmacy and biotechnology	Hospital services	Construction and spatial planning	Oil, gas and fuels	Production of paper and forest products	Telecommunication services	Production of textiles, clothing and luxury goods	Transport services	Water distribution service providers
Dependencies	Supply Services (raw material; water, wood...)	4	4	4	5	5	4	5	2	4	4	4	4	5	2	5	4	5
	Regulatory and regulatory services support - Enabling (conditions	2	2	3	2	2	2	4	2	3	4	3	3	5	2	2	2	4
	Regulatory services - mitigation (diseases, climatic events...)	4	4	4	4	4	4	4	4	4	4	4	4	5	4	4	5	5
	Cultural services	0	0	0	0	0	0	0	0	0	5	1	0	0	0	0	0	0
Impacts	Change in the use of courses of freshwater, seas and land	1	1	1	1	1	1	1	1	1	1	5	5	5	3	1	5	1
	Loss of forest cover	1	1	1	5	4	1	1	1	1	3	5	5	5	5	1	5	1
	Invasive species	0	0	0	2	0	0	2	2	0	3	2	2	3	2	0	3	3
	Pollution	5	5	5	5	5	5	4	4	5	2	5	5	4	2	5	4	2
Reputational risk	Direct reputational risks (media...)	3	2	4	4	3	2	5	3	2	3	4	4	3	2	3	3	5
	Environmental factors (protected areas...)	3	3	3	3	5	3	3	1	3	2	5	5	3	3	3	5	3
	Socio-economic factors (human rights)	3	3	3	3	3	3	3	2	3	4	5	5	3	3	4	5	3
	Composition of the portfolio	1%	11%	1%	1%	15%	1%	3%	8%	5%	2%	29%	3%	1%	9%	1%	5%	1%

Source: Moonshot

7.4.2. BIODIVERSITY FOOTPRINT (GLOBAL BIODIVERSITY SCORE METHODOLOGY)

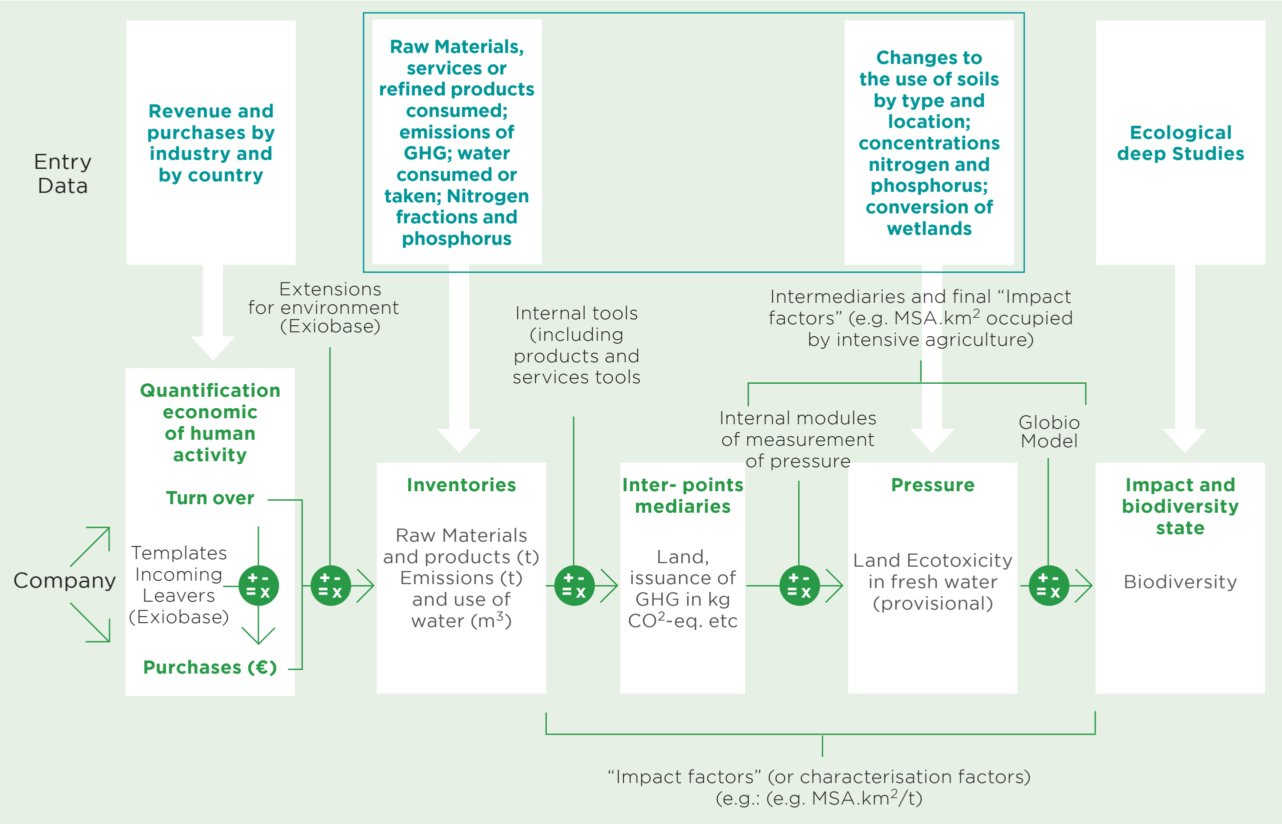
Several methods exist on the market to measure the biodiversity footprint, including GBS.

The Global Biodiversity Score (GBS) is a tool developed by CDC Biodiversity to measure the biodiversity footprint of a company or a portfolio of companies for financial institutions. The assessment of the impacts on biodiversity, generated by the activity of a company, is based on existing methodology and models (GLOBIO and EXIOBASE). An assessment with the GBS allows to establish an overall score at the company level, in order to understand where the impacts are along the value chain.

GBS assesses the impact of economic activities on biodiversity by modelling pressures on terrestrial and aquatic ecosystems. It then translates them into an aggregated metric: in MSA.km^2, the fraction linked to a loss of biodiversity integrity on a given area. In this case, 100% of %Msa corresponds to a virgin forest and 0% corresponds to a car park.

The footprint is calculated in two stages:

- Establish the link between economic activities and pressures on biodiversity by quantifying the contribution of economic activity to these pressures.
- Analyse the impact of these pressures on biodiversity and quantify it in MSA.km^2 (Mean Species abundance per kilometer squared), a GBS metric that describes the integrity of ecosystems and the area impacted.



Source: https://www.cdc-biodiversite.fr/le-global-biodiversity-score/

For the Euro Funds:

Out of 137.52 billion euros (rated Corporate and Sovereign issuers), Amundi measured the impact of issuers in its portfolio on biodiversity by taking into account the static (cumulative negative impacts) and dynamic (periodic gains/losses) dimensions of the GBS model. This leads to the aggregated MSAppb metric. The biodiversity footprint is **36.96 MSAppb** per million euros invested and can be similar to the carbon footprint. This analysis shows that Crédit Agricole Assurances' investments have an impact on biodiversity.

For unit-linked policies (information available):

	Predica	CAAR
Calculation base	€17.7bn	€1.8bn
Biodiversity Impact Footprint - MSAppb*/b€	411	51.75
Calculation base (bn)	1,583,469,501	1,845,088,345

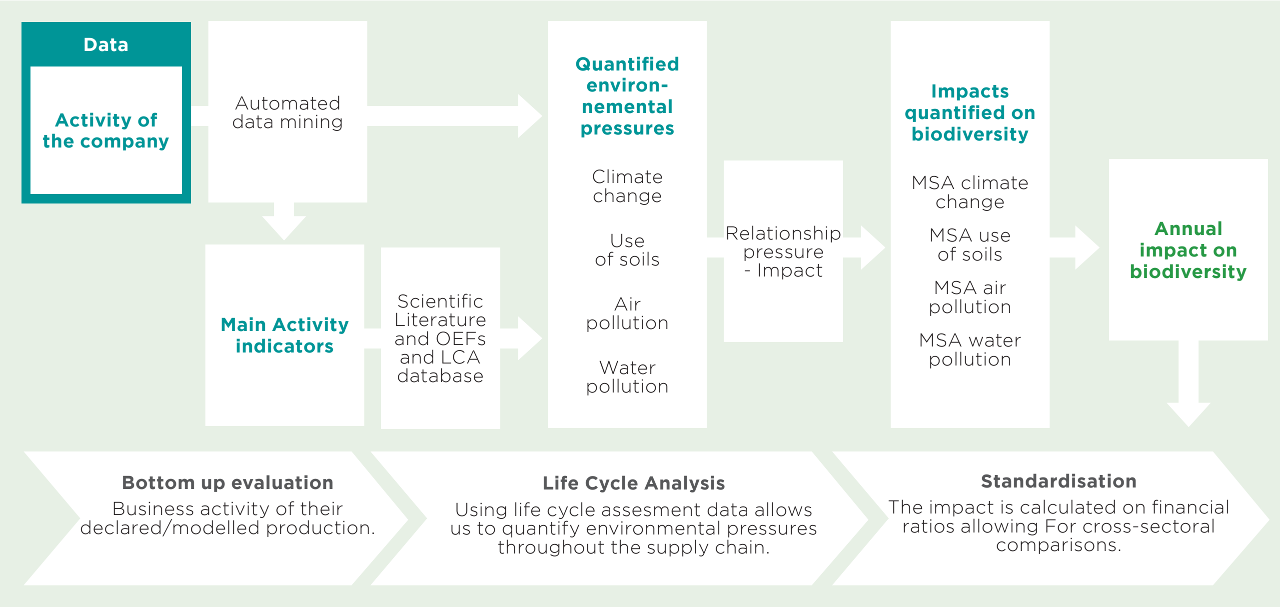
7.4.3. CORPORATE BIODIVERSITY FOOTPRINT (ICEBERG DATA LAB)

Iceberg Data lab is a data provider that has developed the Carbon Biodiversity Footprint, a measurement that assesses a company's environmental impact on biodiversity and carbon emissions.

- A quantitative approach.
- A bottom-up approach to distinguish best/worst practices in a sector and to deal with diversified players (best-in-class).
- A model covering scope 3 upstream and downstream, avoiding sector biases.

IDL's Carbon Biodiversity Footprint (Iceberg Data Lab) typically includes several steps to assess the company's environmental impact on biodiversity and carbon emissions. The general steps in the process are as follows:

1. Data collection: IDL collects data on the activities and operations of emitters, including carbon emissions, natural resources used, habitats impacted and conservation measures put in place.
2. Carbon emissions assessment: IDL measures the carbon emissions of emitters, including direct emissions (from internal sources) and indirect emissions (from external sources such as suppliers and carriers).
3. Biodiversity impact analysis: IDL assesses the impact of issuers' activities on biodiversity, taking into account affected habitats, threatened species and disturbed ecosystem services.
4. Calculation of the Carbon Biodiversity Footprint: Using the data collected and the assessments made, IDL calculates the Carbon Biodiversity Footprint (MSA.km²) by combining carbon emissions and the impact on biodiversity.



Source: Iceberg Data lab

IDL Principles:

As a reminder: Scope 1 represents the direct emissions of products by the company, Scope 2 corresponds to indirect emissions related to energy but which do not occur directly on the site of the company and finally Scope 3 is related to indirect emissions which are not under the control of the company. It is divided into two parts, Upstream scope 3 which includes the emissions of the company's suppliers and Downstream scope 3 which includes the emissions of the company's clients.

The data of scopes 3 are all added together without compensation. IDL gives scope 3 data the possibility of offsetting them according to sectors and issuers so as not to take them into account several times. This option has not been tested to date due to data extraction constraints.

The CBF (Corporate Biodiversity Footprint) developed by IDL covers terrestrial biodiversity only (not the ocean). It is limited by the availability of data published by companies and it does not include the positive biodiversity aspects generated by companies.

IDL provides information **on 38% of the euro portfolio's assets, i.e. 106 billion** (2,141 issuers).

IDL produces a data robustness index. Of the 38% of the Crédit Agricole Assurances portfolio analysed, 65% of the data are considered to be of good quality (Data Quality Levels, DQL, between 1 and 2) while 35% are considered to have uncertainty (DQL score between 3 and 5).

The total biodiversity footprint of the portfolio companies without taking into account the percentage of ownership is **4.6 Million km² MSA** (Mean Species Abundance). This position represents half the surface area of China or the United States. This is due to the diversification of the portfolio and its number of issuers.

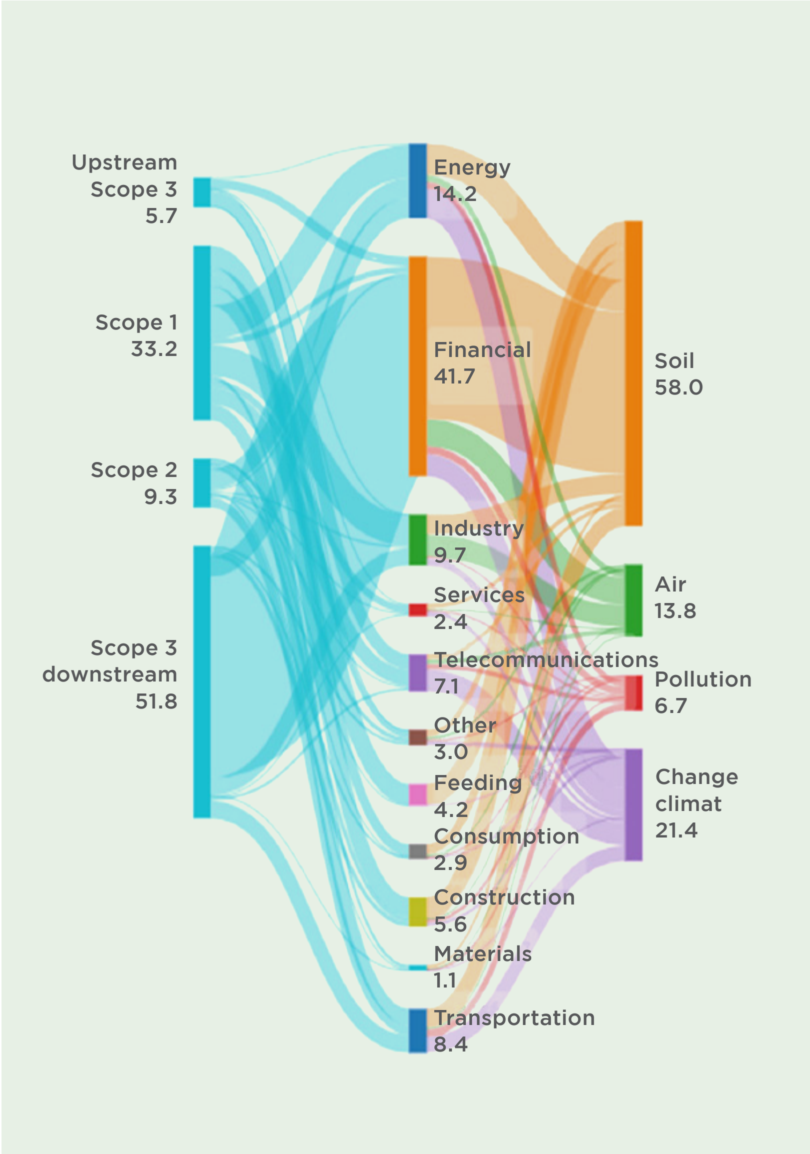
The total biodiversity footprint of companies, taking into account the percentage of ownership, is **10,744 km² Msa.** This position represents the surface of the Gironde. This is due to the portfolio's main exposure to financial institutions. The latter have an important scope 3. **Excluding scope 3 downstream, the footprint would be 3744 km² Msa.**

The average biodiversity intensity is **de 0.1 km² MSA per million euros invested** => An investment of 1 million euros degrades biodiversity over 0.1 km² or 14 football fields (excluding scope 3 downstream, 5 football fields). In comparison, 1 M€ invested in CAC40 degrades 10 football fields (excluding scope 3 downstream, 5 football fields).

IDL coverage: 38% of outstandings

- On the left is the source of the impacts on biodiversity: we note that the impact on biodiversity **comes from Scope 3 downstream for 52%** mainly on the Financial sector and Scope 1 for 33% mainly on Energy and Industry.
- The centre of the diagram shows in % the sectors of the CAA portfolio on which we were able to retrieve IDL data. Thus, the portfolio analysed consists of **42% Financial issuers,** 14% in Energy and 10% in Industry.
- On the right is the portfolio's impact on biodiversity: we note that **58% of the portfolio's impact on biodiversity is on the ground** (changes in use or habitat) mainly from the Services sector and 21% on climate change mainly from the energy sector.
- **Sectors with the greatest impact on biodiversity**.

Sector	Outstanding %	% cbf
Feeding	4.2%	6.8%
Other	3.0%	0.7%
Consumption	2.9%	6.2%
Construction	5.5%	4.4%
Energy	14.2%	13.5%
Financial	41.7%	53.8%
Industry	9.7%	7.6%
Materials	1.1%	2.0%
Services	2.4%	0.1%
Telecommunications	7.0%	0.1%
Transportation	8.4%	4.9%
Total	100.0%	100.0%



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7.4.4. CONTINUOUS IMPROVEMENT PLAN

Currently, Crédit Agricole Assurances reports on the various work carried out and is building up its expertise on the use **of biodiversity-related data by exploiting different suppliers.** This is in order to better measure the impact of its activities on biodiversity.

With the agreement of Kumming Montreal, other targets are being considered, such as:

- TARGET 10: Ensure sustainable management of all spaces: invest in segregated funds.
- TARGET 12: Increase green and blue spaces in urban areas.

In addition, the Institut de la Finance Durable (IFD) published a new deliverable in March 2024 "Fight against deforestation - Panorama des Stratégies de la place financière de Paris"[16] which outlines how the issue of deforestation is integrated into the biodiversity and sectoral policies of financial players. The Crédit Agricole Group presents its work as an Asset Manager (Amundi p. 45 of the IFD report) and as a banker (CACIB p. 52 of the IFD report). The adoption of a Crédit Agricole Group policy against deforestation, involving all entities, is in the process of being adopted.

(16) *https://institutdelafinancedurable.com/app/uploads/2024/03/IFD_Rapport_Lutte-contre-la-deforestation_Panorama-des-strategies-de-la-placefinanciere-de-Paris.pdf*

Crédit Agricole Assurances benefits from Amundi's practices to fight against deforestation and preserve biodiversity by working with companies, using certification tools and assessing issuer behaviour:

General policy

- Amundi has a biodiversity policy that aims to address the main drivers of deforestation, such as land and sea use change, climate change, pollution and the use of natural resources.
- Raw materials concerned: palm oil, livestock, soya, rubber and wood not to be associated with socially unacceptable practices.

Commitment with companies

- Amundi engages with companies that harm biodiversity and do not sufficiently manage the associated risks.
- It works with these companies to identify and manage risks related to biodiversity and ecosystems.

Exclusion Strategy

- Amundi uses an internal ESG rating to assess issuers' biodiversity behaviour. Issuers whose activities have a high impact on biodiversity and whose risk management is insufficient receive a capped rating.
- Exclusion can be applied to active management policies and passive ESG policies.

Tools & Partnerships

- Certification tools: RSPO, FSC, RTRS
- Database: Forest 500, SPOTT, CDP, Sustainalytics & MSCI to handle cases of related controversies to biodiversity.
- Partnerships: Finance for Biodiversity, TNFD pilot group, B4B+ and CDP Forest Champion.

8. APPROACH TO CONSIDER ENVIRONMENTAL CRITERIA, SOCIAL AND GOVERNANCE QUALITY IN RISKS MANAGEMENT, INCLUDING TRANSITION AND PHYSICAL RISKS, RESPONSIBILITY FOR CLIMATE CHANGE AND BIODIVERSITY

Societies are facing urgent challenges, such as climate change, environmental degradation and biodiversity loss. In the context of environmental change and the multiplication of regulations, the Crédit Agricole Assurances Group takes into consideration the importance of climate change on its business.

In line with the Crédit Agricole Group's overall strategy, Crédit Agricole Assurances is committed to assessing and managing environmental risks while stepping up its commitment to the energy transition.

8.1. IDENTIFICATION, EVALUATION, PRIORITISATION AND RISKS MANAGEMENT RELATED TO CONSIDERATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

The CAA Group, through its life and non-life activities, is exposed to environmental risks. In order to control and monitor these risks, an environmental risk management framework has been put in place, complementing the company's overall risk management framework. It shall consist in particular of:

- A dedicated environmental risk **mapping** to identify, report on the level of exposure and the relevant time horizon of the main environmental risks.
- A system **for identifying major risks,** of which environmental risks are an integral part. A risk is considered to be a major risk when its occurrence causes a significant deviation from the objectives of solvency, profit or loss or liquidity on the Group or one of its entities. This may be an impact already observed in the past or a future risk.

CAA identifies its major risks based on **quantitative** elements (in particular the exposure amounts of the modular Solvency Capital Requirement SCRs, the alert thresholds of the risk indicators, the results of the stress tests carried out, the results of controls) and qualitative elements (in particular the analysis of the environment, portfolio reviews, incidents that have occurred, audit recommendations).

- Analyses and assessments carried out as part of the Own Risk and Solvency Assessment **(ORSA) process,** the main objective of which is to identify, measure and manage the elements and risks likely to change the company's financial situation and the deployment of its medium-term plan.

The CAA Group has also set itself the objective of strengthening the integration and assessment of climate risks with, in particular, the implementation of a Group-level climate scenario, in line with the opinion of the EIOPA with the integration of climate risks in the ORSA process.

In 2023, the CAA Group decided to replace this climate scenario by capitalising on the climate stress test exercise proposed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR).

Companies most exposed locally to climate risks are also required to assess the impacts through specific scenarios that they return to their governance in accordance with the ORSA CAA process.

- Monitoring and analysis of the main climate-related indicators, including the production, on a quarterly basis, of a **dashboard of climate risks.** It is structured around three components: physical risk, transition risk and monitoring of climate-related commitments. For example, a quarterly variation analysis of the carbon footprint identifying the drivers of change and the monitoring of renewable energy investments are included in this monitoring.
- The introduction of a system of **permanent controls** on environmental risks. For example, a check is carried out on the indicator of contribution to the production capacity of renewable energy investments or carbon footprint to secure their production.

Additional measures are being taken to strengthen climate risk management:

- **Participation in initiatives and cooperation with regulators and professional representative bodies** (ACPR, France Assurers) with in particular participation in working groups and surveys / questionnaires and specifically in the 2023 climate stress test exercise led by the ACPR.
- Following **the integration of climate risks into existing risk monitoring and systems,** in particular in monitoring related to and complementary to financial risks: monitoring and contribution to the development of extra-financial ratings, ESG risk opinions in addition to financial analyses on investments made on behalf of CAA (direct scope).

Overview of the main actions in the risk management system around environmental issues

Monitoring and analysis of indicators
- Quarterly carbon footprint analysis
- Monitoring of renewable energy investments

Physical risk monitoring and control system
- Risk identification and assessment
- Risk management system
- Monitoring and steering

Integration of Climate Risks into the ORSA (Own Risk and Solvency Assessment)
- Qualitative approach
- Specific scenarios CAA entities
- ACP stress test exercise

Permanent control system
- Structure of a control plan on the main climate indicators Control of published reports

Implementation of a map dedicated to climate risks
- CAA Group Mapping by Risk / Level

Initiatives and cooperation with regulators and professional representative bodies
- Participation in working groups
- Participation in surveys / questionnaire

Integration of climate risks into existing monitoring and systems
- New product launch process
- Financial risks (ratings, direct investments)

8.2. DESCRIPTION OF THE MAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY RISKS

8.2.1. ENVIRONMENTAL RISK MAPPING

In 2023, **an environmental risk map** was drawn up to provide a common reference framework at Crédit Agricole Assurances Group level. This mapping is currently being adapted at entity level

Crédit Agricole Assurances is exposed to the following types of climate-related risks :

8. APPROACH TO CONSIDER ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY CRITERIA IN THE RISKS MANAGEMENT, INCLUDING PHYSICAL, TRANSITION AND RESPONSIBILITY RISKS, RELATED TO CLIMATE CHANGE AND BIODIVERSITY

Risks	Risk sub-modules	Main risks
Transition risk Corresponds to the transition effects the transition to a low-carbon, climate-resilient or ecologically sustainable economy.	**Policy / Regulatory / Technological** Associated transition costs due to less of use greenhouse gas emissions technologies; substitution of existing products and services with lower GHG emissions; increasing pricing of greenhouse gas emissions, strengthening of emission reporting obligations.	Market risk
		Underwriting risk
		Counterparty and credit risk
		Operational / Reputation / Strategic Risk
	Reputation Changing consumer preferences, stigmatisation of certain sectors of activity (ex fossil fuels).	Market risk
		Counterparty and credit risk
		Operational / Reputation / Strategic Risk
Physical risk Corresponds to the direct impact of climate change on people and goods.	**Risks of occurrence of extreme events** Increasing the severity of extreme weather events such as storms, cyclones, drought, flooding.	Underwriting risk
		Market risk
		Counterparty and credit risk
		Operational / Reputation / Strategic Risk
	Chronic and sustainable risks Gradual changes such as rising temperatures, rising sea levels and rising oceans.	Underwriting risk
		Market risk
		Counterparty and credit risk
		Operational / Reputation / Strategic Risk
Responsibility risk Corresponds to the damages that a legal entity would have to pay if it were considered responsible for global warming.	**Responsibility risk**	Market risk
		Counterparty and credit risk
		Operational / Reputation / Strategic Risk
Biodiversity risk Corresponds to the degradation of biodiversity resulting from intensive use of land and marine territories.	**Biodiversity risk**	Transition risk
		Physical risk
		Liability risk

Each risk sub-module is broken down into several main risks (market, underwriting, counterparty and credit, operational, reputation and strategic). For each main risk are described: the main activities impacted (Life and/or Non-Life), the level of exposure: + (low) / ++ (intermediate) / +++ (major); the time horizon: short-term, medium-term, long-term, policy levers, monitoring indicators.

8.2.2. MAIN IDENTIFIED AND PRIORITISED RISKS

- Through its property and casualty insurance activities, Crédit Agricole Assurances is directly exposed to the **physical risks** related to weather conditions (storms, floods, cyclones, hail, drought, etc.). These risks may concern, in particular, individual dwellings such as professional or agricultural buildings, vehicles or crops.
- Through its investment activities, Crédit Agricole Assurances is mainly subject to **transition risks,** which would impact the business model of certain investments and could therefore weigh on their valuation. Failing these adjustments, the cessation or regulatory penalty of certain activities deemed too polluting or too greenhouse gas emitting could result in the impairment of the associated assets.
- As regards the **liability risk,** its exposure may be direct or indirect.
  - Direct exposure: in the case of a judgement making an actor liable for having contributed to the consequences of climate change, a liability remains difficult to establish.
  - Indirect exposure: considering an actor's exposure to companies recognised as responsible through counterparty risk, market risk and reputation risk channels.

Liability risk is still more difficult to quantify at this stage. It is currently monitored indirectly through CAA's exposure to climate risks (via, for example, the monitoring of exposure indicators on certain sectors such as coal and fossil fuels) and compliance with the climate commitments made by Crédit Agricole Assurances.

- Although isolated in the risk mapping in order to properly identify these risks in the system, **biodiversity risks** are linked to environmental risks and can also be broken down into transition risks, physical risks and liability risks. As regards transition risks, we can illustrate this link by the political and regulatory aspect inherent to biodiversity. A company with an impact on biodiversity is likely to see a government set a new standard, including protecting natural spaces that reduce access to certain resources. As regards physical risks, the clearest telling example is the disappearance of many pollinating insects, directly impacting agricultural yields and soil degradation.

For further details, please refer to section 7 of this report ("ALIGNMENT STRATEGY WITH LONG-TERM BIODIVERSITY OBJECTIVES").

Due to the specific nature of the liability risk mentioned above and the interconnection between biodiversity risks and other environmental risks, only the analysis and monitoring of physical and transition risks will be detailed below.

8.3. REVIEW FREQUENCY OF THE RISK MANAGEMENT FRAMEWORK

The environmental risk management system is reviewed at least annually when preparing and drawing up the Crédit Agricole Assurances Group's risk strategy, including the risk framework for the coming year. The risk strategy guidelines are presented to the CAA Group Audit Committee and reviewed by the Crédit Agricole Group Risk Committee.

In the event of a significant event that may have an impact on Crédit Agricole Assurances' risk exposure and medium-term plan, adjustments to the risk management framework may be made during the year.

8.4. ANALYSES, MONITORING AND ACTION PLANS TO REDUCE THE ENTITY'S EXPOSURE TO THE MAIN ENVIRONMENTAL, SOCIAL AND QUALITY GOVERNANCE ISSUES

8.4.1. ANALYSIS AND MONITORING OF "PHYSICAL" RISKS

Physical risks are risks resulting from damage caused directly by meteorological and climatic events. For the Crédit Agricole Assurances Group, the main physical risks relate to the insurance business through its status as insurer and the geographical areas of investments through its status as investor.

Insurer

As an insurer, physical risks are linked to the non-life insurance business. Within the Crédit Agricole Assurances Group, the main non-life insurance company, Pacifica is exposed, by its status as an insurer, to physical risks related to weather conditions[17]. These risks may concern the buildings, vehicles or crops.

Today, the Crédit Agricole Assurances Group has the ability, in its non-life insurance business, to manage physical risk.

(17) E.g. storm, hail, cyclone, floods, drought.

To manage these risks and contain physical risk exposure, a physical risk monitoring and control system is in place with:

Identification and assessment of physical risks

- The quantification of these risks particularly raised on simulations of general climate event scenarios using both the Solvency 2 Standardised Formula corresponding to a 200-year return period (parameters defined by the EIOPA) and internal modelling based on market models, making it possible to have a risk distribution curve according to the return periods.
- The calculated indicators include the "as if cost" of past climate events on the exposures of the current portfolio of contracts.

Implementation of a physical risk management system

- Limiting the impact of extreme weather events through a reinsurance programme adapted to the governance's risks appetite.
- Adjusting pricing modelling. The evolution of physical risk is indeed integrated into the pricing over time, depending on the business sector and geographical area.
- Adjusting physical risk modelling. Internal modelling of physical risk (random module, vulnerability module, financial loss module) allows the probable loss to be assessed. The evolution of physical risk is integrated into this modelling.

Monitoring and specific management of the to climate events exhibition

- Monitoring exposure to climate events by distinguishing between: the annual change in insured amounts by type of insurance contract and by geographic area, the modelled risk associated with these insured amounts, and the diversification of these risks.

As an investor, the main risk is geographical due to the location of the investments. Geographical areas may be exposed to weather events, the occurrence, duration and severity of which may increase with climate change.

In addition, the risks associated with climate change differ across asset classes.

For example, for equities, economic performance would be sensitive to climate impacts. For bonds, Sovereign securities would be sensitive to the fiscal policy related to climate challenges. Corporates would be affected on their solvency.

Public Issuers

- Crédit Agricole Assurances is mainly exposed to Sovereigns & Assimilates in developed markets where the physical risk of climate change is less likely to have significant impacts on sovereign debt.

Corporate Issuers

- The Crédit Agricole Assurances Group's investments are mainly concentrated in Europe and particularly in France, which are considered globally as among the least vulnerable to climate change. The analysis of so-called "physical" risks covers part of our portfolio of assets: real estate (shops and offices) and energy infrastructure mainly located in France.

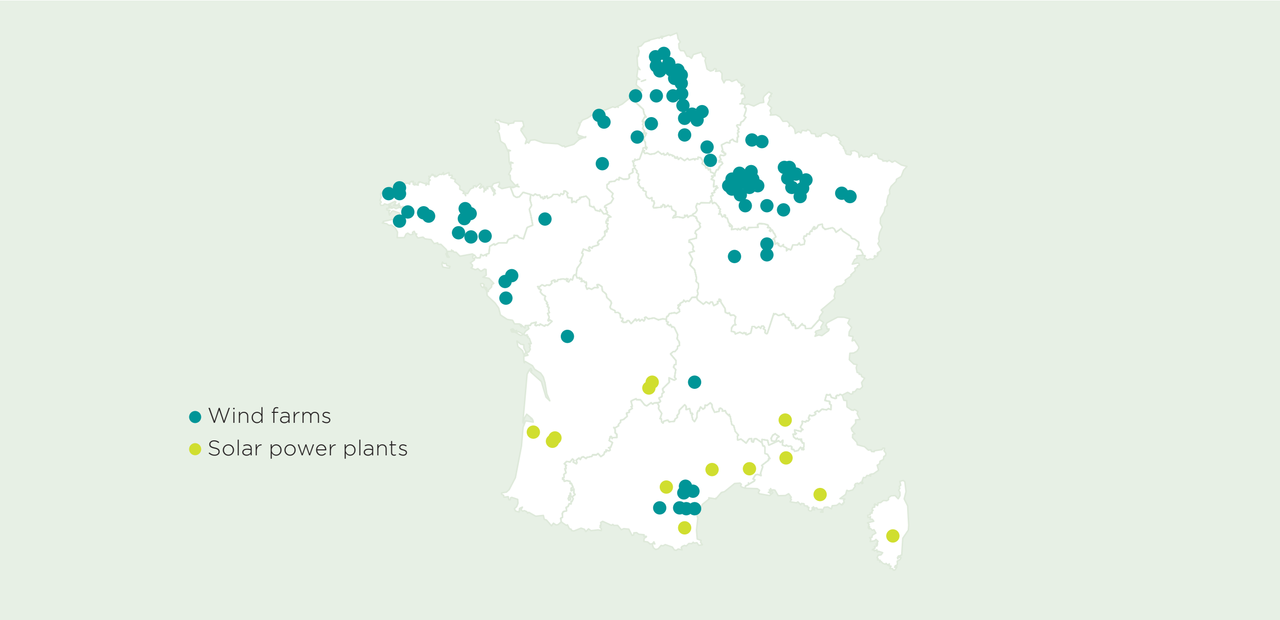
Real Estate

- On our office real estate assets, notably held directly, mainly in Paris (96%), three types of natural risks are identified: flood risk, risks related to the basement "old quarries" and "Antedian Gypsum". In addition, Paris is located in zone 1 (very low risk of regulatory zoning) to take seismicity into account.
- Regarding our real estate assets located in the commune of Lyon (4%), are risk prevention plan, the natural risk such as flooding in the Rhône and Saône rivers, the risk related to clay soils (low) and the technological risk. Lyon is located in zone 2 low for seismicity.

Infrastructure

- Most of the equipment, particularly wind power, is designed for an average lifetime of forty years. The main risks, in particular for offshore wind, concern the marine environment and faster wear and tear due to this environment being subject to bad weather (strong winds, soil structure that can lead to a collapse). The analysis of potential risks makes it possible to avoid locations in "at-risk" areas.

Below is an illustration of the wind/solar installation sites on one of our partnerships in France that displays a good visualisation of the existing fleet and the likely positioning of the pipeline, taking into account the wind corridors and sunny areas.



We have some wind farms concentrated in particular in the Hauts-de-France administrative region which include the Pas-de-Calais and the Somme. Departmental major risks records allow us to be informed of the major risks to which we may be exposed: natural risks and technological risks related to human activity.

In this region, the natural risks identified are land movements, floods, coastal risk (erosion, cliff collapse, marine flooding) and storms (between November and February).

In the Pas-de-Calais region, the movement of land may be due to the presence of underground cavities (natural or non-mining), fault and clay. Flooding that occurs through river overflow, runoff or rising water tables is assessed and managed through the implementation of a flood risk prevention plan.

As for the seismic risk identified, this department is classified as a level 1 (very low) hazard zone, a level 2 (low) hazard zone and, for a few municipalities, a level 3 (moderate) hazard zone.

There are also mining risks (identified, assessed and mapped areas of former mining concessions) and technological risks, which concern in particular the transport of dangerous goods. Reducing vulnerability to these identified risks is an economic and public safety issue.

8.4.2. TRANSITION RISK ANALYSIS AND MONITORING

Transition risks are risks resulting from the effects of implementing a low-carbon economic model. These include political and legal risks, in particular linked to adverse changes in commodity prices in the producer sectors and exporting countries, changes in energy markets, the strengthening or compliance with environmental standards, technological risks and reputational risks linked to the financing of certain activities.

A risk management system is put in place in the overall plan of the company's decision-making process to take into account these climate and ESG risks.

ESG analysis on investments

On transition risks, **ESG analysis** helps to better identify risks and opportunities. This means protecting against regulatory, financial, operational and reputational risks. This ESG analysis can be materialised in the form of an alphanumeric note and for which holding thresholds can be applied.

The ESG policy on investment decisions is based on the following principles:

- Not investing in issuers with unacceptable practices.
- Do not invest in practices which, while not unacceptable, give rise to significant extra-financial and financial risks.

Before integrating a company into a portfolio, an ESG risk review is carried out at the same time as the financial analysis. In this case, this allows us to anticipate the risk of impairment and/or the environmental impacts of our assets. The physical, economic and legal impacts on the assets held directly or indirectly in the investment portfolios are assessed. If an ESG-Climate risk seems too important to us, we do not invest.

A controversy, particularly through our main asset management company, may arise for a company that we hold in our portfolio. We identify the source, the veracity of the information and the company's response. If the answer does not seem appropriate, a divestment can take place. Climate change and risk have emerged as one of the most significant ESG factors that the institutional investor must manage as part of an asset allocation strategy, being a systemic and local risk.

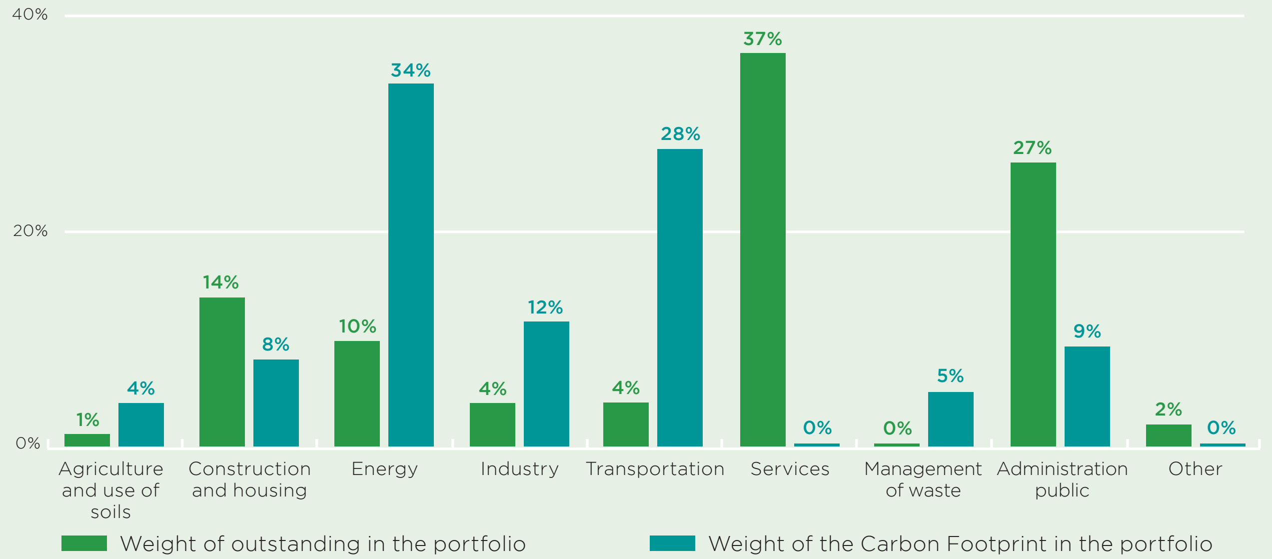
Calculation and monitoring of climate-related indicators

Monitoring and analysing transition risks also involves **calculating and monitoring climate-related indicators,** such as measuring the carbon footprint of portfolios, through a combination of several approaches (sectoral and geographical approach, issuer-level approach, sovereign-state approach):

- Amundi's "Bottom-Up" Approach favours a calculation of GHG emissions at the level of issuers of the listed investment portfolio in shares and corporate bonds on which CAA has committed to reduce its carbon footprint by 25% by 2025.
- The SAFE "Top-Down" approach, developed by CACIB, allows the carbon footprint to be measured across the entire portfolio (corporate, sovereign and similar portfolios). It allocates all greenhouse gas (GHG) emissions to production activities according to the economic sector and the geographical area of the investments.

Environmental and climate factors have relatively large impacts across countries and sectors. This could affect a company's value chain (supply chain, operations and assets, logistics and market) and have an impact on financial performance. In particular, the chemical, energy, steel and cement, mining, transport and food sectors are the most exposed to environmental risks.

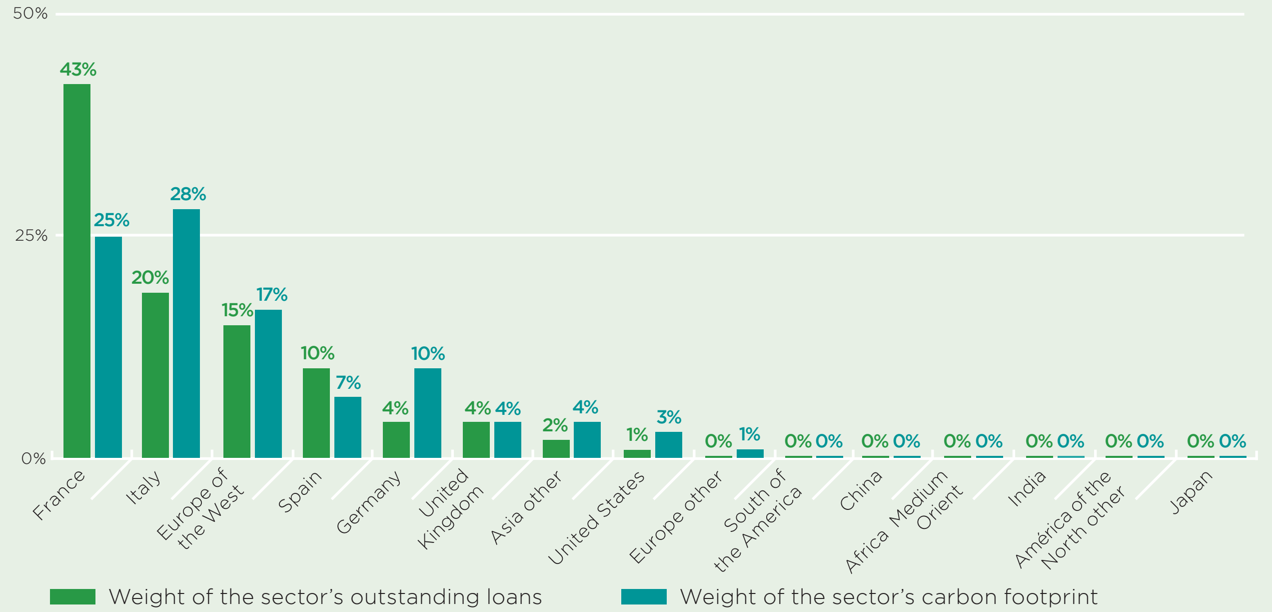
Contribution to portfolio carbon emissions by economic macro-sector



Source: Crédit Agricole Assurances

The above figures show a very high degree of heterogeneity in the contributions of the different sectors. Moreover, within the same sector, the same disparity is found in the geographical areas, as shown in the following graph on the energy sector:

Breakdown of investment in the macro-energy sector by geographic area



The assessment of exposure to transition risk is also based on concrete measures to reduce its carbon footprint:

- Investments in green bonds, renewable energy projects, real estate assets where transition risks are identified in particular during the labelling and environmental certification processes.
- The application of the Crédit Agricole Group's sectoral policies and particularly the coal policy makes it possible to give priority to issuers taking part in an energy transition approach aimed at reducing their greenhouse gas emissions.

8.4.3. IDENTIFICATION OF OPPORTUNITIES

Although the analysis of the potential negative impacts of investments can shed light on important material risks, the analysis of the positive impact can highlight opportunities, particularly if an investment contributes to the reduction of emissions.

Our main opportunities as an institutional investor can be summarised by financing renewable energy (RED) projects, financing innovative companies in the energy transition, investments in green bonds, investments in sustainability-linked loans, financing of transition infrastructure, energy-efficient real estate investments, investments in environmentally certified real estate debt, investments in debt funds financing green projects.

Real Estate

Given that the real estate sector in Europe accounts for around 40% of total energy consumption and 25% of total GHG emissions, Crédit Agricole Assurances relies on the energy efficiency of its investments. By targeting high-quality assets, designed in particular according to environmental certifications, Crédit Agricole Assurances targets more potential occupants.

In addition, some of our partners are being evaluated by the Global Real Estate Sustainability Benchmark (GRESB) to highlight their increasing consideration of extra-financial criteria.

Renewable energy investments (capital and debt)

By rebalancing the energy mix, the development of renewable energies favours a decline in wholesale electricity prices. Therefore, further development requires facilitating their storage and could trigger the next structural change in the industry.

Furthermore, reduced exposure to GHG emissions, meaning reduced exposure to future increases in fossil fuel prices, contributes to reducing sensitivity to changes in the cost of carbon.

8.5. QUANTITATIVE ESTIMATE OF THE FINANCIAL IMPACT THE MAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS IDENTIFIED

Crédit Agricole Assurances assesses the impacts of physical and transition risks on its business portfolio, relying in particular on short- and long-term scenarios as part of the ORSA - Own Risk and Solvency Assessment process (internal scenarios and stress test exercises) and through internal modelling.

- **Short-term scenarios:** internal scenarios or during stress tests conducted by the French Prudential Supervisory and Resolution Authority (ACPR) to test the activity over a five-year horizon in relation to the strategic planning horizon of companies (examples: multiplication of acute short-term physical shocks such as drought, intense heat wave, floods combined with a disruption of financial markets) and measure its vulnerability. Some internal modelling is also used to quantify these risks (general climate event scenarios).
- **Long-term scenarios** used in the context of the ACPR exercises, carried out in 2020 and 2023, including in the last edition an orderly transition and a disorderly transition by 2050 (respectively based on the NGFS scenarios "Below 2°C" and "Delayed Transition") depending on the pace of implementation of actions to limit the rise in temperatures.

Focus on the scenarios of the 2023 climate stress test exercise

Three stress scenarios are proposed, compared to a reference scenario (hypothetical scenario without taking into account physical risks and transition risks).

A risk management system is put in place in the overall plan of the company's decision-making process to take into account these climate and ESG risks.

1 Short-Term Scenario

- Succession of extreme physical hazards (drought/heat wave and localised flood shock with dam break) from 2023 to early 2025, followed by a market shock in the second quarter of 2025 (valuation shock particularly affecting the assets of the sectors that emit the most greenhouse gases).

2 Scénarios Long Terme

- Transition scenarios by 2050 including an orderly transition scenario and a disorderly transition scenario, each coupled with a physical scenario (increased mortality, healthcare costs, damage to be covered in non-life).

8.5.1. SHORT-TERM SCENARIOS

Stress test exercises

Assessments are carried out as part of the stress test exercise, in particular the exercise proposed by the ACPR in which the entities of the CAA group, Predica and Pacifica, participated (i.e. coverage by the exercise of 84% of the CAA Health-Life activity and 87% of the CAA Non-Life activity covered by the exercise).

Even if the short-term stress scenarios show an adverse impact on activity in relation to the particularly adverse economic scenarios (deterioration of the solvency ratio in relation to the particularly adverse economic scenarios combined with an increase in the claims/premiums ratio), the impact remains temporary and contained with a gradual return to a solid financial trajectory (thanks to the stabilisation of the markets, tariff adjustments and provisioning).

This trend is reflected in the different business lines, with a slightly different timeline of impacts:

- Savings/retirement and provident/borrower activities (Predica mainly) were little affected by physical shocks in the first two years. However, they deteriorated more sharply with the disruption of financial markets in the middle of the projection period, leading to an increase in the claims ratio and a decrease in the solvency ratio. The 5th year of the projection is nevertheless marked by an improvement in ratios as financial markets stabilise.
- The damage business (mainly Pacifica) was negatively impacted in the first year, with the increase in claims related to climate events. Negative conditions are maintained in subsequent years by the adverse consequences of climate events on financial markets, leading to a decline in the solvency ratio. The ratio tends to increase towards the end of the projection period as market conditions improve. The deterioration in the claims/premiums ratio remains contained over time, with a gradual improvement at the end of the period. The impact of climate change on income is greatly reduced by the reinsurance mechanism.

Internal scenarios

Companies most exposed locally to climate risks are also required to assess the impacts through specific scenarios that they return to their governance in accordance with the Crédit Agricole Assurances Group's ORSA process.

In 2023, physical risks were assessed using specific scenarios simulating the following climate events:

- **CA ASSICURAZIONI** (hail and flood events),
- **MUDUM** (disaster scenario caused by a wind storm followed by flooding),
- **CA ZYCIE** (heat wave scenario),
- **CATU** (scenario of a sequence of natural disasters - floods and fires),
- **ABANCA** (wind storm events and fires),
- **PACIFICA** (increased frequency of weather events and underplacement of reinsurance).

Specific physical risk assessments

Within the Crédit Agricole Assurances Group, the main non-life insurance company, Pacifica is exposed to physical risks. As regards the system for monitoring and controlling these risks put in place to contain exposure, physical risks are quantified, based on simulations of climate event scenarios:

- By the SCR disaster module defined in the Solvency 2 Standard Formula corresponding to a return period of 200 years.
- Through internal modelling based on market models, allowing for a risk distribution curve based on return periods.

Limiting the impact of climate-related events relies in particular on an adapted reinsurance programme, pricing adjustments and modelling.

8.5.2. LONG-TERM SCENARIOS

The long-term scenarios reveal the resilience of the CAA to climate shocks, given its limited exposure to the carbon-intensive sectors that are stressed in these scenarios (oil services, gas suppliers, coal). This resilience profile is further strengthened by the Group's coal withdrawal policy. The increased frequency of natural disasters and the corresponding increase in claims can be partially offset by a reassessment of annual contributions.

This resilience is reflected in the different business lines:

- Savings/retirement (Predica predominantly): the results of this scope remain robust and do not show differentiated trajectories according to the scenarios. The growth of assets under management is not fundamentally affected by the rise in climate risks and the long-term return on the asset portfolio continues to grow, helping to make a profit-sharing provision permanent while maintaining overall profitability.
- Personal protection/borrower insurance (Predica predominantly): the increase in claims due to the higher frequency of vector-borne diseases, natural disasters and pollution is leading to a deterioration in the claims/premiums ratio (increase of around 13% over the projection horizon). However, this effect can be mitigated by an active management policy through a reassessment of the tariffs on new business.
- Damage (mainly Pacifica): a difference in profitability of more than 20% (between the central scenario and the stressed scenario) is observed due to health shocks and disasters related to natural disasters. Revenues continued to grow steadily, driven by portfolio growth over the projection horizon. The increased frequency of extreme events leads to an increase in annual premiums, the average annual increase of which is considered acceptable (3.2% in health and 2.5% in MRH in the "Delayed Transition" scenario), but with a heterogeneous effect on certain regions that are more affected.

8.6. INDICATION OF CHANGES IN METHODOLOGICAL CHOICES AND RESULTS

Like the climate pilot exercise carried out in 2020, Crédit Agricole Assurances' participation in the climate stress test exercise conducted by the ACPR in 2023 was one of the significant contributions in the overview of the 2023 actions relating to the assessment of environmental risks. This stress test represents a useful learning exercise for the development of an ORSA 2024 Group climate stress scenario by defining, in particular, the contours of a projection framework (granularity, horizons, methodologies) and initial stress assumptions associated with climate change. The conclusions of the exercise will feed into the reflections on the methodologies, tools and scenarios in preparation for ORSA 2024.

8.7. CONTINUOUS IMPROVEMENT PLAN

On biodiversity issues, Crédit Agricole Assurances is interested in the financial risks related to the loss of nature for its investment portfolio. Initial work will be carried out with Crédit Agricole SA to assess the potential financial impacts for a sample of companies.

It is essential to start building skills on these topics and follow emerging methodologies.

CONCLUSION

2023 was a year of success for Crédit Agricole Assurances, with very good annual results, confirming once again the strength of its banking-insurance model and its local presence serving all its clients. A number of key events took place for Crédit Agricole Assurances in 2023. We shoud highlight the investment in Verkor to build our Gigafactory in France and accelerate the future of sustainable mobility. However, two new low-carbon claims management units have been inaugurated near Caen and Grenoble, and three startups have been promoted as winners of the Innov & Act challenge, focusing on water-related risks.

During the recent exceptional weather events, Crédit Agricole Assurances' team members were able to respond by supporting all clients, individuals, professionals and companies affected by disasters, highlighting the excellence of the relationship with them.

For 2024, Crédit Agricole Assurances will continue its policy, in line with its societal project, and rely on three development axes:

1. Acting as a Responsible Insurer

Crédit Agricole Assurances' primary responsibility is to protect our clients through our offers and advice. We strive to deliver a quality of service adapted to best meet expectations and needs. A prevention approach must be integrated as soon as our products are built. One of our ambitions is to integrate social and environmental issues across the entire value chain of our products. With this in mind, Crédit Agricole Assurances has committed to reach €28bn of SRI (Socially Responsible Investment), Greenfin or Finansol certified units of account by 2025. At the same time, Crédit Agricole Assurances wants 100% of the newly designed or recast offers to use a CSR reference system.

2. Acting as a Responsible Investor

As an institutional investor, we take an important look at the choice of our investments. Environmental and social criteria are an integral part of our decisions. In this sense, Crédit Agricole Assurances will continue its financing in renewable energies, and thus meet its 14 GW commitment in this sector for 2025. In addition, as part of the Net-Zero Asset Owner Alliance (NZAOA), Crédit Agricole Assurance will continue work to reduce the carbon footprint of its investment portfolios listed in equities and corporate bonds by 25% (compared to 2019).

3. Acting as a responsible business

As a responsible company, we are committed to reducing the carbon footprint of our activities and buildings. At the same time, our financial sponsorship is directed towards actions in favour of inclusion and climate. It is accompanied by a skills sponsorship system that encourages employee stewardship. In this approach, Crédit Agricole Assurances has committed to reducing its carbon footprint by 17% by 2025, as part of the Science Based Targets Initiative (SBTi). Crédit Agricole Assurance has also committed to planting or protecting 4 million trees between 2018 and 2025.

We are thus pursuing a clear strategic direction, thanks to our corporate purpose, that of the entire Crédit Agricole Group, to act every day in the interest of our clients and society.

ANNEXE 1
ESG DEFINITIONS AND APPROACHES

DEFINITIONS

Risks and impacts

In order to clarify these notions, Crédit Agricole Assurances considers that decisions (or risks) of a "NON-ESG" nature (e.g. financing strategy, development of new products, partnerships, etc.) and ESG-related decisions (e.g. a strong focus on soil pollution, the search for balanced governance, a good gender balance, etc.) can lead to financial and/or extra-financial (or extra-financial) impacts (e.g. reputation, legal, etc.). Some short-term extra-financial impacts may also generate medium- to long-term financial impacts (e.g. poor image of the company). It is sometimes difficult to quantify the financial impacts of certain medium- to long-term events.

There are also the notions of physical risks and transition risks:

Physical risks

These are financial impacts resulting from the effects of environmental disturbances, which increase the intensity and frequency of extreme weather events, such as floods or cyclones, and/or which gradually modify climate conditions (increase in average temperatures, rise in sea levels, etc.)

Transition risks

These risks have financial impacts resulting from non-alignment with the Energy and Ecological Transition. These risks are mainly of three kinds: market and behavioural risks related to the changing preferences of clients and other stakeholders for TEE activities; regulatory risks, cost risk related to the evolution of energy and natural resource prices.

Integration of ESG criteria (Social Environment Governance)

It is an investment that incorporates at least one of the following three aspects: Environment (E), Social (S), Governance (G).

SRI (Socially Responsible Investment)

It is an investment jointly integrating the three aspects E, S, G and limited to an investment vehicle (the fund is fully SRI or not). SRI is therefore more restrictive than ESG and is included within it (an SRI product is necessarily ESG). There is also the SRI label.

Joint and several product

A solidarity product is an investment in which all or part of the money is invested in projects with high social and/or environmental utility. For the canton solidaire (or for a solidarity fund), 5% to 10% of the funds are used to finance solidarity-based businesses or solidarity-based economy projects such as: integration aid, social housing, microcredit, etc. A solidarity fund can also be an SRI product if it integrates the 3 ESG pillars.

Sharing Product

A sharing product allows the investor to sell all or part (at least 25%) of the financial return of his investment to charities, associations or NGOs. A sharing fund can also be an SRI product if it incorporates the three SRI ESG criteria into its management choices.

CSR

Corporate Social Responsibility is the way in which companies take environmental, social and governance issues into account in their activities.

TCFD

The Task Force on Climate-related Financial Disclosures was set up by the G20 Financial Stability Board to encourage companies to be transparent about their financial risks. The working group is developing information on climate-related financial risks, which companies can use to inform investors, lenders, insurers, and other stakeholders. The working group examines the physical, liability, and transition risks of climate change, as well as what constitutes effective financial reporting across all sectors. The task force's work and recommendations help companies understand what financial information to measure and address climate-related risks, and will encourage companies to align their information with investors' needs.

TEE

The Energy and Ecological Transition is an evolution towards a new economic and social model to meet major environmental challenges. The energy transition is a component of the ecological transition.

Article 173 LTECV

It sets out the obligations for institutional investors to be informed about their inclusion of environmental, social and governance criteria in investment transactions. (Novethic)

Article 29 LEC

It provides a framework for the extra-financial reporting of market players. It sets out the information to be published regarding the considerationon the integration of environmental, social and governance quality criteria into investment policy and on the means implemented to contribute to the energy and ecological transition. (Ecologie.gouv)

Asset Management

It is a financial activity whose objective is to create, manage, grow and maximise the profits of financial products or investments entrusted by companies or individual investors. (absparis)

Biodiversity

Was obtained by contraction of the words biology and diversity. It refers to the diversity of living organisms (fauna, flora, bacteria, etc.) and ecosystems on Earth. (Novethic)

BREEAM

Validation and certification system for a sustainable built environment, to achieve ESG, health and net zero objectives. (bregroup)

CBD

Under the aegis of the United Nations, the International Convention on Biological Diversity brings together 194 countries participating in international negotiations on the conservation of biodiversity. The signatory countries are committed to maintaining the planet's ecological balance while maintaining growth in economic development. (Novethic)

Corporate Sustainability Reporting Directive (CSRD)

Aims to promote the transition to a sustainable global economy, taking into account social justice and environmental protection. It will soon replace the Directive on extra-financial reporting by companies (NFRD), in order to reinforce the European Union's objectives in terms of corporate transparency. (Novethic)

Glasgow Declaration

The Glasgow Declaration is a catalyst to address the need to urgently accelerate climate action in tourism and secure strong commitments in support of global targets to halve emissions this decade and reach net zero emissions as soon as possible before 2050. (UNWTO)

Carbon footprint

The carbon footprint is an indicator that measures the impact of an action or activity on the environment. This is based on the amount of greenhouse gases (GHGs) emitted by the action or activity, whether it is a person, organisation, company, state or object or process. (The horizons)

EROSION OF BIODIVERSITY

The erosion of biodiversity is reflected, in particular, in an increase in the extinction rate of species, the decline in the populations of certain species and the degradation of natural habitats. It results mainly from the destruction and fragmentation of natural environments, their pollution, the overexploitation of wildlife, the introduction of invasive alien species, but also from climate change. (Notre-environnement.gouv)

Normative exclusion

In the context of a responsible investment, the investor may have to exclude certain types of investment from their portfolios because of non-compliance with certain ethical or moral principles, but also international standards. (Novethic)

Sectoral exclusion

In the case of sectoral exclusion, it is a question of excluding undertakings which derive part of their turnover, considered to be significant, from activities deemed harmful to society. These are usually ethical exclusions, with the sectors most affected being alcohol, tobacco, armaments, gambling and pornography, or environmental exclusions in the case of GMOs, nuclear or fossil fuel exploitation. (Novethic)

HQE

HQE certification strikes a balance between respect for the environment (energy, carbon, water, waste, biodiversity, etc.), quality of life and economic performance through a global and multi-theme/multi-criteria approach. Regardless of the region, HQE is also a strategic roadmap, guaranteeing cost and time control during construction, control of costs and risks during operation and differentiation during rental or sale. (HQEGBC)

LEED

Leadership in Energy and Enviromental Design (LEED) certification is a North American environmental certification designed to promote the high environmental quality of buildings. Developed by the US Green Building Council, it aims to measure and reduce the environmental impact of buildings throughout their life cycle. Designed to respond to the plurality of construction projects and their specificities, it concerns different types of assets. Greenaffair

Net Zero Asset-Owner Alliance (NZAOA)

It brings together 33 institutional investors who are committed have "zero emissions" investment portfolios by 2050 and take action to reduce greenhouse gas emissions by engaging with businesses and public institutions. NZAOA has just published its "Inaugural 2025 Target Setting Protocol", which provides guidance to its members on how to prepare and present their targets for 2021-2025, as well as on the annual reports related to the targets. (Reclaimfinance)

Net Zero Insurance Alliance

The Net-Zero Insurance Alliance (NZIA), convened by the United Nations, is a group of 30 leading insurers and reinsurers representing around 15% of global premium volume worldwide. Members have committed to moving their insurance and reinsurance underwriting portfolios to zero net greenhouse gas (GHG) emissions by 2050, corresponding to a maximum temperature increase of 1.5°C above pre-industrial levels by 2100, in order to contribute to the implementation of the Paris Agreement on Climate Change. (UNEPFI)

Green bond

A green bond is a loan issued on the market by a company or public entity to investors to enable it to finance its projects contributing t o the transition, more particularly infrastructure investments. They are distinguished from conventional bonds by detailed reporting on the investments they finance and the green nature of the projects financed. (Ecologie. gouv)

Undertakings for Collective Investment in Transferrable Securities (UCITS)

These are financial intermediaries that give their sub-underwriters the opportunity to invest in financial markets to which they would otherwise have little access (foreign financial and monetary markets, unlisted shares, etc.). The main activity of UCITS is to raise funds by issuing financial securities to various agents (individuals, companies, etc.) in order to acquire financial assets. (INSEE)

Global Compact

It offers its members a voluntary commitment framework built on ten principles, derived from the fundamental texts of the United Nations, to be respected in terms of human rights, labour law, the environment and the fight against corruption. (Global Pact)

Principles for Responsible Investment (PRI)

The six Principles for Responsible Investment offer a menu of possible actions to integrate ESG issues into investment practice. (UNPRI)

Private Equity

Private Equity, literally private or unlisted equity, is the purchase of shares of companies that are not listed on the stock exchange. This investment is made directly or through companies or funds. Since securities are not listed on the financial markets, it is often said that Private Equity makes it possible to invest in the so-called real economy. (CPFB)

Scope 1

Scope 1 covers all direct emissions from the activities of an undertaking, whether combustion or process-related. In other words, emissions released directly into the atmosphere by a company-owned or operated installation. (Wearegreen)

Scope 2

Scope 2 covers all indirect emissions related to the electricity consumed by an undertaking. In other words, emissions released indirectly to the atmosphere as a result of the production of electricity used by an installation owned or operated by the undertaking. (Wearegreen)

Scope 3

Scope 3 covers all other indirect emissions. In other words, emissions released indirectly to the atmosphere as a result of activities or the purchase of products/services which are not owned or controlled by the undertaking. (Wearegreen)

Taskeforce on Nature-related Financial Disclosures (TNFD)

This is a working group that proposes to provide a framework for financial institutions and companies to identify and report on all nature-related risks, including biodiversity.

Taxonomy

The proposal for a European taxonomy for sustainable activities is a key element of the action plan for sustainable finance. Its primary objective is to create a Community and then international language to categorise economic activities according to their environmental externalities. (Novethic)

Energy transition

The energy transition (or ecological transition) refers to the transition from an energy system that relies mainly on the use of fossil fuels, depletable and emitting greenhouse gases (such as oil, coal and gas), to an energy mix that gives priority to renewable energies and energy efficiency. (Novethic)

Unit of account

The unit of account is the name given to the various investment vehicles used in a life insurance contract “multi-media”. Unlike the euro fund, which is the other component, the capital is not denominated in euros but in shares whose value fluctuates according to the stock markets. (Capital)

THE DIFFERENT ESG APPROACHES

Exclusion methods

Two types of exclusions exist:

Normative exclusions (“conduct based”)

This involves excluding companies in order to comply with international treaties (e.g. ILO conventions on the worst forms of labor).

In some cases, it may be difficult to define the list of excluded companies: at what percentage of its activities is the company considered to be involved? It is sometimes difficult to obtain information on a company’s activities (e.g. armaments, government contracts). Hence the emergence of extra-financial rating companies specialized in certain fields (e.g. Ethix for controversial arms).

Sectoral exclusions (“product based”)

The aim is to exclude all companies involved in a given activity: gambling, tobacco, alcohol, coal…

ESG selection

This time, the aim is not to exclude a sector or activity in its entirety, but to exclude the issuers with the worst practices according to the perimeters defined ex-ante.

Best-in-Class

A number of economic sectors are defined upstream (generally the sectors defined by equity index providers such as MSCI), and within each sector, around the same percentage of issuers (those with the lowest ESG ratings) are rejected.

Best-in-Universe

We don’t define categories upstream. We take the entire investment universe and, on the basis of a certain number of common criteria, exclude issuers with the lowest ESG rating.

Best-effort

Only those issuers that have shown the best progress dynamics on the basis of CSR criteria are selected (generally combined with a best-in-class, since progress is relative depending on the sector).

ESG themes

The ESG theme consists of investing in activities with positive extra-financial impacts such as renewable energy

Naturally, the selected companies or projects must also have a sufficiently high ESG rating (once again, a filter). In fact, solar panels could be produced under poor environmental (uncontrolled waste) and social (unacceptable working conditions) conditions.

Commitment

When an investor holds a significant share of a company’s capital, and a fortiori when it has one or more seats on the board of directors, it can influence the issuer’s general management to bring about positive changes in the company’s CSR practices. The investor recommends actions and suggests ways forward, but does not replace senior management when it comes to implementing recommendations (micro-management must be avoided). Naturally, investors often have to reach agreement with other shareholders on recommendations. He can act via a voting policy and the implementation of votes during resolutions at general meetings..

The investor’s reputation is all the more at stake when he has strong control over the company..

It should be noted that the repeated exclusion of an issuer by several major investors (and especially if this exclusion is made public by them) may lead the issuer to reflect on and modify its CSR practices. Nevertheless, some issuers are unwilling to provide even the slightest information on their CSR practices (except those of a legal nature). Exclusion therefore has no effect on their practices. Exclusion protects the investor against non-financial, financial and reputational risks, but does not improve the issuer’s situation.