2021 / 2022

10th EDITION

LBP AM & TFSA

OUR COMMITMENT TO A JUST TRANSITION

LA BANQUE POSTALE ASSET MANAGEMENT

TOCQUEVILLE Finance

Report on the implementation of Article 29 of Act No. 2019-1147 of 8 November 2019 on energy and climate, by La Banque Postale Asset Management and its subsidiary Tocqueville Finance for the period from June 2020 to December 2021.

EDITORIAL

Droughts, heatwaves and floods made headlines all over the world in the first half of 2022. The war in Ukraine also shined the spotlight on the cruel fragility of supply chains for basic goods: raw materials, the basis of our food, and energy.

At the same time, the collapse of biodiversity become one of the top 5 major threats to humanity over the next decade, established by the World Economic Forum. According to the International Union for Conservation of Nature, nearly one million living species are at risk of extinction, a tremendous loss that also calls into question our economic models.

The LBP AM Group has resolutely committed to contributing to a just transition towards a more sustainable and inclusive world.

This is what our "100% SRI" Strategy was all about, from as early as 2018. Nearly 100% of the open-ended funds eligible for the French public SRI label of LBP AM and its subsidiary Tocqueville Finance are now certified, making for 111 funds (€31 billion) and 70% (€42 billion) of our total responsible investment assets, as at 31/12/2021.

For us, this SRI label is a key foundation, having enabled us to incorporate the major societal issues into our investment processes, but is not an end in itself. In 2021, we put the emphasis on the effective impact, for society, of our SRI solutions. To illustrate, we launched our climate-impact infrastructure debt fund strategy,

Emmanuelle Mourey
Chair of the Management Board, La Banque Postale Asset Management

Vincent Cornet
Managing Director, Tocqueville Finance

"Sustainability problems are appearing before our eyes with increasing regularity and consistency. It is essential that we, all together, offer concrete, transformative and scalable responses to them".

making it possible to manage the contribution of funded projects to the objectives of the Paris Agreement, in an objective and transparent manner.

In 2022, we set four main targets.

1. To make impact a hallmark of our real and private asset expertise;
2. To present the details of our ambition for a "Net Zero" trajectory, including our oil and gas policy;
3. To develop our analyses on the Resources and Territories lines, in connection with issues in the energy transition;
4. Lastly, to amplify our engagement policy towards issuers.

Our approach is designed in a spirit of transparency and continuous improvement.

Today, we present this SRI Report, which complies with Article 29 of Act No. 2019-1147 of 8 November 2019 on energy and climate, but also helps understand of our investment policies and practices. You will be able to read about all the components that make up our undertakings as a responsible investor, then become familiar with our actions in this area. Section 3 is dedicated more specifically to the way we handle environmental issues. Lastly, you will find a glossary and our publications, in order to keep you informed of our actions and strategies.

Enjoy!

LBP AM GROUP OVERVIEW

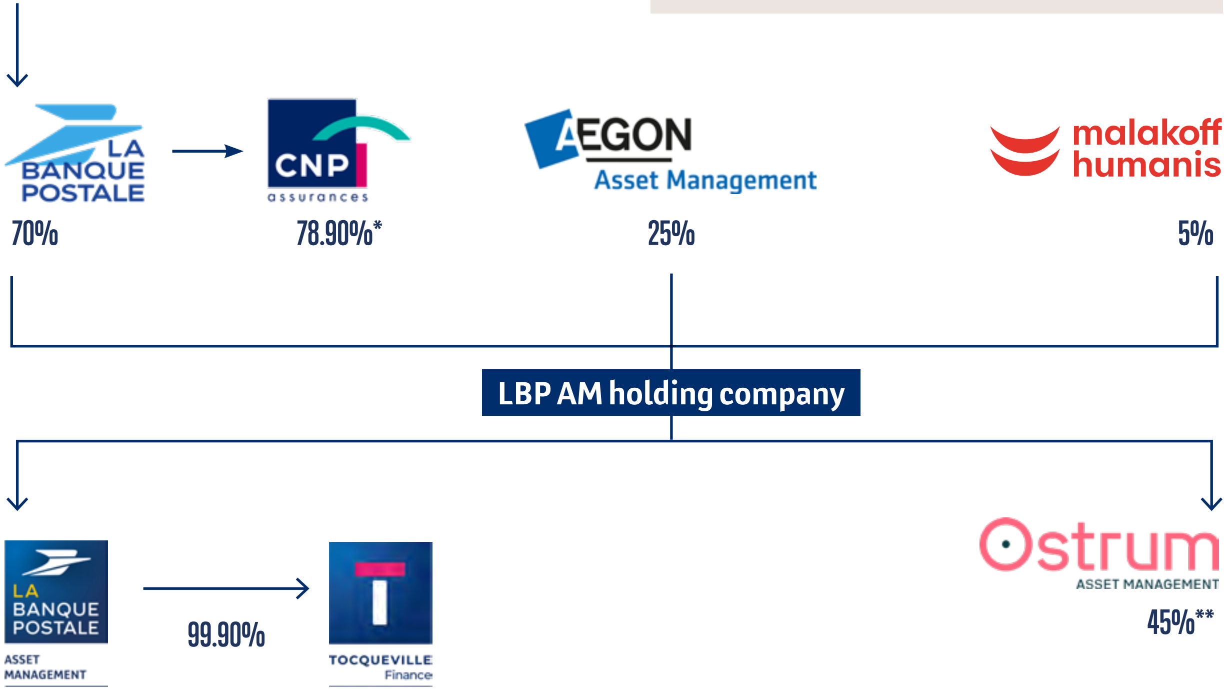
A convinced multi-specialist manager and SRI pioneer, the LBP AM Group is structured into four investment divisions:

- Equities, by its subsidiary Tocqueville Finance
- Real & Private Assets (with a focus on debt)
- Multi-Asset & Absolute Performance
- Quantitative Solutions

To its institutional investors, insurers, mutual insurance companies, large companies and external distributors, it offers open-ended funds, dedicated funds and mandates.

The LBP AM Group is currently 70% owned by La Banque Postale, 25% by Aegon Asset Management and 5% by Malakoff Humanis. As at 31 December 2021, the consolidated assets of LBP AM and its subsidiary Tocqueville Finance amounted to €60 billion of assets under management and distribution (LBP AM and TFSA scope).

LBP AM GROUP, ALL ACTIVELY BUILDING FAIR AND SUSTAINABLE FINANCE.



* LBP plans to file a simplified tender offer on 21.1% of CNP Assurances' capital with the AMF in the First Half of 2022, bringing this proportion to 97.79%.
** On 28 October 2021, it was announced that Natixis IM planned to acquire the 45% of the capital of Ostrum AM held by LBP.

OUR 4 INVESTMENT DIVISIONS

The LBP AM Group: **nearly 100% of SRI-labelled* assets**

EQUITIES TOCQUEVILLE FINANCE

- Growth
- Special & Sustainability Thematics
- Small & Mid- Caps
- Value

REAL & PRIVATE ASSETS

- Infrastructure Private Debt
- Private Real Estate Debt
- Corporate Private Debt
- Dutch Mortgage Aegon AM

MULTI-ASSET & ABSOLUTE PERFORMANCE

- Convertible bonds
- Absolute yield & multi-asset performance
- Dynamic allocation
- Diversified optimised under constraints
- International equities

QUANTITATIVE SOLUTIONS

- Smart beta
- Structured management

This report presents the responsible investment policy of La Banque Postale Asset Management and Tocqueville Finance, how it has evolved, is managed and is implemented, in accordance with the transparency requirements set out by the French Energy and Climate Law. Section 4.4 provides a summary view of the link between the content of this review and the enforcement criteria of Article 29-LEC, as well as the recommendations of the Task Force on Climate-Related Financial Disclosures.

* In the context of certifiable expertise and funds

OUR 2021 HIGHLIGHTS

1

LBP AM Group is innovating for a

JUST TRANSITION

LBP AM Group is a founding member of the world's first engagement coalition for a **just transition** launched by Finance for Tomorrow

A **climate impact infrastructure debt strategy** is launched, making it possible to steer the contribution of funded projects to the Paris Agreement targets in an objective and transparent manner

2

LBP AM Group continues to combine

FINANCIAL WITH NON-FINANCIAL

performance

A 5-star fund and 5 Morningstar Globes

Three funds once again in the Top 5 **funds rewarded by Climetrics for their climate performance:** Federis ISR Actions US, LBP AM ISR Actions Amerique, Federis ISR Euro

3

The LBP AM Group is helping bring demanding

STANDARDS

in favour of the environment into widespread use

The LBP AM Group joins the **Net Zero Asset Manager Initiative** to define a cross-cutting decarbonisation objective for its portfolios

The LBP AM Group joins **Glasgow Financial Alliance for Net Zero** to contribute to transition plan standardisation

Preparation for the entry into force of **European regulations on transparency and distribution relating to sustainable finance**

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CHAPTER 1

OUR UNDERTAKINGS AS A RESPONSIBLE INVESTOR

LBP AM and Tocqueville Finance place the concept of Responsibility at the heart of their strategy.

Since announcing our 100% SRI target in 2018, we have cast our ambition into specific lines on governance, tools, products and expertise to craft a company entirely geared for SRI.

In this chapter, we will present in detail our responsible investment policy, as well as how we have made SRI central to our corporate governance and the day-to-day work of all our employees.

1. 1.
Our responsible investment policy

1. 1. 1.
The foundation of our approach, 100% SRI

Enabling everyone to be an active player

Such is the aspiration of the LBP AM Group, which manages the French people's savings through the La Banque Postale network and by providing support to its distributor and institutional customers in their responsible investment undertakings.

After a pioneering commitment to SRI from as early as the 90s with the first ethical funds and later, in the 2000s, with the first thematic funds, the LBP AM Group made the strategic decision in 2018 to earn the French public SRI label for all its eligible open-ended funds, so as to:

- Guarantee a commitment to selectivity and transparency to its customers,
- As well as to integrate SRI into all its management processes and through all its teams.

A quality requirement

This framework sets out binding principles for the management company:

- Quantitative selectivity thresholds,
- Transparency requirements on its practices,
- Reporting on its results, in particular for the label's 2nd version.

Compliance with these rules and the quality of the management process are verified at an on-site audit by an independent organisation accredited with the label.

For more information: the SRI Label

A catalyst for transformation towards more sustainable finance

The SRI labelling project for open-ended funds mobilised all LBP AM and TFSA employees over more than two years to transform the organisation, from tailoring the label management process to each of the asset class to adapting the quantitative SRI analysis model, training analysts, upgrading the tools used for management and risk monitoring as well as the databases, and developing products. This commitment was delivered upon from as early as the end of 2020.

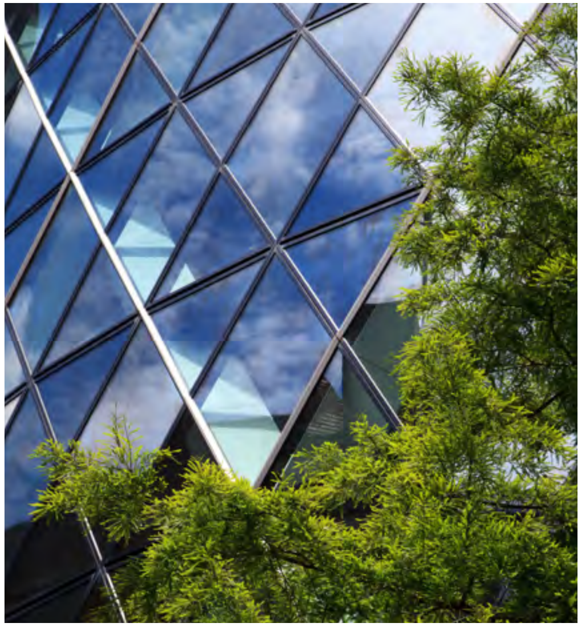
The LBP AM Group is now the only diversified French asset management company of significant size to have earned independent third-party SRI certification for its range of open-ended products*.

With 111 SRI-labelled funds, it offers the largest number of funds bearing the French SRI label.

A robust foundation for offers tailored to the diversity of needs

These integrated SRI processes, SRI tools, databases and expertise have been enriched and made more flexible over the years to enable LBP AM and TFSA to offer their SRI expertise across the board, for mandates and dedicated funds, in a manner in keeping with the needs expressed by their clients. LBP AM and TFSA develop SRI solutions on a case-by-case basis to meet their specific requirements.

* Eligible open-ended funds that do not currently have the SRI label account for less than 5% of the assets of LBP AM and TFSA.



111

SRI-LABELLED FUNDS
THE LARGEST NUMBER OF FUNDS BENEFITING FROM THE FRENCH SRI LABEL.

The LBP AM Group's SRI approach based on the four GREaT pillars is extended by a commitment to companies to incentivise them to improve their practices in these four thematic areas.

1. 1. 2.
Our analytical framework: the GREaT methodology

LBP AM's SRI analysis is aimed at assessing companies and projects from two perspectives: the responsibility of their practices, and the sustainability of their business model. The objective is to identify companies that offer responsible management and products or services that contribute to addressing key societal issues, in particular a just transition, and those that have less robust practices on these two dimensions.

To achieve this, it uses the four pillars of our proprietary GREaT SRI analysis methodology:

- Responsible Governance,
- Sustainable management of natural and human Resources,
- Energy transition,
- Territorial development.

This method incorporates the impact a company's activity on the territories, a distinctive factor and significant marker of the DNA of the La Banque Postale Group.

The GREaT approach has been tailored to each asset class and makes it possible to rate the sustainable development practices of nearly 10,000 companies.

1. 1. 3.
Our engagement policy

The LBP AM Group's SRI approach based on the four GREaT pillars is extended by a commitment to companies to incentivise them to improve their practices in these four thematic areas.

This dialogue, all throughout the year, is aimed at refining the understanding of companies' sustainable development practices, as well as at encouraging their improvements in specific fields. Meetings with companies interconnect with the voting decisions of the LBP AM Group at general meetings, based on a committed voting policy, the results of which are published.

For more information: the engagement policy

1. 1. 4.
Our exclusion policy

The LBP AM Group Exclusion Committee is the body that decides on the exclusion of companies exposed to major controversies and companies operating in sensitive sectors (controversial weapons, tobacco, gambling, thermal coal), enforcing the policies of LBP AM and TFSA, which are demanding and regularly updated.

It is in this manner that, in 2019, the LBP AM Group committed to gradually phasing out mining and electricity production companies with expansion plans involving thermal coal, and not committed to exiting that form of energy by 2030-2040, depending on the geographical zones.

This commitment was stepped up in 2021 to extend to issuers providing services upstream and downstream, and which generate at least 20% of their turnover from coal, and further in 2022 to officialise the end of the LBP AM Group's exposure to this type of energy within the indicated timeframes.

For more information: the exclusion policy

* Eligible open-ended funds that do not currently have the SRI label account for less than 5% of the assets of LBP AM and TFSA.

1. 2.
Our corporate governance, built for responsible investment

1.2 1.
Decision-making bodies specifically structured to guarantee our undertaking as a responsible investor

At LBP AM and TFSA, the definition and implementation of the responsible investment policy is overseen by a cross-functional and top-level governance structure, supported by the Management Board. Chaired by Emmanuelle Mourey, it is made up of members with lengthy experience in asset management, and more particularly at management companies specialising in SRI. They also play an active part in professional associations (AFG) and commissions (AMF) that contribute to the development of French and European ESG regulatory standards. Lastly, like all the employees, they receive training, as was the case in 2021 for the Climate Fresco.
It is anchored in particular by three dedicated committees with complementary responsibilities.

The Sustainable Finance Committee
This committee is made up of the members of the Management Board, the heads of the management and analysis teams, the commercial teams and the risk teams, and is responsible for defining the strategic directions in terms of sustainable finance and steering their implementation.

Under the responsibility of the deputy director of asset management, and composed of 14 ex-officio members representing all the skills and key business lines of the management company, the committee meets every three weeks and is empowered to guide and validate the SRI policies of LBP AM and TFSA.
It also validates the key decisions for applying these policies, such as new commitments made by LBP AM and TFSA in the area of SRI, the key principles guiding the most significant shareholder dialogues, and the principles for developing procedures or structural tools.

Finally, this committee is a body that monitors and shares information on regulatory and market developments, and circulates the SRI policies, initiatives and results of LBP AM and TFSA. Its decisions are frequently drawn up by ad hoc working groups to examine a specific project, such as the ESG regulatory steering committee set up in 2021. The discussion materials are prepared by the head of the SRI Solutions team, who has 12 years of experience in SRI, and reports to the Deputy Chief Investment Officer and the Chairwoman of the Management Board.

The Exclusion Committee
Placed under the chairmanship of the deputy director of asset management, this committee gathers the managers and representatives of the management, analysis and risk teams on a quarterly basis to validate the evolution of LBP AM and TFSA's exclusion policies and their implementation in terms of exclusion, freezing or reinstatement of an issuer, with the objective of avoiding exposure to companies presenting a major risk, whether financial or extra-financial. It has two colleges, voting respectively for LBP AM and TFSA.
The Chairman is responsible for circulating the Committee's record of decisions and for operationally integrating the decisions taken into the management and control systems.

The analysts of the SRI Solutions team and the Fundamental and Sustainable Analysis team ensure the continuous monitoring of issuers according to the policy criteria and produce the deliberation support. The Risks Division has a right of alert in the event of disagreement with the committee's decision in order to have the matter arbitrated by the Management Board. (see diagram below)

The Governance Committee

This thematic committee brings together SRI specialists, manager-analysts and legal and risk managers once or several times upstream from the general meeting season in order to validate the evolution of LBP AM and TFSA's voting policy and its application. It is placed under the responsibility of the Head of the SRI Solutions team.

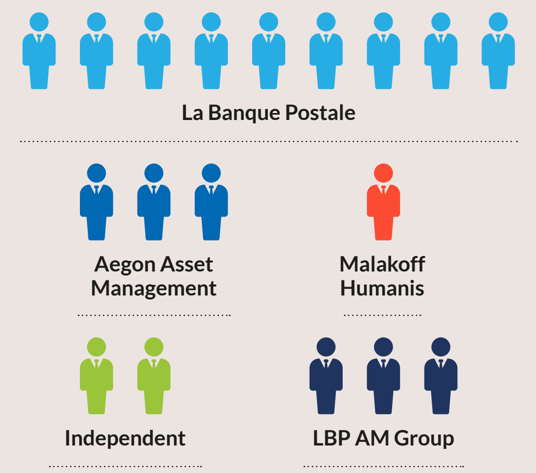
The Supervisory Board

The Supervisory Board of the LBP AM Group is chaired by the Chairman of the Management Board of La Banque Postale and comprises 18 members. (see diagram)

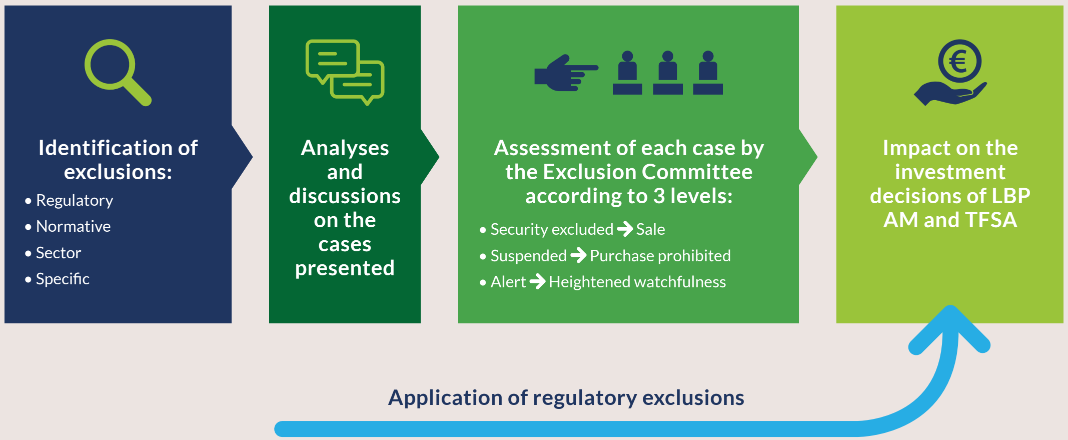
In particular, it ensures that the LBP AM Group fulfils its role as a responsible financial player, by validating the SRI strategy and roadmap set by the Management Board and the dedicated committees.
To do this, it may in particular depend on certain members with lengthy experience in asset management, risk control or regulatory monitoring. The members regularly receive awareness-raising from the Management Board on environmental, social and governance issues. Regular presentations on the development of regulations in this area, on LBP AM's and TFSA's commitment policy and on the challenge of carbon neutrality ("net zero") are made to the Supervisory Boards each year.

In this context, the Supervisory Board dealt with such issues as the following in 2021:
- the deployment of the SRI approach within the LBP AM Group organisation
- a presentation of the French and European regulatory frameworks and their impact on the LBP AM Group's SRI strategy
- the LBP AM and TFSA voting policy

MEMBERS OF THE SUPERVISORY BOARD



EXCLUSION COMMITTEE DECISION-MAKING PROCESS



1.2 2.
Responsible investor undertakings integrated all the way into our remuneration policy

The ESG policy runs transversally through the remuneration policy of LBP AM and TFSA through its integration into the so-called "collective" objectives on the overall performance of the SGP. These account for 10% of the performance criteria for calculating the variable remuneration of all employees or collaborators, and include an objective dedicated to SRI, updated each year.

In 2021, this was a weighted qualitative criterion assessing the completion of the project to develop and implement the climate strategy of the LBP AM Group's sustainable finance roadmap.

Furthermore, beyond compliance with the exclusion constraints applicable to all LBP AM and TFSA managers of collective investments or individual mandates, those with an SRI label strive to achieve the financial performance of UCIs by complying with the demanding framework of the SRI label, and managers in charge of managing UCIs that promote E and/or S characteristics (article 8 SFDR) or that pursue a sustainable investment objective (article 9 SFDR) must ensure compliance with these characteristics.
As required by Article 5 of the SFDR regulation our remuneration policy indicates since 2021 how LBP AM and TFSA integrate sustainability risks in the performance assessment.

For more information the 2021 remuneration policy

1. 3.
Our responsibility in the day-to-day

1.3.1
Dedicated teams and a training policy designed to guarantee our responsible approach

SRI expertise spread across all our businesses and to all our employees
SRI is LBP AM's cross-cutting and integrated management approach, through the diversity of its business lines across its €60 billion in assets under management. To develop and deploy it, LBP AM and TFSA draw upon:

- A research team comprising quantitative analysts, as well as fundamental and sustainable analysts who form a pool of financial and non-financial expertise, so that the two approaches can be integrated in service of management.

Its functions: *enriching fundamental analysis methodologies to integrate SRI risks and opportunities, and producing analyses to support managers in generating investment ideas.*

- A team of SRI specialists, SRI Solutions, which coordinates the development of cross-cutting policies and methodologies.

Its functions: *continuous development of SRI rating and impact methodologies, thematic policies, engagement and voting policies, management of SRI service provision, conduct of engagements and voting, coordination of cross-functional projects, in particular regulatory and data, and stakeholder relations.*

- Their managers and analysts-managers, at the core of SRI management.

Their functions: *deploying the SRI strategies of LBP AM and TFSA funds by applying ESG management rules and conducting a shareholder dialogue that consistently integrates SRI issues.*

21 FTE

THESE TEAMS ARE COMPOSED OF 21 FTE MANAGEMENT PROFESSIONALS WORKING IN SRI, I.E. APPROXIMATELY **30% OF THE MANAGEMENT TEAM'S INVESTMENT ACTIVITY.**

The success of this integration is also reliant on the creation of governance bodies in which analysts and managers are at the core of discussions on SRI methodologies and policies, on an ad hoc or permanent basis. More broadly, SRI is also part of all the teams' day-to-day work: fund selection, risk managers, IT, structurers, sales associates, communication, HR, etc.

Each LBP AM and TFSA employee is an active participant in the SRI dynamics of the management companies.

Continuous learning to consolidate our knowledge and understanding of SRI issues

The LBP AM Group has been developing partnerships with training organisations since 2018 to ensure that all our employees understand and take ownership of topics relating to responsible investment. In this context, general training sessions have been carried out with the support of Novethic's training organisation.

Other sessions, more specialised and targeting analysts and managers, were held in 2019 with the Ecole Polytechnique, the Toulouse School of Economics, the SFAF (Société Française des Analystes Financiers) and the company Quantis.

LA FRESQUE DU CL!MAT
Vous avez toutes les cartes en main

In 2021, the **"Climate Fresco"** was released and will be gradually rolled out for all employees, in order to provide a common knowledge base on the key issues at stake in the energy transition.

carbone4

In 2022, an intensive training course delivered by **Carbone 4** will be held for a community of ambassadors within each entity: the "climate champions" of LBP AM and TFSA.

In addition, the managers and analysts, development and risk are all involved in SRI innovation and development work as a matter of standard practice, making it possible to continually enrich the GREaT methodology, voting policies, sector policies, etc.. Regular participation in SRI development is thus an opportunity for ongoing technical training prior to any deliberation.

2021 TRAINING

SRI

4 employees trained on **2** different training courses

- "ESG certificate"
- "Integrating ESG into your transactions"

THEMES

196 employees trained on **4** different training courses

- including **175** employees trained on the "Climate Fresco"

Each LBP AM and TFSA employee is an active participant in the SRI dynamics of the management companies.

1.3.2 Management tools tailor-made to put our responsible approach at the heart of management

GREaT 360, a proprietary platform for integrating SRI into all our analyses

The LBP AM Group has integrated extra-financial analysis, making it central to its management tools, to support the implementation of the analysis and integrated management processes. At the heart of this system, the proprietary GREaT 360 platform is a comprehensive decision-making tool that enables managers to easily manage their portfolio's SRI performance, thanks to a wide range of features.
(see diagram)

This implied a budget of approximately EUR 1.7M in 2021, including nearly EUR 500,000 for research and data respectively.

Constantly-developing tools to deepen our endeavours

- **Creation of the SRI datahub**

Seeing the challenge arising from the growth of ESG data and the proliferation of data providers, the LBP AM Group decided to implement an innovative solution based on the technology developed by MarkLogic, which offers a unique solution for the integration and agile consumption of data. This solution makes it possible to ingest, store, harmonise and facilitate data searches all the while securing them.

By acquiring such a tool, the LBP AM Group put itself in a position to achieve its ESG ambitions, which will offer high standards throughout the data life chain, in terms of:

> Integration and harmonisation of new data points;
> Data reliability checks;
> Increased accessibility for numerous uses.

More than 2,250 data points have already been integrated into the hub.

- **Continuous evolution of the GREaT internal rating model**

As the result of a project rich in synergy and transversality, the LBP AM Group has enhanced its GREaT model. The entire analysis grid has been reviewed (see 2.1.1) qualitatively and quantitatively, as has the calculation algorithm, to provide a more robust, flexible and updated version. The 2.0 version of our model went into production in November 2021. The SRI Datahub will facilitate future developments.

360° GREaT PLATFORM

DEEP DIVE	**A tool for visualising, understanding and interpreting the GREaT scores** (overall scores, by pillar and by indicator).
SIMULATION	**Tool for simulating the impact of new transactions** on extra-financial metrics and ratios to be respected.
EXCLUSION	**Tool for managing, visualising and measuring the impacts** of exclusion policies.
SRI LABEL	**Decision-making support and monitoring tool** for the SRI label.

This platform is supplied from numerous data points

MSCI
cdc biodiversité
Moody's ESG
LSEG
ISS ESG
TRUCOST
CDP

In addition, the analysis process is enriched by SRI research from brokers and dedicated service providers.

INTERSECTING PERSPECTIVES

MATTHIEU ESPOSITO, Director of Investments and Treasury, La Mutuelle Générale
& **GUILLAUME LASSERRE**, Deputy Director of Management, LBP AM

"Mutuelle Générale draws on the know-how of the LBP AM Group to implement its SRI strategy"

For La Mutuelle Générale, socially responsible investment (SRI) management is essential, in line with its mutualist values, its raison d'être and its commitment to the social and solidarity economy. *"It's not easy to have SRI steering for the Investment Department of a mutual insurance company when you don't have huge teams and you also have to deal with the interest rate environment. This is why it is so important to have partners and managers on whom you can rely,"* explains **Matthieu Esposito**. This is the direction we have chosen with LBP AM, which has put significant resources into the subject to clear the way, find innovative solutions and co-construct tools. "

According to **Guillaume Lasserre**, *"Decision-makers need aggregates and synthesis, and this is where the difficulty lies when we look at the totality of an institution's assets. There has to be something homogeneous and relevant over time for long-term management. "*
The rating looks at all four pillars and produces an aggregate score, all delivered as a dashboard. *"In addition to the dashboard, we provide Matthieu's team with the best or worst lines as guidance in their thinking,"* adds Guillaume Lasserre. *What matters is steering the asset as a whole, not the granular aspect. "*

- **Tools enabling the SRI service**

The LBP AM Group's SRI services were developed to support our clients in their desire to steer the SRI performance of their portfolio on the key KPIs of their choice.

1.3.3 Our public and marketplace initiatives

LBP AM/TFSA have been engaged together with the financial community for over 20 years on SRI and the Energy Transition.

The objective: to be active in enabling the advancement of academic research, improving the environmental transparency of issuers, developing SRI, developing tomorrow's standards in SRI management and leading collaborative initiatives in shareholder engagement.

TABLE OF INITIATIVES (1/5)

COMMITMENTS	NATURE	OBJECTIVES	SINCE
Carbon Disclosure Project	**Support for a collective initiative**	The CDP encourages increased disclosure of the environmental impact of investors, businesses and government. Climetrics award for three LBP AM/TFSA equity funds in 2019, 2020, 2021 and 2022.	2003
Participation in the creation and financing of the FDIR Chair	**Support for academic research**	The aim of the FDIR Chair is to foster collaboration between asset management professionals and researchers whose work contributes to the international influence of Paris' financial market on this essential theme. Since 2016, LBP AM/TFSA has held the Presidency of the Chair.	2008
Principles for Responsible Investment (PRI)	**Membership in a financial market organisation**	The PRIs were launched by the United Nations in 2006. They are a voluntary commitment aimed at the financial sector and encourage investors to integrate ESG issues into their portfolio management, in the broad sense. René Kassis (Head of Real Assets at LBP AM/TFSA) is a member of the PRI Infrastructure Advisory Committee established in 2017 and aimed at supporting and advising infrastructure investors in implementing rigorous responsible investment strategies.	2009
Responsible Investment Forum (RIF)	**Membership in a financial market organisation**	The FIR was created in 2001 to promote SRI and ensure that more investments integrate social cohesion and sustainable development issues. LBP AM/TFSA joined the FIR in 2014. Helena Charrier (SRI Solutions Director at LBP AM/TFSA) and Nicholas Vantreese (CSR Manager at La Banque Postale) were elected to the Board of Directors of the Forum for Responsible Investment in June 2019, of which Helena is one of the Vice-Chairs. LBP AM/TFSA members participate in FIR working groups.	2014

TABLE OF INITIATIVES (CONTINUED) **(2/5)**

COMMITMENTS	NATURE	OBJECTIVES	SINCE
PRI Montreal Carbon Pledge	Support for a collective initiative	Investors and asset management companies, including the LBP AM Group, have committed to measuring and publicly disclosing each year their portfolios' carbon footprint, in particular in the LTE Report.	2015
Institutional Investors Group on Climate Change (IIGCC)	Membership in a financial market organisation	The IIGCC is a network of investors on climate change, working together to develop financial market guides and engagement actions. Members of the LBP AM Group take part in their consultations and working groups.	2015
University of Cambridge Institute for Sustainability Leadership (CISL)	Support for academic research	A group of investors dedicated to advancing practices and promoting investments in the field of responsible investment. This is a voluntary initiative, run by its members, coordinated by the teams of the Investor Leaders Group and with the support of researchers from the University of Cambridge.	2018
Tobacco-Free Finance Pledge	Support for a collective initiative	An initiative launched in 2018, this is the first international treaty aimed at reducing the impact of tobacco on the global economy, by reducing the links between the financial sector and the tobacco sector. The signatories to this initiative are committed to a very strict policy of excluding tobacco from their investments.	2018
Investor Statement de la TCFD (Taskforce on Climate-related Financial Disclosure)	Support for a collective initiative	The TCFD issues recommendations on the climate-related information which companies should share in order to help investors make the right financial decisions. LBP AM/TFSA has committed to communicating about and reporting on climate risks in line with TCFD standards.	2018
Farm Animal Investment Risk & Return (FAIRR)	Support for a collective initiative	The international network of investors, FAIRR, encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. The network is conducting several targeted engagement actions, for example to encourage the reduction of antibiotics in livestock farming or to combat deforestation caused by agriculture. Some members of LBP AM/TFSA participate in FAIRR consultations and commitments.	2018

TABLE OF INITIATIVES (CONTINUED) **(3/5)**

COMMITMENTS	NATURE	OBJECTIVES	SINCE
Finance for Tomorrow	**Membership in a financial market organisation**	Finance for Tomorrow is an initiative of Paris Europlace dedicated to promoting sustainable finance in France and internationally. The aim is to redirect financial flows towards a low-carbon and inclusive economy, consistent with the Paris Agreement and the Sustainable Development Goals. LBP AM is a member of the Policy Commission and the Impact, Just Transition and Biodiversity working groups. René Kassis (Head of Real Assets at LBP AM) was elected in 2020 to sit on the Select Committee of Finance for Tomorrow for the 2020-2022 term.	2018
Access to Medicine Foundation	**Support for a collective initiative**	Founded in 2004 and based in the Netherlands, the Access to Medicine Foundation is an international network of investors whose objective is to encourage the pharmaceutical industry to develop access to medicines for people in low-income countries. Every two years, it publishes a ranking of the twenty largest pharma companies in this area.	2018
The Green Bond Principles (GBP)	**Support for a collective initiative**	The objective of the green bond market is to strengthen the essential role of bond markets in financing projects that contribute to sustainable development. By setting guidelines that recommend transparency, disclosure and reporting, the GBPs contribute to the integrity of the green bond market. LBP AM participates in GBP consultations on changes in market standards.	2019
The Social Bond Principles (SBP)	**Support for a collective initiative**	The objective of the social bond market is to strengthen the essential role of bond markets in financing projects that address global social challenges. The SBPs contribute to the integrity of the social bonds market by presenting guidelines that advocate transparency, publication of information and reporting.	2019

TABLE OF INITIATIVES (CONTINUED) **(4/5)**

COMMITMENTS	NATURE	OBJECTIVES	SINCE
2-infra challenge carbone4	**Participation in a working group**	Carbone 4 is an independent consulting firm specialised in low-carbon strategy and adaptation to climate change. In 2018, Carbone 4 launched a "2-infra challenge", a new financial market method that will measure the alignment of infrastructures with a two-degree trajectory and the associated climate risks. LBP AM is the sponsor of this reflection process.	2019
Association Française de Gestion (AFG)	**Membership in a financial market organisation**	Emmanuelle Mourey (Chairman of the Management Board of LBP AM/TFSA) has been a member of the Strategy Committee since December 2019. The LBP AM Group is a member of the Responsible Investment (RI) and Corporate Governance committees. Other LBP AM/TFSA employees also participate in other AFG Commissions.	2019
Climate Action 100 +	**Support for a collective initiative**	Launched in December 2017 at the One Planet Summit, the Climate Action 100+ initiative has a five-year mission to encourage and influence the world economy's major greenhouse gas issuers. By signing this charter, the LBP AM Group undertakes to work to facilitate the energy transition through the investments of its funds.	2020
PRI-CERES initiative for sustainable forests	**Support for a collective initiative**	Coordinated in partnership by the PRIs and the American organisation Ceres since 2018, this initiative brings together international investors who wish to contribute to the fight against deforestation, mainly linked to the breeding and cultivation of soya in the Amazon.	2020
Club30 France	**Support for a collective initiative**	The French Club of 30 was created in November 2020 to promote gender diversity on the governing bodies of companies listed on the SBF 120 exchange. The goal is that management teams have at least 30% female membership by 2025.	2020

TABLE OF INITIATIVES (CONTINUED) **(5/5)**

COMMITMENTS	NATURE	OBJECTIVES	SINCE
IAHR	**Support for a collective initiative**	This association is a collective action platform dedicated to the protection of human rights, through analyses, commitments and publications aimed at stepping up the development of robust policies for responsible business conduct and the preservation of human rights.	
Eurosif	**Support for a financial market organisation**	Eurosif is the pan-European association that promotes sustainable finance in Europe, through research and expertise in the development of public policies in the field of sustainable finance. The LBP AM Group is a member of the Climate Reporting and Indicators Advisory Group.	2021
GFANZ (Glasgow Financial Alliance for Net Zero)	**Support for a financial market organisation**	GFANZ is a global coalition of leading financial institutions committed to speeding up the decarbonisation of the economy. The alliance aims to broaden, deepen and raise carbon neutrality aspirations across the financial system and support the commitment of financial institutions to help companies and countries meet the objectives of the Paris Agreement. The LBP AM Group is a member of the task force for real economy transition plans and an expert on the task force for portfolio alignment.	2022
Net-Zero Asset Managers Initiative	**Support for a collective initiative**	Initiative aimed at strengthening actions adopted in favour of the climate with the aim of achieving carbon neutrality by 2050.	2021
Finance for Biodiversity Pledge	**Support for a financial market organisation**	The Finance for Biodiversity Pledge is a global coalition of investors committed to preserving and restoring biodiversity via actions undertaken thanks to their investments. The LBP AM Group is an active member of the related working groups and, on joining the Pledge, made a commitment to assess its impact on biodiversity and reduce it over time through direct action and active dialogue with the companies receiving investments.	2021

1.3.4 Investor information

Guided by the determination to be as transparent as possible about our commitments and methodology, we

> Publish our SRI policies: voting policy, engagement policy, exclusion policy, coal sector policy;

For more information: site our SRI policies

> Publish annual reporting on their execution: voting report, engagement report, and this report;

For more information our reports

> We regularly publish information for our clients, through the AGIR newsletter as well as through educational videos;

For more information strategy newsletters and videos

> Publish the transparency code on our labelled funds as well as an annual ESGDH report on the funds;

> Train our sales teams.

For more information LBP AM website

In the case of discretionary management mandates, regular management reports are sent to clients at a frequency defined contractually by the parties. They can be supplemented by regular updates on key SRI issues, at the frequency requested by the client (half-yearly, quarterly, monthly, and even weekly when we provide added support to our clients in structuring their SRI plans).

TESTIMONIAL

LILY DESNOES, Human Resources Director, LBP AM Group

"Diversity at the heart of our HR policy"

Diversity and equality in the workplace are at the heart of the responsible commitment made by LBP AM and TFSA.
It is a matter of consistency: our conception of SRI at the highest standards as a framework for our investment policy requires that we implement an equally demanding strategy internally. This applies in the face of all forms of discrimination, whether they pertain to age, ethnic origin, belief, gender, etc. At the beginning of 2022, our result on the professional equality index was 88/100, placing us above the national average in an industry where men are particularly over-represented.

This good performance, compared to our market, encourages us above all to persevere. This is why, along with all the HR teams, we ensure, using key indicators on gender equality, that LBP AM/TFSA is part of a trajectory contributing to the due representation of women in the balance of the workforce and key positions. These indicators include, among others, salary gaps, promotions, increases, representation on governance bodies, the number of key positions held by women, etc.

To continue moving forward, our commitments, in place for several years now and constantly reaffirmed, are as follows:

- never discriminate in hiring,
- continue ongoing efforts to reduce the gender pay gap,
- recognise, promote and train fairly, whatever the level and function in the organisation.
- support leadership development in young female managers through coaching or mentoring.
- foster the employment of people with disabilities

1.3.5 A responsible and socially responsible company: our CSR policy

The LBP AM Group's stated objective is to be exemplary in its profession as a responsible investor, and attentive to its stakeholders and its impacts. Responsibility is thus a cardinal value for its asset management but also for the management of its company.
This is why, as with its sustainable investment policy and in a spirit of shared responsibility, LBP AM's CSR and diversity policy is now based on the four pillars in GREaT.

FOCUS

MÉSANGE, A 100% GREaT move

PIERRE ERNST,
Secretary General, member of the Management Board, LBP AM

"Mésange" is the name our community of ambassadors chose for our recent move to the premises at Sully-Morland. Voluntary employees took an active part in the organisation of the move, but also in the choices for the layout of our offices and the organisation of work at the new site.

In this manner, we were able to carry out a 100% GREaT move, in keeping with each pillar:

1. **Where Governance was concerned,** we organised this project in close conjunction with our ambassadors, who are true representatives of the personnel, but also with all the voluntary employees. In particular, they were able to get involved through 3 cycles of workshops dedicated to the choice of furniture, best practices and ground rules at work, and the "zero paper" principle.

2. **As concerns sustainable resource management and the energy transition,** we selected the most cost-effective project for the creation of our new headquarters. It is thus that we came to occupy the site at 36, quai Henri IV, which is exemplary in terms of energy savings and is also extensively planted with vegetation.

3. **Lastly, it was also in an effort to meet the requirements of our Territorial Development pillar** that we chose this site. Located in the heart of the city and equipped accordingly, it not only encourages the use of soft mobility such as cycling, but also the mixing of urban spaces by mixing offices, hotels, social housing, a crèche, a market, and public and private living spaces. All immediately adjacent to the banks of the Seine!

THE MAIN LINES OF OUR CSR POLICY IN DETAIL

RESPONSIBLE GOVERNANCE	Encourage best practices in corporate governance and business ethics	BALANCE OF POWERS	Governance that serves our sustainability ambition (see dedicated chapter)
		FAIR REMUNERATION	A remuneration policy that integrates our SRI and CSR performance (see dedicated chapter)
		BUSINESS ETHICS	Definition of an internal identity and values to reflect our DNA as a responsible corporate citizen
			Development of new communication channels for greater transparency
SUSTAINABLE MANAGEMENT OF RESOURCES	Sustainably manage human and natural resources: respect for human rights, quality of working conditions, environmental protection	WORKING CONDITIONS	Guaranteeing work/life balance through new agreements on work organisation
			Support for care-providing employees
			CSR training courses for all employees and SRI for 15 ambassador employees in charge of sharing their knowledge
			Support for the integration of new employees
		HUMAN RIGHTS	Awareness-raising, recruitment and support policy for disabled employees
		BIODIVERSITY / WATER	Choice of the new site, particularly for its equipment: green roofs (urban agriculture) and phytodepuration systems
		POLLUTION / WASTE	Targeting a paperless environment through the use of Nudge, day-to-day cost-saving measures throughout the company and furniture management in a spirit of "reuse" and circularity
THE ENERGY TRANSITION	Contribute to the energy transition for new, more sustainable modes of consumption and production, and support the transition to a more sober model	ENERGY TRANSITION SOLUTIONS	Carbon neutrality in our operational activities
			Choice of a new site based on environmental criteria: accessibility by soft mobility, optimisation of energy consumption (UBIANT system), switch to a green energy supplier, etc.
			Dialogue via a dedicated contact person at the level of the French government and the European Commission to ensure that the regulatory framework evolves towards transparent management and a fair transition
TERRITORIAL DEVELOPMENT	Manage relations with stakeholders outside the company (community, customers, suppliers, etc.) sustainably	RESPONSIBLE PRACTICES WITH COMMUNITIES	Support for associations via a salary donation programme to which 10% of employees subscribe, payments to associations (La cravate solidaire, etc.)
			Participation in climate/environmental initiatives (Finance for Tomorrow, Finance Chair, AFG, Forum for Responsible Investment, etc.) to contribute to building a more sustainable finance
		RESPONSIBLE PRACTICES WITH SUPPLIERS	CSR assessment of the financial intermediaries we work with in the context of our investments, with the aim of sanctioning non-ethical intermediaries

CHAPTER 2

OUR RESPONSIBLE INVESTMENT INITIATIVES

Our raison d'être is to combine financial and extra-financial performance in our four investment areas in order to achieve a just transition, accessible to all our clients. We are constantly innovating in order to offer, on the entirety of our funds, a 100% responsible investment approach.

How do we achieve this? In this chapter, we will go back in detail over our methods for integrating extra-financial issues into all our analyses and management processes, as well as in our relations with companies and in our risk management.

2. 1.
Integrating extra-financial stakes into the analysis

THE 4 PILLARS OF THE GREaT METHODOLOGY

G — RESPONSIBLE GOVERNANCE
Encourage the spreading of best practices in terms of corporate governance and business ethics.

R — SUSTAINABLE MANAGEMENT OF RESOURCES
Sustainably manage human or natural resources: respect for human rights, development of labour law, protection of the environment.

E — ENERGY TRANSITION
Contribute to the energy transition for new, more sustainable consumption and production methods, and support the transition from an economic model high in fossil fuel consumption to a more restrained, more sustainable, or even carbon-free model.

T — DEVELOPMENT OF TERRITORIES
Sustainably manage relationships with stakeholders outside the company (communities, customers, suppliers, etc.)

The LBP AM Group wishes to identify, select and monitor companies, States or any other issuer acting in favour of sustainable development.
Towards this end, it defined the SRI GREaT analysis methodology, the results of several years of research, based on four pillars (see diagram above)
This framework reflects, through the attention paid to regional development, the Group's sensitivity to inclusion and sustainability issues at the local level, shared with the public group to which it belongs. The key issues of relocation, the fight against territorial divisions and support for local players are fully integrated into our analysis of issuing parties.
It is recast into tools and frameworks for each asset class managed by LBP AM and TFSA.

2. 1. 1.
SRI analysis methodology for private issuers

The GREaT methodology is cast into specific lines for companies, private sector, para-public and supranational issuers and local authorities, covered by the extra-financial rating agencies with which the LBP AM Group works.

The strength of its model is based on:

- Broad coverage of nearly 10,000 issuers.
- Increased reliability and responsiveness thanks to the multiplicity and complementarity of assessment sources.
- Refined and heightened support through the combination of a quantitative analysis stage and a qualitative stage led by our managers and analysts.
- A model that assesses both CSR policies and practices and the sustainability of business models, in particular through products and services.

Quantitative analysis

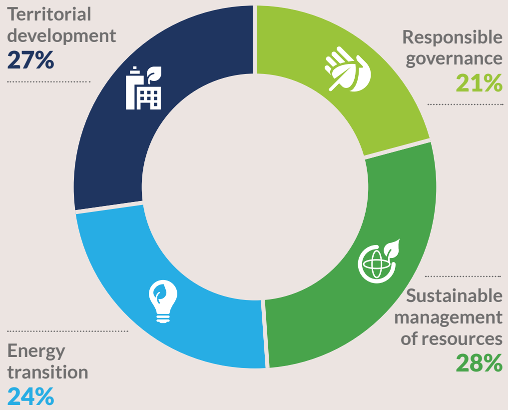
Working from external data (ratings agencies, analysis firms, NGOs, think tanks, etc.), our SRI specialists assess the relative importance of the four GREaT pillars for each sector in order to define the weighting of these pillars, between 15% and 35% for each.

COLLABORATION WITH SUPPLIERS OR SERVICE PROVIDERS

Identity	Objective
ISS ESG	Access to more data on the arms industry, tobacco and gambling.
MSCI	Access to ESG data and monitoring of controversies involving issuing parties.
Moody's ESG	Access to ESG data and monitoring of controversies involving issuing parties.
S&P Global	Data relating to companies' environmental impact, in particular on carbon intensity.
urgewald	Access to a database for the implementation of the coal policy.
CARBON DELTA	Data analysis and construction of climate risk analysis models.

Overall, the LBP AM Group's GREaT rating model is very well-balanced:

AVERAGE WEIGHT OF PILLARS ACROSS ALL SECTORS



QUALITATIVE SRI ANALYSIS

The quantitative SRI rating is based on 13 criteria, assessed using 60 indicators, fed by indicators collected from specialist rating agencies such as Moody's ESG and MSCI ESG, chosen for their complementarity.
They are aggregated using the proprietary calculation tool known as AGIR, in accordance with procedures that make it possible to deal specifically with the different geographical areas and company sizes.
As an outcome of this process, each issuer in the universe has a GREaT rating on a scale from 1 (high extra-financial quality) to 10 (low extra-financial quality).

Qualitative analysis (see attached diagram)

Following and in parallel with quantitative analysis, analysts and managers conduct qualitative analysis on issuing parties, based on recognised internal and external research sources and their detailed knowledge of issuers. They can draw on the opinions of business stakeholders (NGOs, trade unions, international institutions, media, etc.) and data from meetings with companies. Analysts also have data from specialised suppliers (for example: *Trucost* for environmental impacts, ISS for governance practices), or generalist (*Bloomberg*, *Factset*).
Qualitative analysis is used in particular to feed the management process through:

- **adjustments of the SRI ratings resulting from the quantitative analysis.**
  These adjustments, which may be suggested by managers and analysts, must meet the predefined conditions to be selected by the Fundamental and Sustainable Analysis team, responsible for studying and validating or rejecting the proposals received:

> Integrate recent information that is not yet reflected at the agencies, thus enabling greater responsiveness;
> Arbitrate between contradictory information provided by external sources, thus enabling greater reliability;
> Take into account additional public information collected as part of the regular dialogue with the issuer, thus enabling full integration of the shareholder engagement, monitoring and selection processes;
> Deepen certain issues with the issuer's stakeholders, to provide additional insight.

- In order to guarantee rigour and follow-up, these adjustment requests are systematically traced.

- **The integration of SRI analysis into financial analysis, by analysing the potential financial impact of non-financial issues (so-called "materiality" analysis).** This parallel analysis approach is intended to enable fund managers and financial analysts to make complementary use of SRI analysis by enriching their financial analysis. The financial analysts are thus encouraged to take SRI issues into account when establishing their credit or equity opinion, in particular when these issues may have a material impact on their fundamental profile (such as litigation or regulatory changes). The notion of materiality is structured along four axes: likelihood of occurrence, severity, time horizon and visibility.

Thematic analysis:
sustainable investment themes

In addition to the GREaT methodology, LBP AM and TFSA have defined a thematic method to identify the positive contribution of companies to the challenges of our society: demographic evolution, urbanisation, climate change, pressure on natural resources and biodiversity, food security, and health risks.

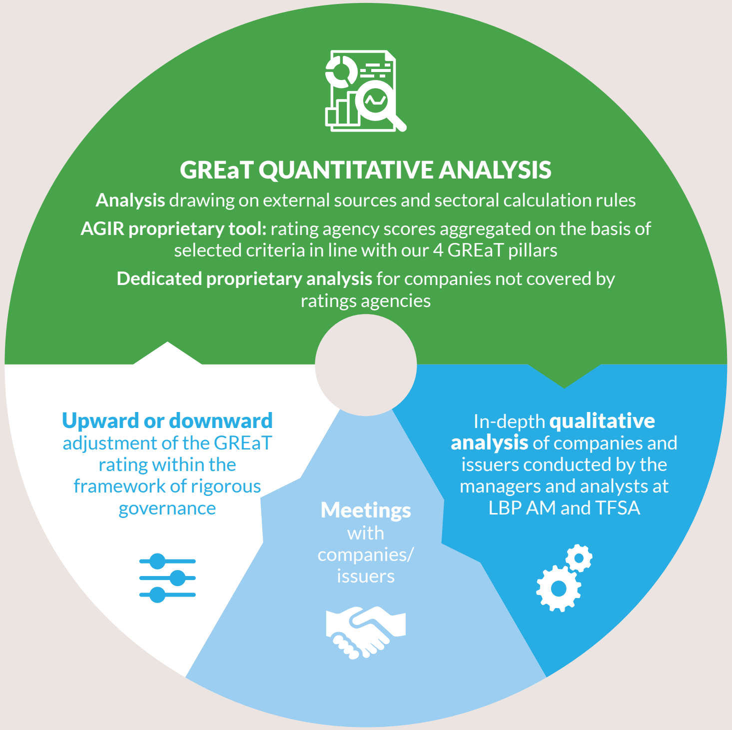
LBP AM and TFSA have defined 7 sustainable investment themes, which reflect each of the solutions expected to face these environmental and social challenges:

> Sustainable agriculture and food
> Green buildings
> Circular economy
> Renewable energies
> Environmental services and solutions
> Sustainable transport and mobility
> Health and well-being

LBP AM and TFSA identify companies that make a positive and significant contribution to each theme through their product and service offering, by crossing external sources (company publications, external analyst studies, Bloomberg, etc.) with internal analyses (regular integration of new ideas or IPOs).

GREaT methodology

Using external data, our SRI specialists assess the relative importance of the four GREaT pillars for each sector in order to determine the weighting of these pillars.



GREaT rating model

INPUT | **CALCULATION USING THE AGIR SCORING TOOL** | **OUTPUT**

60
ESG INDICATORS
PROVIDED BY MOODY'S AND MSCI (1)

13
ESG CRITERIA (2):
CALCULATION OF SCORES

4
GREaT PILLARS (2):
CALCULATION OF SCORES

WEIGHTING
OF CRITERIA ACCORDING TO SECTOR AND EACH GRE aT PILLAR (3)

GREaT SCORE
FOR ISSUER (4)

OVERALL INDICATORS
They apply in the same manner to all sectors and geographies.
–

SPECIFIC INDICATORS
They apply to one or more sectors in particular
–

ESG criteria	GREaT pillar
Balance of powers Fair remuneration Business ethics	RESPONSIBLE GOVERNANCE
Human Resources Human rights Biodiversity / Water Pollution / Waste	SUSTAINABLE MANAGEMENT OF RESOURCES
Climate risks Energy transition solutions	THE ENERGY TRANSITION
Responsible practices with communities Responsible practices with suppliers Responsible practices with customers Products and services connected with social SDGs	TERRITORIAL DEVELOPMENT

Relative importance of **4 pillars** assessed in accordance with the sector (~25 sectors).

Indicators specific to the sector's criteria handled using a bonus point system.

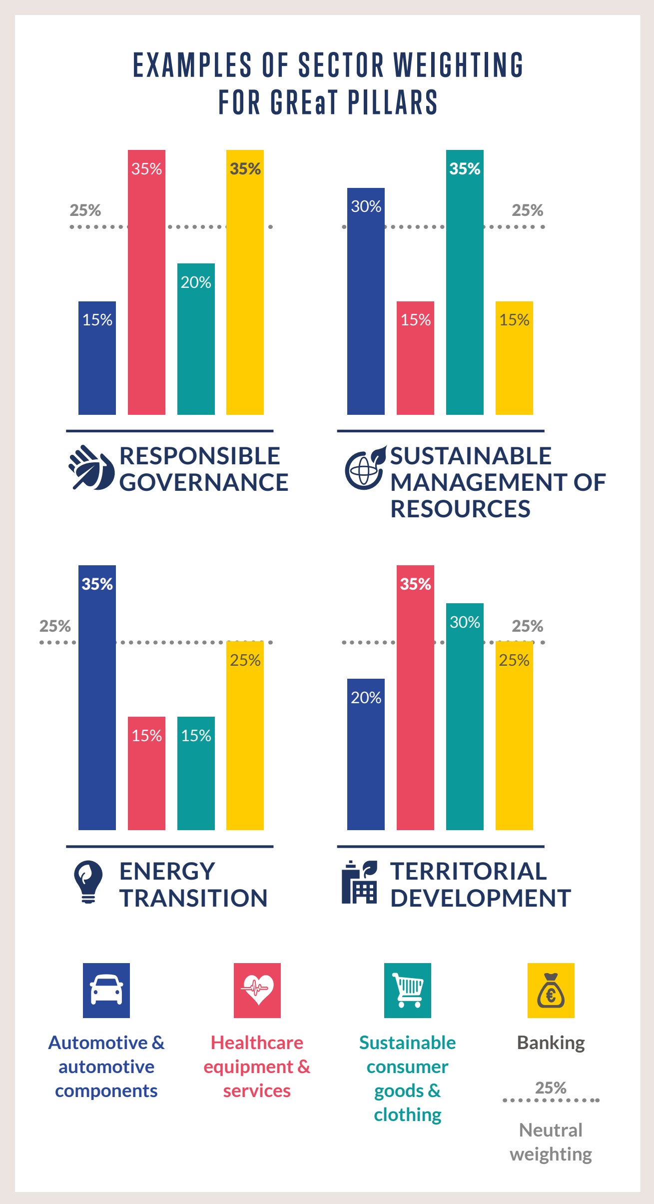
GREaT

This change makes it possible to move from an absolute rating system to a **relative rating system,** thus directing companies towards **recommended behaviours** rather than evaluating their capacities only at a given time.

Ratings from 1 to 10:

1 2 ... 8 9 10

(1) Covering a universe of 10,000 issuers / (2) Arithmetic average of criteria scores / (3) % applied according to sector / (4) Sum of weighted scores and spread by region



Renewable energies

For example, the "Renewable Energies" theme includes companies operating in the production, distribution and storage of combustible electricity, etc.

Health and well-being

Another example at the social level is the theme "Health and well-being", which is focused on companies that facilitate access to care or foster disease prevention. It includes pharmaceutical laboratories, manufacturers of sanitary and hygiene products, or for instance, companies that improve the quality of living for vulnerable people through their activities, such as operators of retirement homes, manufacturers of glasses and hearing aids, etc.

LBP AM and TFSA identify companies that contribute positively and significantly to each theme through their product and service offering, by cross-referencing external sources and internal analyses.

Defined by LBP AM and TFSA, these sustainable investment themes connect in with more recent international standards, which are aimed at creating common standards for all players, including investors:

> The European Union's green taxonomy, announced in 2018, which identifies economic activities that contribute to positive climate change or mitigate climate deregulation.

> The 17 United Nations Sustainable Development Goals (SDGs), established in 2015, which set out trajectories to eradicate poverty, protect the planet and ensure prosperity for all.

The themes align with activities that include in particular the taxonomy, and each of them can help achieve multiple SDGs.

SUSTAINABLE INVESTMENT THEMES

RENEWABLE ENERGIES

Generating and distributing clean electricity without impacting natural resources. Solar energy, wind energy, hydraulic energy, geothermal energy, marine energy.

GREEN BUILDINGS

Construction and renovation: insulation, eco-materials. Building operation: efficient heating and lighting, energy management systems.

SUSTAINABLE TRANSPORT & MOBILITY

Organising space and intermodality, changing behaviour, fostering modal shifts and clean vehicles, taking action for road safety, developing smart vehicles and transport systems.

CIRCULAR ECONOMY

Economic model of exchange and production to optimise the use of resources and reduce the impact on the environment. Sustainable procurement, eco-design, end-of-life-cycle management.

ENVIRONMENTAL SERVICES & SOLUTIONS

Energy transition financing, consulting and engineering, technologies and components, metrics/standards and reduction.

FINANCING FOR THE REAL ECONOMY

Identify engaged banks and insurers that encourage sustainable activities and support the development of small and medium-sized enterprises.

SUSTAINABLE AGRICULTURE & FOOD

Adapting consumption to environmentally-friendly, local, healthier and traceable products. Sustainable and renewed management of forests, respectful agriculture limiting chemical inputs.

HEALTH & WELL-BEING

Companies investing in R&D to develop medicines, improve treatments and provide patient care. Pharmaceuticals, biotechnologies, biology, equipment and health services.

INCLUSIVE DEVELOPMENT

Activities that ensure less unequal human, social and economic development, and corporate initiatives to meet the UN Sustainable Development Goals.

The SDGs set out trajectories to eradicate poverty, protect the planet, and guarantee prosperity for all.

2.1.2
Extra-financial analysis methodology used on sovereign issuers

This analysis is aimed at assessing the States which, through their public policies, provide sustainable responses to the major issues at stake in our society.

The analysis is performed according to the four GREaT pillars. Drawing on indicators compiled from a variety of sources (international public bodies, think tanks, NGOs), we endeavour to distinguish between States that have resilient institutions, that protect their human and natural resources and that work towards the energy transition and the balanced development of their territories.

EXTRA-FINANCIAL ANALYSIS OF THE 4 GREaT PILLARS

THE G-PILLAR

RESPONSIBLE GOVERNANCE

The LBP AM Group assesses the quality and effectiveness of institutions as political stability is conducive to maintaining an economic framework that is clear to investors. Monitoring for and preventing corruption are also essential to ensuring a resilient and long-term investment. Lastly, the protection of public freedoms contributes to the respect of individuals and fosters initiative-taking, which is necessary for the development of both a harmonious society and a creative economy.

THE R-PILLAR

SUSTAINABLE RESOURCE MANAGEMENT

This pillar enables us to assess the risks and opportunities concerning human and natural resources. Human resources are assessed on the basis of access to training and employment for individuals, health infrastructure and the legal framework for ensuring the respect of human rights. Natural resources, meanwhile, are assessed from the perspective of biodiversity protection, consumption of resources, prevention of pollution and promotion of the circular economy.

THE E-PILLAR

THE ENERGY AND ECONOMIC TRANSITION

This pillar makes it possible to evaluate States' trajectory with regard to the commitments made in the Paris Agreement, and to analyse their action in favour of sustainable economic development, for example through training and innovation efforts for future generations.

THE T-PILLAR

TERRITORIAL DEVELOPMENT

This pillar assesses economic, social, fiscal and international cooperation policies to reduce inequalities and social divides in a country. These results can be achieved through public action, through systems of redistribution of wealth between regions, or by encouraging private initiatives in areas that appear to be marginalised. This pillar is also used to assess the action of States vis-à-vis other States, their level of solidarity at the international level and their participation in multilateral initiatives.

56 COUNTRIES

OUR ANALYSIS SCOPE CONSISTS OF OECD AND EUROPEAN UNION MEMBER STATES, SUPPLEMENTED BY A FEW EMERGING COUNTRIES, I.E. A UNIVERSE OF 56 COUNTRIES.

The indicators used to inform the rating method were selected with the assistance of Beyond Ratings (London Stock Exchange group) in the scope of a former partnership. The data are updated annually. Indicators are assembled from international public bodies such as the World Bank, the OECD (Organisation for Economic Co-operation and Development) and the ILO (International Labour Organisation), as well as from organisations representing civil society such as the ITUC (International Trade Union Confederation), Transparency International, Tax Justice Network and Reporters Without Borders.

2.1.3
Extra-financial analysis methodology tailored to real and private assets

LBP AM has established a pioneering practice of taking into account non-financial criteria in real and private assets since 2014. The long-term dimension of the investments made significantly motivates this integration in the analysis processes.
The management teams, working in conjunction with SRI specialists, have developed analysis grids based on the four GREaT pillars and tailored to each real asset class: corporate,

infrastructure and real estate. Using these grids, they are able to identify the contributions of companies and projects to sustainable development issues and the integration of responsible practices into their business models.
The GREaT grids are filled in by the managers and analysts of the Real and Private Assets team, based on the due diligence documents available and, where applicable, interaction with the project sponsors or the company representatives. Our SRI specialists conduct an independent verification of the grid, bringing out the strengths and potential areas for improvement in terms of extra-financial performance. Lastly, an overall GREaT rating is produced for each transaction, obtained by weighting the scores assigned to each pillar of analysis.

Corporate private debt

As part of its SRI due diligence, LBP AM asks companies to complete a GREaT SRI evaluation grid to indicate, for each pillar, whether a policy is implemented to manage the underlying risks, the resources mobilised to deploy it and the metrics used to evaluate the effectiveness of its implementation. This exercise frequently gives rise to a dialogue between the company, the corporate private debt managers and the SRI specialists in order to clarify certain responses and refine the overall GREaT rating.
In addition, it is becoming increasingly frequent for Corporate Private Debt managers and SRI specialists to work towards the implementation of ESG covenants in order to encourage, through the very structuring of the loan contract, the improvement of the company's extra-financial practices. Very concretely, this entails introducing a bonus/malus system on the interest margin, depending on the achievement of ESG objectives relevant to the business, in order to encourage the company to improve its performance over a time period generally equal to the duration of the financing.

Private debt: infrastructure

Extra-financial analysis is all the more important in this asset class, as the financing granted can have significant environmental and social repercussions, the underlying assets being in sectors that are essential to the economic and social development of territories (energy, transport, telecommunications, health).
The main criteria for the project's analysis are the long-term commitment of the sponsors, the impact on biodiversity, the exposure to physical and transitional climate-related risks, the contribution to the fight against climate change, the quality of social practices among subcontractors, the acceptance of the project by local communities and its contribution to the economic development of the host region.
All projects are subject to a GREaT rating and an SRI opinion presented at an Investment Committee meeting. Nevertheless, considering the increased constraints in terms of data availability and accessibility for real asset projects, the managers are tasked with filling in the analysis grid based on the documentation made available during the due diligence phase. The grid is then sent to the SRI specialists who review the responses proposed by management, produce the GREaT score and write up the opinion.

AN ENVIRONMENTAL AND SOCIAL *SUSTAINABILITY-LINKED LOAN* IN RETAIL DISTRIBUTION

Within the framework of a *Sustainability-Linked Loan*, the Corporate Private Debt management team worked with a player in the retail sector to attach ESG criteria to the loan contract.

As a leading player in the destocking of brands in France, the company has significant non-financial challenges arising from its role as an importer of manufactured goods from regions that are potentially risky in terms of human rights, skills development for its employees, who generally have low qualifications, and the energy/climate performance of its real estate assets.

The GREaT analysis showed that the company had perfectly identified these issues and that it had adopted satisfactory policies, action plans and indicators to steer them.

The support provided to the management process consisted of building on these solid fundamentals to encourage the company to set ambitious targets for improving its performance.

In relation to the above-mentioned challenges, it was agreed that the following three indicators should be adopted: improvement of the EcoVadis rating, increase in the number of hours of training per employee and GHG emission reduction.

Improvement trajectories must be defined with annual milestones to validate the company's progress.

Where necessary, the achievement of mid-term targets enables the company to benefit from a reduction in interest margin. Otherwise, the interest margin is increased.

In addition to integrating ESG criteria into investment decisions, the most recent Private Debt Infrastructure strategies are designed to measure the environmental and social contributions of the projects financed. One of these is the European Responsible Investment (ERI) fund, which has three innovative indicators to quantify the positive externalities of the debt in its portfolio.

As at the end of 2021, 14 receivables (in the fields of renewable energies, charging stations for electric vehicles, heating and cooling networks, and fibre installation) were in the fund. The transition risk analysis carried out by Carbone 4 showed that **the portfolio was aligned with a +1.5°C warming scenario, in line with the target set out in the Paris Agreement**.

3 INDICATORS TO QUANTIFY THE POSITIVE EXTERNALITIES OF THE RECEIVABLES IN THE EUROPEAN RESPONSIBLE INVESTMENT FUND PORTFOLIO (ERI)

Socio-economic impact, which estimates the number of jobs supported and the GDP created by the project.

Portfolio temperature, resulting from the work carried out with Carbone 4 as part of the 2°Infra-Challenge, which assesses the contribution of each receivable to decarbonisation, and quantifying it in the form of a temperature that is consistent with the Paris Agreement.

Carbon footprint, which evaluates the amount of CO_2 avoided per receivable.

LAUNCH OF LBP AM'S FIRST IMPACT STRATEGY: A CLIMATE IMPACT DEBT FUND

The vehicle is aimed at helping to reduce GHG emissions in the real economy to contribute to the Paris Agreement's goal of keeping global warming to well below 2°C, thanks to long-term investments in infrastructure, and more specifically in low-carbon or decarbonising technologies.

To ensure that it has a real impact on the climate, the strategy is therefore aimed at financing pure players whose technologies and/or products are already climate efficient. Based on the European taxonomy, the infrastructures eligible for the fund have been classified into three segments: decarbonisation of the energy mix, electrification of uses and reduction of energy consumption through energy efficiency.
The impact, at the level of each asset and for the entire portfolio, is measured through three key performance indicators: the percentage of revenues aligned with the taxonomy, the carbon footprint, and the alignment with the 2°C warming scenario.

This fund was born of close collaboration between the management of Private Debt Infrastructure and LBP AM's SRI analysis, with the former contributing their knowledge of the targeted business sectors and the latter their expertise on the fundamentals of an impact-based approach.
This joint work resulted in the establishment of methodological tools to assess the robustness of the strategy on the three pillars of impact (intentionality, additionality and measurability) as well as the potential contribution of the projects financed to the achievement of the fund's objective.
They inform internal and external discussions on impact finance.

In addition, it was estimated that, over their life cycle, the assets in the portfolio would avert 85,000 tonnes of CO_2 emissions annually compared to a +2°C warming scenario.

Private debt: Real Estate

LBP AM can invest in debt backed by buildings used for offices, housing, shops, logistics, healthcare, hotels and *data centres* in a dozen European countries.

In its due diligence, LBP AM uses an SRI analysis grid adapted to real estate assets. As real estate is a major source of greenhouse gas emissions (around 30% for France), criteria relating to the energy transition predominate: the existence of environmental certification for construction and operation, and planned investments for energy improvement. The comfort of building users and responsible management of investor/sponsor resources are also taken into account. Governance, in both its legal and operational aspects, as well as the level of local development (the building's integration and the involvement of local stakeholders) are also pillars of the methodology.

It sometimes proves difficult to gather all the information needed to perform a complete analysis: there may be no information, or no recent information on energy consumption or greenhouse gas emissions; some certifications (HQE, BREEAM, LEED) or labels (HPE, BBC, Effinergie, BBCA) may be too old; the identity of certain service providers (property and facility management) is not always known.

The managers of Real Estate Private Debt fill in the GREaT grid based on the information provided during the due diligence phase. In the Private Real Estate Debt team's regular discussions with arrangers and financing advisors, we pay particular attention to the fact that real estate valuations include a detailed paragraph on the environmental theme. The completed grid is then forwarded to the SRI analysts, who review the responses proposed by management, produce the GREaT rating and draft the opinion.

Methodology for analysing social and solidarity economy players

The social and solidarity economy (SSE) refers to a set of structures organised into cooperatives, mutual societies, associations or foundations, the internal functioning and activities of which are based on a principle of solidarity and social utility. The response to environmental and social needs is at the heart of these companies' corporate purpose. Their operations often contribute to local development, by improving access to housing for vulnerable populations, encouraging integration through employment, promoting the revitalisation of rural areas or promoting short consumer supply chains.

Generally relatively small in size, they are not listed on the financial markets but can call on investors to develop their activities, via solidarity funds.

TO GUIDE THE SELECTION OF STRUCTURES, LBP AM AND TFSA HAVE SET UP AN ANALYSIS GRID SPECIFICALLY FOR SSE, DIVIDED INTO TWO PARTS:

IMPACT ANALYSIS of the solidarity company, which covers primarily the following issues:

- **Quality** of response to the social need
- **Population** of beneficiaries concerned
- **Transparency** on the use of the funds.

ANALYSIS OF THE SUSTAINABILITY POLICIES and practices of the solidarity company, according to the four GREaT pillars

- **Resources:** strategic integration of the quality of human resources management and diversity, company practices in terms of recycling, waste management and any positive contribution which the solidarity project may make to biodiversity.
- **Energy Transition:** global warming mitigation undertaking and objective.
- **Territories:** central pillar in the analysis of solidarity organisations, to assess the project's relevance with regard to its stakeholders, such as suppliers, customers, civil society and local communities, employment and territorial anchoring.

2. 2.
Integration of non-financial issues in the management processes

2. 2. 1.
SRI management undertakings

Nearly 100% of open-ended funds managed by LBP AM and TFSA incorporate a common core of non-financial criteria into their management process.

Exclusions

The funds follow the exclusion policies approved by the dedicated committee, which decides to exclude companies exposed to major controversies and companies operating in sensitive sectors (controversial weapons, tobacco, gambling, thermal coal), in line with its policies. The latter are demanding and regularly updated.
To wit, in 2019, LBP AM and TFSA committed to phase out those mining and power generation companies that had expansion plans connected with thermal coal, and not committed to exiting that form of energy by 2030-2040 depending on the geographical areas.
This commitment was stepped up in 2021 to extend to issuers providing upstream and downstream services, and which generate at least 20% of their revenues from coal.
LBP AM and TFSA are working on formalising in 2022 the end of their exposure to this energy, as well as on defining an exclusion policy specific to the transition issues of the oil and gas sector.

For more information the exclusion policy

Integration of non-financial issues in analyses

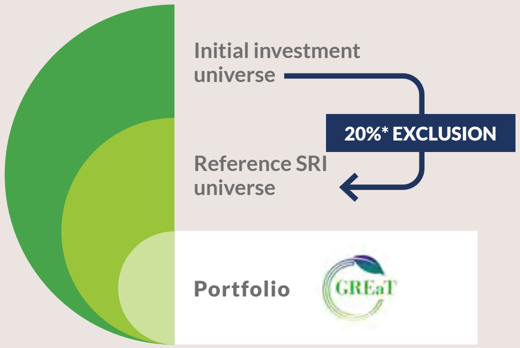
The management processes fully integrate financial and SRI analyses, which are an integral part of investment decisions and portfolio construction.
The managers' investment decisions are based on the results of this comprehensive research: economic context, market levels, financial and non-financial quality of companies, issuers and sectors, valuation, etc.
The managers make their decisions, and select and weight the securities according to their assessment of the extra-financial quality/financial quality/financial performance combination, with a long-term view.

Selectivity in accordance with the SRI label

The decision made by LBP AM and TFSA to label all their open-ended funds as SRI has created a demanding framework that defines binding principles for the manager (quantitative thresholds to be followed, transparency obligations on its practices and reporting). Compliance with these rules and the quality of the management process are verified at an on-site audit by an accredited third party every three years.
In accordance with the SRI label, the investment universe of each fund is defined in accordance with the investment strategy and subject to stringent inspections by the label holder. It is to this universe that the 20% selectivity rate required by the SRI label applies. To wit, an issuer may be excluded from one fund's investment universe, while being eligible for investment in another one.
We have set up two methodologies to meet the selectivity requirement, applied according to management processes and funds.

EXCLUSION METHOD

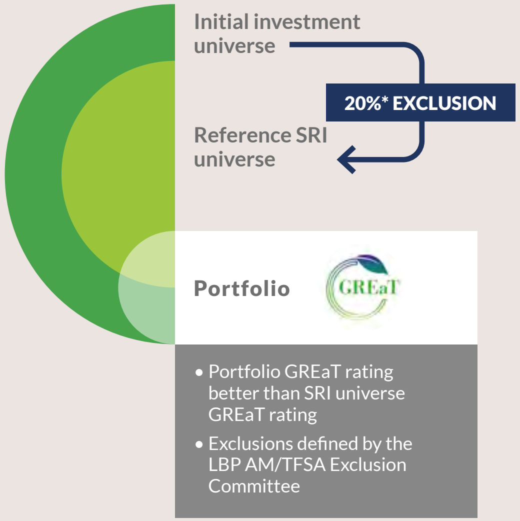
20% of companies/issuers with the lowest GREaT ratings and the securities included in the list of exclusions from the exclusion committee have been excluded from the investment universe.



* List of regulatory, sector and normative exclusions, as defined by the LBP AM/TFSA Exclusion Committee + Elimination of securities with the lowest GREaT ratings

AVERAGE GREaT RATING METHOD

The average GREaT rating of the portfolio must be better than the GREaT rating of the reference SRI universe, including the list of exclusions issued by the Exclusion Committee.

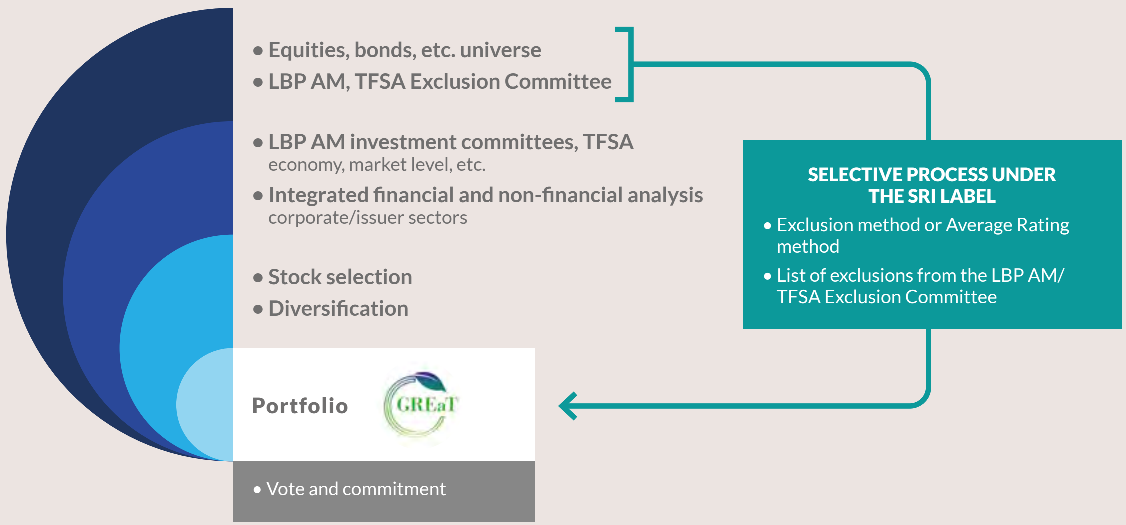


* List of regulatory, sector and normative exclusions, as defined by the LBP AM/TFSA Exclusion Committee + Elimination of securities with the lowest GREaT ratings

Since October 2020, managers have been required, under the new version of the French SRI label, to monitor two indicators in addition to the existing framework. These indicators must have significant coverage rates (90% for the former and 70% for the latter) and their value for the funds concerned must be better than that of the reference SRI universe.

The vast majority of the eligible funds at LBP AM and TFSA earned the label before the enriched version was instituted, and will are gradually switching to the second version of the label, with the renewal of the label allocation audit run three years after the initial awarding. The new funds awarded the label are automatically compliant with the new version of the label.

A COMMON CORE FOR ALL MANAGEMENT ACTIVITIES

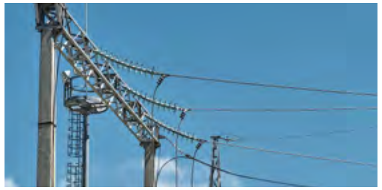


CLOSE-UP

REAL ASSET AND INFRASTRUCTURE, REAL ESTATE, AND CORPORATE PRIVATE DEBT FUNDS

In contrast to all the other LBP AM funds, it is impossible to apply the selectivity rules set out in the public SRI label to real assets and private debt funds. Investments are made in a targeted manner on certain projects, and not from a wide range of issuers.

The investment process for Infrastructure, Real Estate and Corporate Private Debt integrates ESG criteria into investment analysis and decision-making, as a matter of standard practice, using a custom-tailored process. Non-financial ESG analysis is formally set out in an opinion and then presented at the investment committee meeting, as is the case with the analyses carried out by the Risk and Compliance teams. This opinion is part of the final decision as to whether to invest, but is not decisive. Furthermore, our exclusion policies apply to these funds and may be supplemented by specific additional exclusions (for instance, refusal to finance weapons or mining sites).



Real Assets and Private Debt Funds

PRELIMINARY DISCUSSIONS with the SRI Solutions team

- An SRI analyst in charge of private debt
- Initial discussions on the issuer, its sub-sector of activity, the transaction

GREaT grid integrated into the managers' analysis and due diligence

- Analysis grid by ERM pillar: Governance, Resources, Energy & Ecological Transition, Territories, adapted to Infrastructure, Real Estate, Corporate
- Analysis of due diligence points and interaction with the different parties in order to access specific data
- Identification of the key aspects that may give rise to specific monitoring

INDEPENDENT rating by the SRI Solutions team

- Verification by the SRI Solutions team of the analysis grid filled out by the Private Debt team
- Question and answer process with managers and identification of monitoring aspects
- Rating by GREAT pillar and overall rating
- Presentation to the Private Debt investment committee

SRI ANALYSIS integrated into the monitoring of the receivables portfolio

- Monitoring of SRI aspects identified and integrated into quarterly reporting
- Specific annual reporting: carbon footprint of portfolio projects (for the Infrastructure Debt fund)

Thematic selection
In addition to this common core, we are stepping up the SRI approach for certain funds in order to seek a stronger impact through investment by:

- **Ensuring sustainable investment themes are taken into account in the management processes**
  Multi-theme funds are designed to seize opportunities on long-term sustainable development trends. In addition to the SRI analysis based on GREaT, the assets in these funds are mainly directed towards companies identified as "solution companies", i.e. with a product and service offering aligned with one of the nine sustainable investment themes of LBP AM and TFSA.

- **Solidarity investment**
  Our solidarity undertaking gives clients the opportunity to participate directly in the financing of projects or companies with a strong environmental or social purpose. These funds are aimed at supporting SSE companies, either by making a donation (sharing revenues or management fees) or by investing between 5 and 10% of their assets. LBP AM and TFSA solidarity funds support the following organisations:

> **The Association for the Right to Economic Initiative (ADIE)**, which works in mainland France to help disadvantaged people gain access to credit in order to create their own business.

> **The International Federation for Human Rights,** an international human rights NGO (civil, political, economic, social and cultural).

> **France Active Investissement**, a solidarity investment company that supports entrepreneurs committed to employment, the local level, social issues, ecology, etc.

> **Habitat et Humanisme**, a real estate company that enables families and single people in difficulty to gain access to decent housing and benefit from local support to recreate social ties.

> **Terre de Liens**, a property company that aims to preserve agricultural land, facilitate farmers' access to land and develop organic and peasant farming.

> **L'Union française pour le sauvetage de l'enfance**, a solidarity and education association that works with children in vulnerable situations.

2.2.2 Asset breakdown

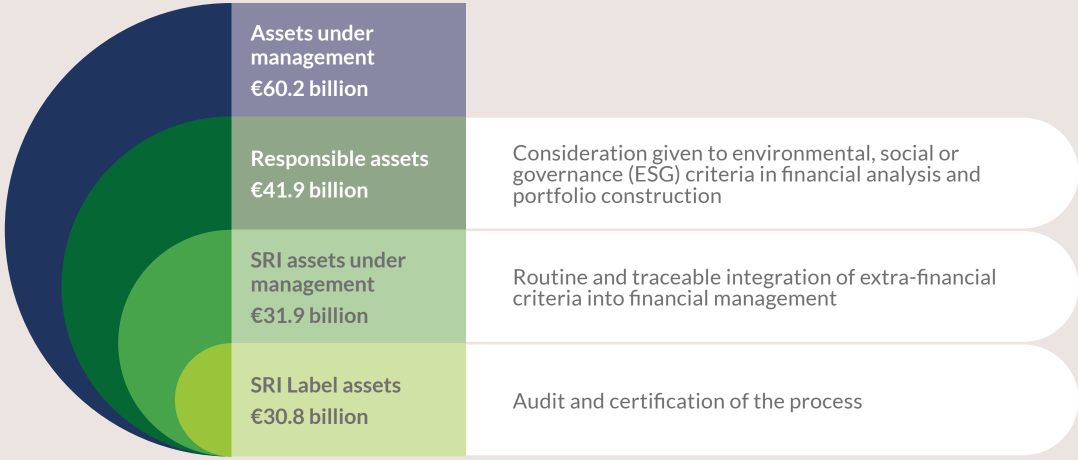
The segmentation of the assets managed by LBP AM and TFSA reflects the extent of the sustainable finance undertakings in our management.

Responsible assets
As at end-December 2021, approximately 70% of the assets of the LBP AM Group were managed in lien with SRI principles, i.e. €42 billion. For these assets, non-financial criteria are taken into account in the financial analysis and construction of the portfolios.
This integration is done consistently and traceably for the majority of the open-ended fund range. These are the assets of funds that have earned the SRI label and funds the SRI approach of which is considered equivalent to the label specifications. This management amounts to €30.8 billion in assets under management. Of these, almost 100% of eligible open-ended funds have the SRI label.
The assets that do not fall into these SRI categories come either from open-ended funds for which it is difficult to systematically integrate SRI criteria*; or from formula funds launched before the decision to move to 100% SRI and for which it is impossible to modify the process; or from dedicated funds or mandates for which the client did not want these criteria to be integrated.

This management amounts to €30.8 billion in assets under management. Of these, almost 100% of eligible open-ended funds have the SRI label.

* LBPAM Actions Asia Pacific, LBPAM ACTIONS DIVIDENDES EURO, LBPAM INFLATION FLEXIBLE, LBPAM 3 MOIS, TOCQUEVILLE GOLD, TOCQUEVILLE OLYMPE PATRIMOINE, TOCQUEVILLE VIE GENERATION

LABELLED ASSETS



As at 31 December 2021

91

LBP AM FUNDS CLASSIFIED AS ARTICLE 8 AND 16 FUNDS IN ARTICLE 9.

10

TFSA FUNDS CLASSIFIED AS ARTICLE 8 AND 1 FUND IN ARTICLE 9.

SUSTAINABLE FINANCE LABEL

Labels	Number of labelled funds	Assets under management
SRI LABEL	111	30.8
GREENFIN LABEL	2	1.096
FAIR LABEL	4	0.241
FRANCE RELANCE LABEL	2	0.148

Labelled assets
To provide transparency and guarantee to our customers on the commitments made on responsible management, we have chosen to draw on industry standards: the public SRI label, Greenfin label, Finansol label or CIES label (see definitions in the appendix). In order to be awarded a label, our processes must be verified by a trusted third party, i.e. an organisation accredited to do so, e.g., EY for the SRI label.

* Number of labelled funds and SFDR 8/9 includes OSTRUM delegated funds; assets not (except ARRCO dedicated funds).

CLOSE-UP

CLASSIFICATION OF FUNDS UNDER THE SFDR REGULATION

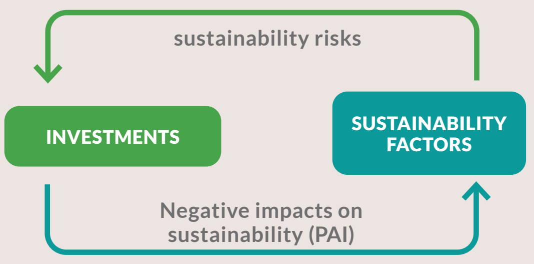
The legal and regulatory landscape of sustainable finance has evolved greatly, in particular where investment is concerned. The European SFDR (Sustainable Finance Disclosure Regulation) is one of the key regulations in the field.

The purpose of this text is to provide greater transparency and consistency in communication about the sustainability of financial products.

In particular, it requires financial products to be classified into one of three categories:

- Products with no sustainability goal **(Article 6)**
- Products that promote environmental and/or social characteristics **(Article 8)**
- Products intended to have a positive impact on the environment and society **(Article 9)**

In addition to this classification, there is an obligation to communicate both the sustainability risks of investments and the impact of investments on the environment and society. This is referred to as the concept of dual materiality.



2.2.3
Labels and awards

LABEL

Identity	Description
PUBLIC SRI	Launched in 2016, this label indicates that the labelled mutual fund complies with precise specifications, integrating ESG (Environmental, Social and Governance) criteria into financial management, requiring not only transparency and quality of SRI management but also asking funds to publish the concrete impact of their SRI management on the environment or society for example.
GREENFIN LABEL	June 2019, the Greenfin label is created by the Ministry of Ecological and Solidarity Transition, to mobilise savings for the benefit of the energy and ecological transition. It replaces the TEEC label.
FINANSOL LABEL	Since 1997, it has distinguished solidarity savings investments. It guarantees the financing of activities with a high social and environmental value and attests to the commitment of the financial intermediary to provide reliable information on the labelled investment and the activities financed.

AWARD

Identity	Description
Climetrics The Climate Rating for Funds	Developed by the Carbon Disclosure Project (CDP) and ISSEthix Climate Solutions, Climetrics is the first rating method that provides a comprehensive assessment of a fund's climate-related risks and opportunities. Climetrics independently and transparently assesses thousands of actively managed funds in Europe.

RANGE OF OPEN-ENDED FUNDS	SFDR	SRI LABEL, BARRING EXCEPTIONS	EXCLUSIONS							SELECTION UNDER THE SRI LABEL, BARRING EXCEPTIONS		THEMATICS				VOTING AND ENGAGEMENT
			REGULATORY		NORMATIVE	SECTOR										
			CONTROVERSIAL AND UNCONVENTIONAL WEAPONS	AGRICULTURAL RAW MATERIALS	GLOBAL COMPACT	COAL	TOBACCO	GAMBLING	COMBATING DEFORESTATION	EXCLUSION	AVERAGE SCORE	LBP AM SUSTAINABILITY THEMATICS	IMPACT	ENERGY TRANSITION	SOLIDARITY-BASED	
EQUITIES																
SUSTAINABILITY THEMATICS FRANCE/EURO/EUROPE	8 and 9	♦	♦	♦	♦	♦	♦	♦	♦			♦		♦		♦
OTHER THEMES FRANCE/EURO/EUROPE	8	♦	♦	♦	♦	♦	♦	♦	♦	♦						♦
ENVIRONMENT/CLIMATE ACTIONS	9	♦	♦	♦	♦	♦	♦	♦	♦	♦		♦		♦		♦
CHINA EQUITIES	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					♦
AMERICAN EQUITIES	8	♦	♦	♦	♦	♦	♦	♦	♦	♦						♦
SMART BETA FRANCE, EURO, EUROPE, ASIA, USA, EMERGING	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					♦
MULTI-ASSET																
DIVERSIFIED	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					NA
INTERNATIONAL EQUITIES	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					NA
WMULTIGESTION/EXTERNAL FUNDS	8	if necessary	♦	♦	if necessary					♦		if necessary				NA
SOLIDARITY-BASED	9	♦	♦	♦	♦	♦	♦	♦	♦	♦			♦			NA

RANGE OF OPEN-ENDED FUNDS	SFDR	SRI LABEL, BARRING EXCEPTIONS	EXCLUSIONS							SELECTION UNDER THE SRI LABEL, BARRING EXCEPTIONS		THEMATICS				VOTING AND ENGAGEMENT
			REGULATORY		NORMATIVE	SECTOR										
			CONTROVERSIAL AND UNCONVENTIONAL WEAPONS	AGRICULTURAL RAW MATERIALS	GLOBAL COMPACT	COAL	TOBACCO	GAMBLING	COMBATING DEFORESTATION	EXCLUSION	AVERAGE SCORE	LBP AM SUSTAINABILITY THEMATICS	IMPACT	ENERGY TRANSITION	SOLIDARITY-BASED	
BONDS																
GREEN BONDS	9	♦	♦	♦	♦	♦	♦	♦	♦		♦		♦	♦		Engagement
CREDIT/ CROSSOVER	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					Engagement
CONVERTIBLE BONDS	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					Engagement
SOVEREIGN EUROPE	8	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦					
OTHER SOVEREIGN	6	non-eligible	♦	♦	♦	♦	♦	♦	♦	NA	NA					Engagement
INFLATION	6	non-eligible	♦	♦	♦	♦	♦	♦	♦	NA	NA					Engagement
AGGREGATE	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					Engagement
MONETARY	8	♦	♦	♦	♦	♦	♦	♦	♦	♦						
ABSOLUTE RETURN BOND	8	♦	♦	♦	♦	♦	♦	♦	♦		♦					Engagement
Solidarity Savings																
UCIS AND EMPLOYEE SAVINGS PLANS	8 and 9	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦		♦		♦	♦
Private Debt																
INFRASTRUCTURE	8 and 9	non-eligible	♦	♦		Nuclear Coal Mining				NA	NA		♦	♦		NA
CORPORATE	8		♦	♦						NA	NA		♦			NA
REAL ESTATE	8		♦	♦				Casinos		NA	NA		♦			NA

2. 3. Dialogue and engagement with companies

2.3.1 Corporate Engagement

The selection of securities in the portfolio, based on the four GREaT pillars, is supplemented by a shareholder engagement approach with companies.

LBP AM and TFSA are convinced that alongside other stakeholders (the employees themselves, trade unions, civil society, NGOs, etc.), responsible investors have a part to play in supporting companies on their trajectory towards sustainable practices.

Our objectives, principles, methods of action, priorities and expectations as concerns engagement are publicly described in our engagement policies and voting policies. These documents structuring our actions are drawn up and updated every year, after an activity review, on proposal from the SRI Solutions team in coordination with all other contributors and stakeholders to these processes: managers, analysts, lawyers, sales functions, and compliance. They are validated by executive management and the entire management chain, in dedicated committees.

You can view this at:
> LBP AM voting policy
> 2022 LBP AM Engagement Policy
> The TFSA site

The dialogue we enter into with companies, particularly through meetings, aims to achieve two objectives:

- Better understanding companies' policies and practices in order to strengthen the financial and extra-financial analyses conducted by our teams;
- Encouraging better management of non-financial issues and developing responsible practices.

This dialogue is conducted using two main methods:

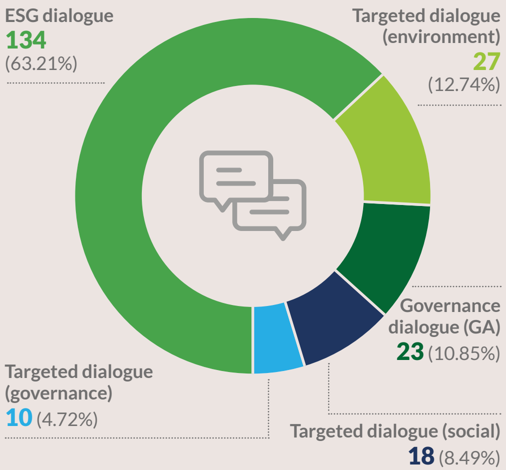
- **Bilateral dialogue** with the management of the companies in which we invest, in particular at the issuer meetings;

212 DIALOGUES

BETWEEN JUNE 2020 AND DECEMBER 2021, 212 DIALOGUES FOCUSED SPECIFICALLY ON NON-FINANCIAL ISSUES, WITH 185 DIFFERENT ISSUERS.

- **Collaborative engagement**, conducted with other investors on a shared issue. LBP AM and TFSA commit to these joint initiatives when they fall within the framework of their engagement policies and can usefully supplement the approach initiated at the bilateral level, by pooling research components, providing companies with consistent signals regarding the expectations of responsible investors, and in order to have a more significant influence with companies. In 2021, LBP AM and TFSA participated in a certain number of collaborative initiatives, including:

DIALOGUE TYPOLOGY



RESPONSIBLE GOVERNANCE

Club30 France

The Club des 30 français initiative was created in November 2020 to promote gender diversity on the governing bodies of SBF 120 companies. The LBP AM Group is a founding member of the French initiative.
In 2021, LBP AM and TFSA initiated dialogue with Arcelor Mittal and Carrefour to encourage them to ensure that at least 30% of their management teams were composed of women by 2025. Such discussions make it possible to identify the company's culture on these subjects, the initiatives set up in terms of gender parity and also to target the items that need improvement in order to support the company in integrating women into the top management teams.
Each year, Club 30 produces an activity report. The 2021 version is available via this link.

ENERGY TRANSITION

Finance for Tomorrow

Finance for Tomorrow is an initiative of Paris Europlace dedicated to promoting sustainable finance in France and internationally. The aim is to redirect financial flows towards a low-carbon and inclusive economy, consistent with the Paris Agreement and the Sustainable Development Goals. René Kassis (Head of Real & Private Assets at LBP AM) was elected to his office in 2020.
In 2021, the LBP AM Group joined the engagement coalition set up by F4T to contribute to the analysis, awareness-raising and development of best practices regarding the Just Transition. The commitment will begin in 2022.

SUSTAINABLE MANAGEMENT OF RESOURCES

Finance for Tomorrow

In 2021, the LBP AM Group also joined the Biodiversity initiative, where work is underway on reviews of regulatory frameworks and reporting; the implementation of scientific concepts in investment strategies; the implementation of objectives and the adoption of joint positions for the marketplace.

Farm Animal Investment Risk & Return (FAIRR)

The international network of investors, FAIRR, encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. The network is conducting several targeted engagement actions, for example to encourage the reduction of antibiotics in livestock farming or to combat deforestation caused by agriculture.
Members of LBP AM and TFSA take part in FAIRR's consultations and commitments, in particular on the "sustainable proteins" thematic. LBP AM and TFSA engage the stakeholders identified as not implementing the best practices on these subjects in order to raise their awareness and support them in managing the change.

PRI-CERES initiative for sustainable forests

Coordinated in partnership by the PRI and the American organisation Ceres since 2018, this initiative brings together international investors who wish to contribute to the fight against deforestation, primarily caused by the breeding and cultivation of soybeans in the Amazon.
In 2020-2021, in this context, the LBP AM Group engaged with a company producing agricultural commodities on the thematic of deforestation to encourage it to set a date-specific target for the end of the use of

deforestation and the conversion of agricultural land via the implementation of an action plan tracked using indicators.

TERRITORIES

The Access to Medicine Foundation

Founded in 2004 and based in the Netherlands, the Access to Medicine Foundation is aimed at encouraging the pharmaceutical industry to improve access to medicines for people in low-income countries. Every two years, it publishes a ranking of the twenty largest pharma companies in this area. The Foundation works with a network of investors to promote access to medicines.
Within the framework of this initiative, in 2020 and 2021, LBP AM and TFSA led an engagement process with Sanofi to encourage the company to speed up the deployment of access to medicines for the most deprived people.
The points discussed with the group concerned, in particular, for the countries covered by the Access to Medicine Index (low-income countries) included:

- *Sales staff incentives;*
- *Communication on patents;*
- *Programmes for accessing molecules in development.*

The 2021 edition of the index shows that pharmaceutical companies made more efforts to integrate access to medicines and Sanofi has risen two ranks in the Access to Medicine Index ranking, from 7th worldwide in 2018 to 5th worldwide in 2021.
LBP AM and TFSA are convinced that increased dialogue between investors and issuers can hep improve market practices and contribute to speeding up access to medicines for all.

Collaborative engagement with 77 other investors

The LBP AM Group also signed a collaborative letter addressed to the Orange CEO regarding respect for human rights, freedom of expression and user privacy. Orange was asked to provide the following, in particular:

- *Greater transparency on how the company handles governmental requests regarding user data;*
- *Greater clarity to users on the options they have for controlling their own data;*
- *Clarifications about what Orange does to protect user data and how it responds to data breaches.*

2.3.2 Active participation in general meetings

We participate in the general meetings of the companies invested in order to actively exercise our voting rights and our influence on the governance structure and integration of environmental and social issues.
Dialogue with companies can be coupled with formal corporate governance mechanisms connected with the rights of minority shareholders. The first of these is the vote held at companies' general meetings. This vote is an opportunity to give an opinion on the matters submitted for shareholder approval or consultation, historically focused on governance issues, and now increasingly extended to environmental and social management issues.
The general meeting season is an opportunity for LBP AM and TFSA to engage in a dialogue with the companies invested in on behalf of the funds under management, to explain LBP AM's and TFSA's voting principles to the companies, the reasons for opposing certain resolutions submitted to a shareholder vote and the changes that might be desirable, particularly in terms of governance. This includes, in particular, setting out a list of companies to which the voting principles and the reasons for opposition are always provided, so as to promote good governance practices.

In 2021, LBP AM and TFSA held discussions with 23 companies ahead of the general meetings.

Voting policy

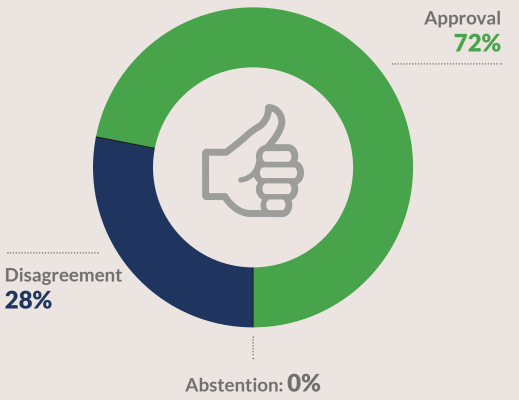
For this purpose, we draw on a voting policy which, since 2008, has sought to promote the implementation of best governance practices within the companies in which we have invested. This policy is updated each year to reinforce the consideration given to non-financial criteria, consistent with our GREaT philosophy.

Exercise of voting rights of LBP AM and TFSA in 2021

LBP AM and TFSA invest part of their clients' assets in shares. The ownership of shares carries the right to vote on the resolutions proposed at the General Meeting.

28% average contestation rate
(Vote against or abstention)

THE LBP AM GROUP IS COMMITTED WITH CONVICTION



VOTING POLICY

PRINCIPLES SUPPORTED BY THE GREaT PHILOSOPHY	DEPLOYMENT IN THE VOTING POLICY
Consideration for environmental and social issues	• **Opposition** to certain resolutions in the event of major environmental and/or social controversies • **Support** for shareholder proposals for environmental or social purposes, on a case-by-case basis • **Co-filing** of resolutions for environmental, social or governance purposes • **Voting policy** on "say-on-climate" climate resolutions, encouraging companies to put their energy transition plans to a shareholder vote.
Parity and diversity	• **Promoting diversity** in the composition of Boards (experiences, nationalities, gender equality, employee and civil society representation, etc.). • **Opposition** to elections for male candidates when women represent less than 40% of the Board of Directors
Value sharing	• **Attention** paid to cash allocation choices, in particular through the amounts allocated to dividends and share buybacks • **Opposition** to shareholder remuneration by dividend when there are questions about the company's ability to invest and develop over time
Compensation for executives	• Long-term **orientation** for LTIP, at least 3 years • **Inclusion** of CSR criteria in variable compensation • **Moderation**: reference ceiling set at 240 times the median salary of the country where the company is headquartered
Employee involvement in corporate governance and capital	• **Support** for the election of employee representatives to the Board of Directors and committees • **Support** for employee shareholding programmes

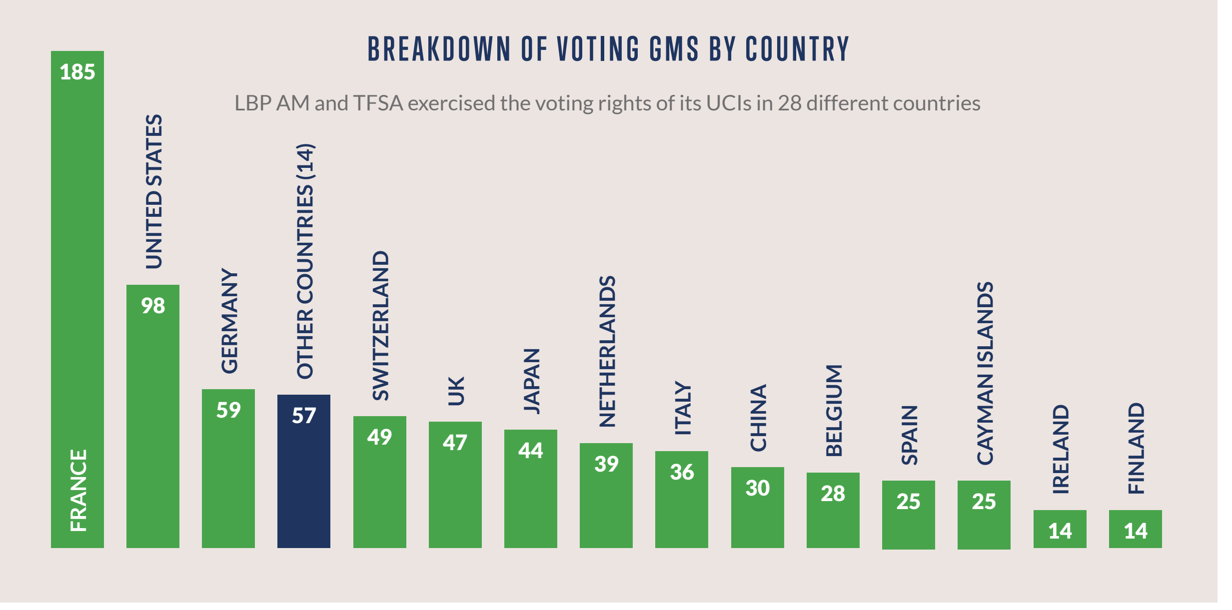
Our voting policy means that we do not support resolutions proposed by companies which we believe are not aligned with best governance practices. Our annual voting rate against resolutions has thus fluctuated between 28% and 30% on average in recent years. This rate is relatively high compared to other asset management companies in France (the average disagreement rate is just below 20%, according to the French Asset Management Association's annual surveys of its members), reflecting the high standards implicit in our voting policy.

87% support for shareholder resolutions to improve non-financial practices

Resolutions on environmental and social issues are still relatively rare, especially in Europe. In line with our voting principles, we support those that encourage companies to adopt more advanced practices regarding the climate, biodiversity and respect for human rights, whether proposed by management or by shareholders.

Here are some examples of resolutions supported by LBP AM/TFSA

- **Energy transition:** in 2021, shareholders tabled resolutions encouraging oil and gas companies to align their operations with the Paris Agreement, and towards this end, to speed up the decarbonisation of their activities (less investment in oil and gas, more development in renewable energies). This was particularly the case in the United States with Chevron and Exxon Mobil, in Europe at Equinor, Royal Dutch Shell and BP.
- **Sexual harassment:** a number of investors filed similar resolutions at general meetings of certain United States companies (for example, at Comcast Corporation and Microsoft Corporation), asking companies to publish reports on the effectiveness of their policies against sexual harassment. These resolutions encourage companies to implement robust policies for the prevention of sexual harassment.



Scope
LBP AM and TFSA participate in the general meetings of companies in accordance with:

- The weight of LBP AM and TFSA in decision-making: this criterion is used to determine a threshold in terms of percentage of the issuer's capital held;
- The coverage of equity assets under management: this criterion is intended to ensure that the thresholds set make it possible to keep a sufficiently large number of companies to broadly cover the assets held in the portfolios;
- The cost associated with the exercise of voting rights, which may influence the threshold levels for either the minimum holding of an issuer's capital or the holding by the funds.

Our voting scope is growing steadily and in 2021 amounted to more than 92% of our equity investments. We exercised our voting rights on approximately 11,549 resolutions, with 632 companies in 28 countries, at 750 general meetings.

Main reasons for disagreement at general meetings
The resolutions most contested by LBP AM/TFSA are those relating to the remuneration of executive directors (44.4% of votes against) and authorisations for capital transactions (35.1% of votes against).
The main reasons for opposition are:

- Concerning remuneration: lack of moderation (above threshold defined by LBP AM/TFSA), insufficient degree of transparency, lack of demands on performance criteria, long-term remuneration plans deemed short-term (performance periods of less than 3 years).
- Concerning authorisations for capital transactions: LBP AM and TFSA objected to non-specific authorisations for capital increases reserved for a category of investors, considered as bad practice since this format of capital increase does not enable all shareholders to participate in the operation. The authorisations for capital transactions that can be used during a public offer period are also a frequent cause for contestation, as LBP AM/TFSA is unfavourable to the existence of "anti-takeover" mechanisms.

Engagement and submission of resolutions at general meetings:
see section "2.3 Dialogue and engagement with companies"

2. 4.
Integration of non-financial issues in risk management

2.4.1
Mapping of non-financial risks

The integration of extra-financial issues into risk management is first carried out as part of the extra-financial analysis of the issuer or project, as described in section **1.3: Integration of non-financial issues in the analysis**.

This is a means of identifying risk factors that are not taken into account in a conventional financial analysis, such as:

- **Regulatory risks**. These are the risks faced by a company in failing to comply with the regulations applicable to it and incurring regulatory and financial penalties. These risks are captured in particular by the "Business ethics" criterion, which evaluates the internal control mechanisms set up by issuers.
- **Operational risks**. These are potential losses resulting from shortcomings or defects attributable to human and material resources. The "Sustainable Resource Management" pillar focuses in particular on the quality of human resource management (training, turnover control, etc.) and the institution of sound environmental management systems, both of which are factors for reducing operational risk.
- **Strategic risks**. These are the consequences of errors in the decisions made by a company's executive management team, for example on changes to the business model or on an acquisition. These risks can be assessed in a variety of manners, both by financial analysts who judge the resilience of issuers in the face of changes in the competitive environment, and by the GREaT SRI rating methodology, which looks here at the alignment of company strategy with the long-term trends, particularly with the "Energy Transition" and "Territorial Development" pillars.
- **Climate-related risks, i.e. physical risks** which cover damage directly caused by weather and climate phenomena; transition risks which cover those resulting from the effects of the implementation of a low-carbon economic model, following a change in regulation, the emergence of new "disruptive" technologies, etc. These risks, which themselves may be regulatory, operational and/or strategic risks, are analysed in the "Energy Transition" pillar.

This risk identification may be supplemented by the analysis carried out at the time of the exclusion committee, in particular from the point of view of reputational risk for LBP AM and TFSA.

To supplement the SRI analysis, the Risk Department carries out work to integrate climate risks into its risk mapping. The approach used is based on the MSCI ESG Climate VaR Value at Risk model (e.g. Carbon Delta) used to estimate physical risks and transition risks. The scenarios selected are as follows:

- **Physical risk:** extreme climate scenario (cold, heat and extreme winds, heavy rainfall and snowfall, coastal and river flooding, cyclones, etc.). The impacts used to measure the value of the issuers are based on a high warming scenario that continues the climate trajectory of 3-4°C with a confidence level of 95%.
- **Transition risk:** Assumes a global target of 1.5°C. The impacts on the issuers' shares are those due to the risk associated with implementing restrictive policies on emission sources (Scope 1, 2, 3) assuming a target of 1.5°C and a rapid and profound energy and ecological transition.

2.4.2
Verification of the implementation of SRI management rules

At the primary level, managers are each responsible for monitoring the SRI rules within the framework of their fund's management policy, in particular the exclusions and selectivity connected with the SRI label. To facilitate this work, the necessary extra-financial data are integrated into the management tools. A pre-trade blocking system has been configured to avoid any management operation that might be in breach of the framework in place.
The Risk Department is responsible for "Level 1 bis" verification of these commitments through daily post-trade monitoring of compliance with the rules.
Finally, the Compliance and Internal Control Department (DCCI) monitors the commitments as part of its second-level ongoing verification task, via audits that may cover such aspects as the SRI management process or the exercise of voting rights at general meetings.

In addition to these verification tasks, the Risk Department and the DCCI are involved in the governance of sustainable finance. Its representatives participate in the Sustainable Finance Committee and the Exclusion Committee. In particular, the Risk Department has the right to alert the LBP AM Group Executive Committee in the event of disagreement with a decision made by the Exclusion Committee.

2.4.3
The policy of taking into account the negative impacts of investment decisions on sustainability factors

As a responsible investor, the LBP AM Group pays special attention to identifying and managing the main negative impacts of its investments on sustainability factors.
Its proprietary GREaT methodology makes it possible to take holistic account of the negative impacts of investments on environmental factors on the one hand (GHG emissions, impacts on biodiversity, impacts on water and marine resources), and the negative impacts on social factors on the other (deviations from the concept of just transition, pay gaps, deterioration in working conditions also covering the supplier chain, poor management of restructuring, obstacles to gender equality).
The LBP AM Group pays particular attention, materialised in specific objectives and limits:

- On the environmental side, CO_2 emissions: the guideline for controlling negative externalities on this thematic is given by the P2 transition scenario of the IPCC. The LBP AM Group reasserted this objective in March 2021 by signing on to the Net Zero Asset Managers initiative;
- As to social responsibility it focuses on violations of the Global Compact on human rights, the fight against corruption and international labour standards; the gender imbalances in Boards of Directors (more than 60% of which are composed of men) and remuneration in companies (more than 240 times the country's median salary).

The rest of this section details how the LBP AM Group takes into account the negative impacts of its investments in the different levels of its management activity. A table detailing the main negative impacts taken into consideration and the related policies is available in the appendices to the document.

Exclusion policy

The exclusion policy, applied to all LBP AM/TFSA open-ended funds, Infrastructure, Real Estate and Corporate private debt funds, as well as to all or part of the dedicated funds or mandates depending on the choice of investors, enables cross-cutting control of the negative impacts deemed to be of the highest priority (PAI) by the LBP AM Group. It covers:

> GHG emissions via the Coal policy;
> Pressures on biodiversity via the exclusion policy relating to deforestation;
> Respect for human rights and decent working conditions via the UN GC policy;
> The production and sale of controversial weapons via the weapons policy.

The exclusion policy is detailed in section Our exclusion policy

Selection of portfolio securities

The application of the requirements of the French SRI label to all eligible open-ended funds, based on the ESG ratings established using the proprietary GREaT methodology, penalises the lowest-ranking. This contributes to limiting the presence in portfolios of issuers with significant negative impacts on sustainability factors.

This approach covers a wide spectrum of negative impacts relating to:

> Greenhouse gas emissions;
> Pressures on biodiversity, water and marine resources;
> Pollution and waste management;
> Respect for diversity and gender equality;
> Human rights and working conditions.

It should be noted that this approach is not intended to address specific criteria for which quantitative objectives might be established ex ante. Rather, it aims to provide managers with information on companies' general ESG performance, with a view to complying with the exclusion or rating improvement criteria set by the French SRI label. The AGIR systematic quantitative analysis framework is not applied to real assets or to Infrastructure, Real Estate and Corporate private debt. This is because the selectivity rules set out under the SRI label cannot materially be applied to these assets, as the investment is made in a targeted manner on certain projects and not from a wide universe of issuers.

Notwithstanding, the GREaT methodology's philosophy has been transposed to these asset categories, and the ESG analysis is considered in the same way as the risk and compliance analyses by the investment committee. Consequently, the PAIs mentioned above are also taken into account in investment decisions.

PAI monitoring indicators

An indicator of the GHG emissions[1] financed is calculated for all open funds:

- For funds that have secured the SRI V2[2] label, the indicator covers Scopes 1 and 2 and the funds are expected to outperform their analysis universe or their benchmark index. Scope 3 will be integrated when sufficiently robust data are available;
- For the other funds, the indicator covers Scopes 1, 2 and 3 with use currently limited to ex-post monitoring. The indicator will gradually be used to define ex ante requirements.

A portfolio temperature indicator is applied to the private debt fund, "European Responsible Investment" (ERI) It makes it possible to ascertain that the investments made do not affect the attainment of the Paris Agreement objectives to keep the temperature rise under 1.5°C.

(1) This indicator reflects the emissions of companies, stated in tonnes of C02 equivalent, in relation to the amount invested.
(2) The funds are: Tocqueville Dividende ISR, Tocqueville Small Cap Euro ISR, Tocqueville Value Europe ISR, Tocqueville Mid Cap Europ ISR, LBP AM ISR OBLI Europe, LBP AM IRC Actions Euro Min Var, LBP AM ISR Taux, LBP AM ISR Diversifié.

Voting and engagement
In 2021, the LBP AM Group exercised its voting rights on more than 90% of its equity investments. The voting policy makes it possible to limit the negative impacts of the companies invested in with respect to: environmental issues related to the Paris Agreement; and social issues connected with criteria on parity, diversity and fair remuneration of executives.

On the environmental front, particular attention is paid to climate plans concerning:

> The announcement of specific targets for reducing greenhouse gas emissions in the short and long term;
> Their alignment with the trajectory set out in the Paris Climate Agreement;
> The commitment of the Board of Directors to consult shareholders regularly (at least every three years) taking into account the rapid changes in the regulatory, technological and political environment;
> The implementation, in executives' variable remuneration, of non-financial criteria aligned with the climate and environmental objectives announced by the company.

On the social aspect, the main criteria relating to PAI management are:

- Regarding equality and diversity, opposition to elections by male candidates when women account for less than 40% of the Board of Directors;
- Regarding executive remuneration, opposition to salaries exceeding 240 times the median salary of the country in which the company is headquartered as well as opposition to any variable remuneration that does not include CSR criteria.

The LBP AM Group also conducts engagement initiatives with companies in its portfolio, which contribute to preventing or resolving the negative impacts of the companies financed. This is the case of the exclusion policy pertaining to thermal coal. In this context, issuers the coal elimination strategy of which is not aligned with an exit date before 2030 in OECD countries and 2040 in the rest of the world are specifically targeted. A lack of conclusive commitment on the part of these issuers results in their being excluded from the LBP AM and TFSA portfolios. For example, eleven electricity generators were singled out in the second half of 2020 and eight of them were excluded due to a lack of commitment to satisfactory remedial action.

CHAPTER 3

A CLOSE-UP ON THE ENVIRONMENT

We deploy an environmental policy to support the energy transition of the real economy, ensure good management of climate risks and contribute to the preservation of all living things across the entirety of our management activities.

In addition, our environmental range, invested in green assets, enables our clients to contribute directly to environmental protection.

3. 1.
Our climate policy

3.1.1
A four-pronged strategy to achieve carbon neutrality

This decade represents the last chance to deploy climate policies and strategies at the global level to transform our economy and our collective behaviours - individuals, communities, businesses, institutions and governments - in order to cap global warming at 1.5°C and achieve a liveable future as recommended by the IPCC AR-6 reports.

Our investment activities are concerned by climate issues in two ways:

- Portfolio management has an impact on the climate, for example through the decision on whether to finance fossil projects, the influence of our votes at general meetings, or the offering of green products to customers.
- Climate change has consequences that affect our portfolios, for example through heightened risks of natural disasters that will affect companies, new regulations that will force them to reduce their greenhouse gas emissions, etc.

Our climate policy is aimed at addressing the climate emergency, across these two dimensions. For this purpose, it relies on 1 objective and 4 levers.

1 OBJECTIVE
The definition of a *Net Zero* decarbonisation trajectory to achieve carbon neutrality in our portfolios by 2050.

In March 2021, the LBP AM Group joined the Net Zero Asset Managers initiative, in order to align its management on a trajectory compatible the Paris Agreement's objective, aimed at keeping global warming well below 2°C, and preferably 1.5°C, by the end of the century. In line with our commitment to the Net Zero Asset Managers initiative, we are preparing for 2022 the definition of a decarbonisation trajectory and a management roadmap so that we can achieve carbon neutrality in our portfolios by 2050.

4 levers

- Reduce our exposure to high-carbon assets
- Optimise the choice of companies and sectors in the portfolio in order to reduce climate risks
- Support the companies invested in their transition
- Strengthen investments in companies that provide solutions in favour of the energy transition.

A baseline climate scenario

The use of a so-called "baseline" climate scenario is recommended to help measure climate risks and guide investors' thinking and action. However, they do not provide a "turnkey" solution, insofar as there remains significant uncertainty about the likelihood and timing at which those these scenarios could materialise, resulting from uncertainty about the realisation of the various assumptions underlying them (economy, demographics, technological developments, political decisions, etc.).

The LBP AM Group's climate strategy is based in particular on scenario P2 of the IPCC, which defines a decarbonisation trajectory aimed at limiting the average temperature rise to 1.5°C in 2100. This scenario implies that net global GHG emissions will peak between 2020 and no later than 2025, then fall 45% by 2030 compared to 2019, and be equal to zero by 2050.

In its Special Report of September 2019, the IPCC demonstrated that the negative impacts of climate change on humans and ecosystems would be significantly lower if warming were limited to 1.5°C rather than 2°C. We are thus convinced that this is the scenario towards which our economic model must be directed.

The P2 scenario implies a profound transformation of society to achieve global carbon neutrality, through a transition to sustainable and robust consumption patterns, low-carbon technological innovations and well-managed land-use systems, as well as efforts to limit the use of carbon capture and storage technologies.

It serves as a reference point for us to interact with companies as part of our engagement policy (described in section 2.3) and enables us to model the indicators to calculate a CO_2 price and thus determine the physical risks and transition risks involved (described in section 2.4)

Towards a global decarbonisation trajectory for our portfolios

To set our decarbonisation targets, we use the methodology of the Science-Based Targets – Financial Institutions initiative known as SBTi-Portfolio Coverage. The approach is based on measurements of the proportion of assets invested in companies with the decarbonisation trajectory validated by SBTi. According to SBTi,"science-based targets show organisations how much and how fast they need to reduce their GHG emissions to prevent the worst effects of climate change." The choice was based on the robustness of SBTi's target validation process and its consistency with the latest climate science.

To define our trajectory, we:

- Determine the "starting point", i.e. the climate performance of our current portfolios, by assessing issuers' medium- and long-term decarbonisation trajectories and by analysing the company's progress in relation to its GHG reduction targets;
- Review several factors that will change this performance in the medium term: the availability of methods and data on the different asset classes managed, our greater or lesser degree of influence as asset manager, the regional decarbonisation dynamics, the size of the issuers involved, and the evolution of our strategic allocation so that it can be assessed by 2030.

Due to its team's experience in this area, LBP AM participates in initiatives such as Net Zero Asset Managers, IIGCC, GFANZ, Eurosif, Finance for Tomorrow aimed at improving approaches to establishing and monitoring financial institutions' Net Zero objectives.

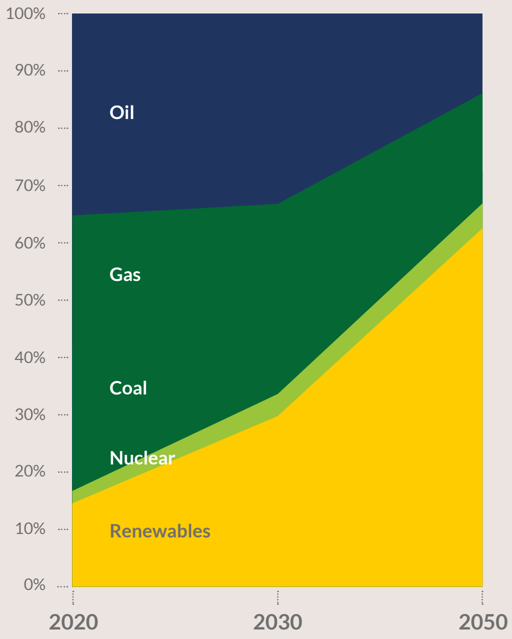
THE REFERENCE CLIMATE SCENARIO ASSUMES A RAPID AND DEEP DECARBONISATION OF THE ENERGY SYSTEM

Since two-thirds of global GHG emissions come from energy in the IPCC P2 scenario, the share of renewable energy in global primary energy production will grow from around 15% in 2020 to 29% in 2030, reaching 60% in 2050. At the same time, the share of fossil fuels will fall from around 83% in 2020 to 67% in 2030, and lastly to 33% in 2050. Coal's share of the world's primary energy supply is that which declines most sharply, followed by oil and gas.

The energy mix defined by the IPCC enabled us to build our sector policy.

TREND IN GLOBAL PRIMARY ENERGY SUPPLY IN P1 AND P2 SCENARIOS

(source: IPCC)



3.1.2

Reducing our exposure to high carbon assets

The policy on thermal coal

Out of all fossil resources, thermal coal has a particularly negative climate impact, and can largely be substituted for using other energies.

Our policy:

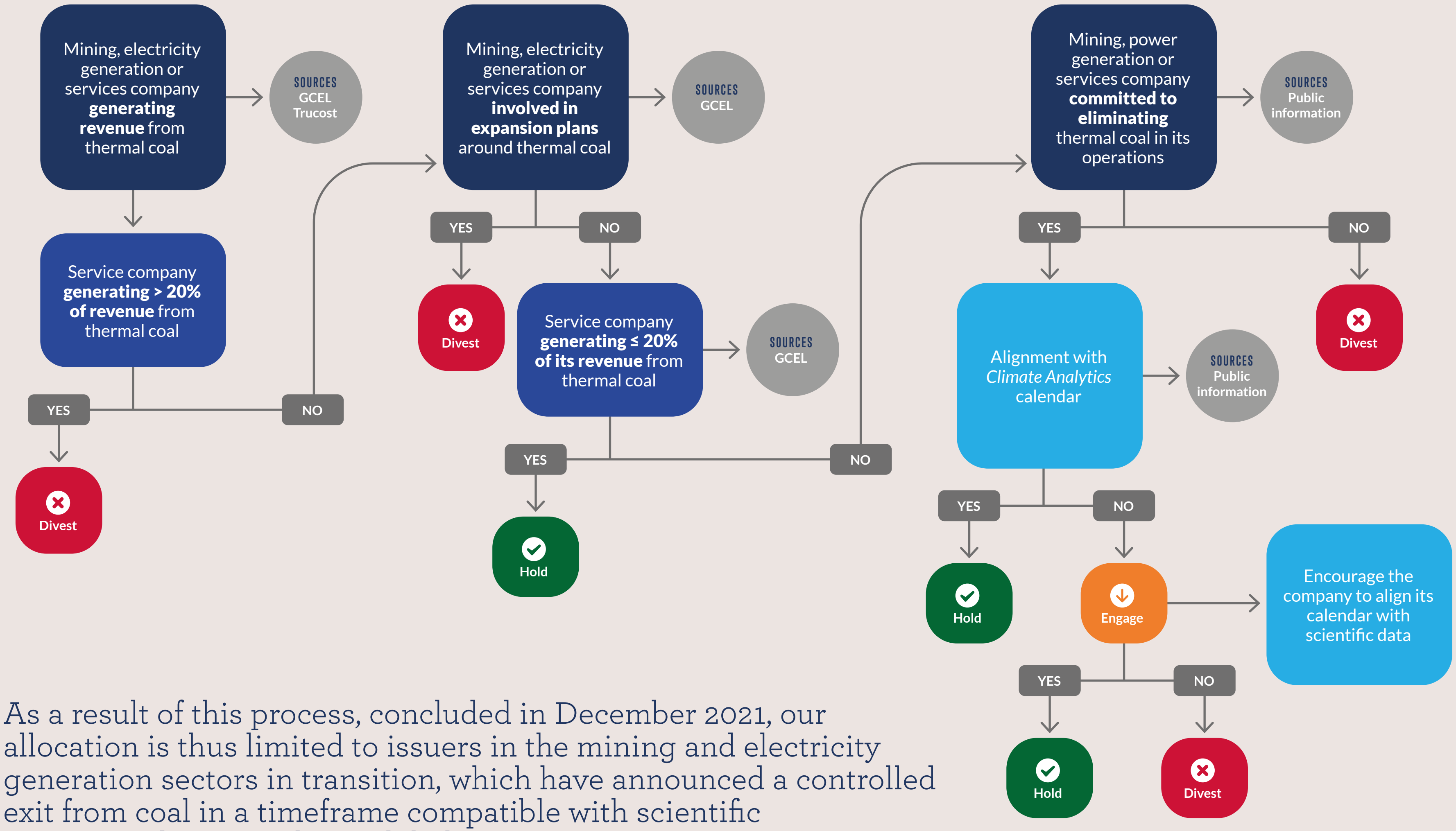
- **Concerns issuers in the mining and power generation sectors, as well as service providers generating revenue derived from thermal coal;**
- **Aims to encourage them to eliminate thermal coal from their operations within the deadlines recommended by science (before 2030 for OECD countries, before 2040 for the rest of the world, according to the work of the Climate Analytics expert).**

Towards this end, our policy is based on a combination of formal exclusion and commitment criteria, with a deadline.

Hold

Issuers that have announced a coal exit date aligned with the Climate Analytics calendar. We analyse issuers' public communication to find out whether a commitment has been made to exit coal in accordance with the science. We also ask that the related facilities be decommissioned and not sold and that the social issues stemming from the shutdown of the facilities assets be taken into account in accordance with the principle of the just transition.

EXCLUSION POLICY SPECIFIC TO COAL



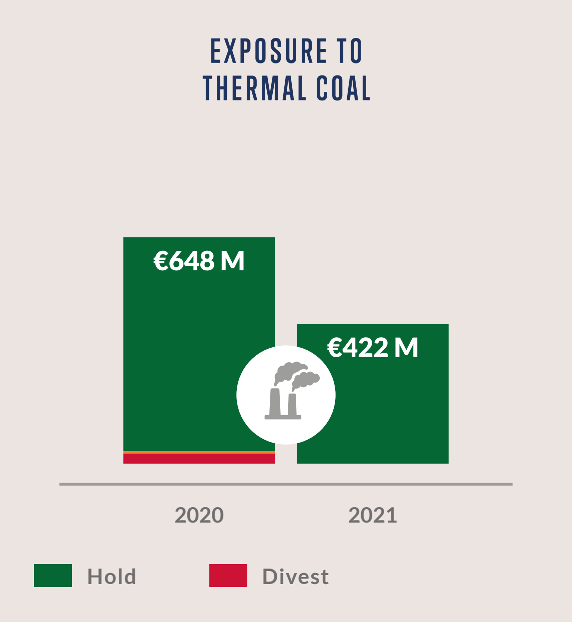
As a result of this process, concluded in December 2021, our allocation is thus limited to issuers in the mining and electricity generation sectors in transition, which have announced a controlled exit from coal in a timeframe compatible with scientific recommendations to limit global warming to 1.5°C.

Engage
Issuers having communicated about an exit from coal but without a clear timetable. If necessary, commitment opened in Q1 of year N to encourage them to revise their strategy and align it with science. Where appropriate, we ask them to provide a detailed plan justifying the robustness of their new strategy. The LBP AM Group rules on the maintenance or divestment of the security by 31/12 at the latest.

Divest
- Mining company or electricity generator involved in the development of new projects. Achieving the objectives of the Paris Climate Agreement means shutting down all projects to extend mines or thermal power plants. We identify the issuers involved in such projects drawing on the Urgewald NGO's Global Coal Exit List and systematically exclude any issuer included in it.
- Emitting mining or electricity producer that has not disclosed their commitments to exit coal (at the end of the commitment period).
- Service company generating at least 20% of their turnover. We draw on Trucost's research to identify them.

Our total exposure to thermal coal thus amounted to nearly €422 million as at 31 December 2021, with 100% outstanding in issuers to be maintained. At 31 December 2020, this exposure amounted to approximately €683 million, with a 95% / 1% / 4% breakdown between the maintain / engage / exclude categories. This positive development in our exposure, given the urgent need to eliminate coal from electricity production, reflects our desire to speed up the decarbonisation of players in the sector and to support those who have committed to this end.

In 2021, we embarked on a reflection process to adapt the approach used for coal to other problematic fossil resources: oil and unconventional gas (tar sands, deep water drilling, Arctic, etc.).



On the way towards a policy on the oil and gas sector
In order to keep the rise in temperatures below 1.5°C up to 2100, the energy scenarios put forward by the IPCC[1] and by the International Energy Agency (IEA)[2] to comply with the global carbon budget imposed by the 1.5°C target while ensuring continuous economic growth and energy security, provide – in addition to the drastic reduction in coal – steady reductions, from 2020, in emissions from the oil and gas sector, and all along the supply chain, from production to consumption. This is the energy transition, namely from fossil energies to decarbonised energies, combined with energy efficiency measures in all sectors consuming these energies. To wit, according to the IPCC, global oil and gas consumption must fall by 60% and 45% respectively between 2019 and 2050 (60% and 70% respectively without CCS[3]). According to the IEA, annual energy efficiency will improve by 4% per year up to 2030, while oil consumption will decline from 2019, and by nearly 75% between 2020 and 2050; as to gas consumption, it will decrease in the mid-2020s before seeing a downturn of 55% between 2020 and 2050. This oil and gas demand trajectory implies that there is no need to explore in order to discover new resources and that there is no need for new fields beyond those already approved for development in 2021.

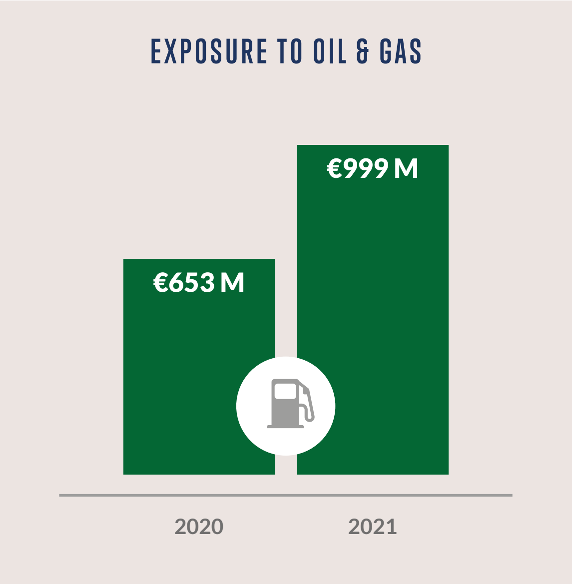
In addition, research from think tanks such as the Carbo Tracker Initiative has shown that the potential CO_2 emissions from already developed hydrocarbon reserves far exceed the remaining carbon budget in order to keep global warming to 1.5°C. This results in a risk of "stranded assets".

Our sector policy, currently being developed, will set out our principles of exclusion and commitment for sector players to align the allocations of LBP AM and TFSA in the oil and gas sector between now and 2030, with the target of carbon neutrality by 2050, by:

(1) https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf
(2) https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf
(3) "Carbon Capture, Utilization, and Storage", i.e. CO_2 capture, storage and recovery.

- **Promoting and supporting the orderly and just energy transition in the real economy, necessary to achieve the objectives of the Paris Agreement,**
- **Contributing to the management of climate financial risks – transition risks, legal risks and physical risks – for their own portfolios.**

It will deal in particular with the policy of exiting unconventional energies.



In the meantime, we are already actively engaging with these companies and exercising our voting rights at general meetings in a manner that reflects our high expectations. In a bilateral or collective framework, we initiate dialogue with some of them to encourage them to institute decarbonisation strategies consistent with the objective of limiting global warming to 1.5°C.

As at 31 December 2021, our exposure to issuers in the oil and gas sector amounted to €999 million. 100% of this exposure was held in equities, which enabled us to take a proactive stance when it comes to shareholder dialogue with players in the sector.

3.1.3 Optimise the selection of companies and sectors in the portfolio to reduce climate risks

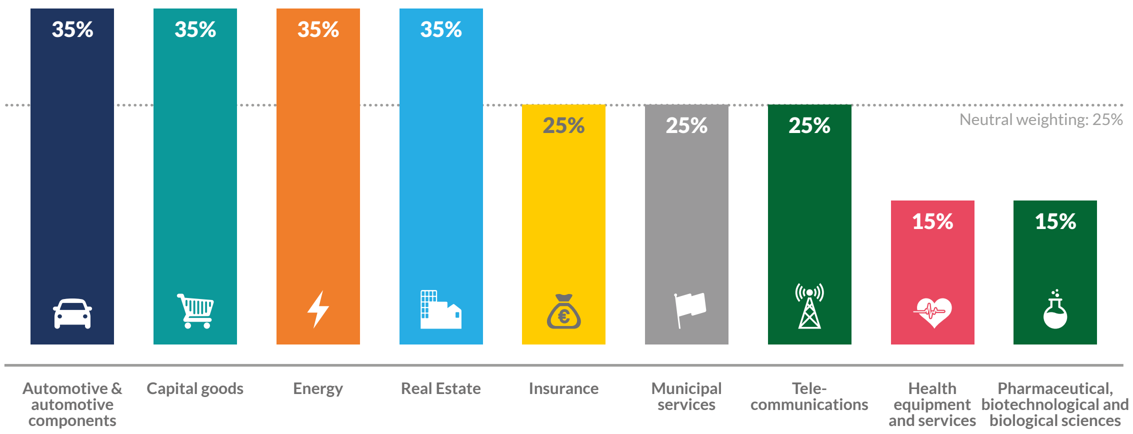
Improving the climate profile of our portfolios assumes first setting up steering indicators. As a matter of standard procedure, we include two data points on climate issues in investment management or monitoring: the rating of the Energy and Economic Transition pillar and the measurement of GHG emissions for all the securities in the portfolio.

Optimising portfolio climate risks via GREaT

LBP AM Group's climate analysis is consistently based Pillar E of our GREaT methodology, which reflects the quality of each issuer's climate strategy in the investment universe. This pillar's rating has a direct impact on an issuer's GREaT rating, which is used for the SRI labelling of our portfolios.

This rating is based on some fifteen indicators collected from specialised rating agencies.

EXAMPLES OF WEIGHTING: WEIGHT OF PILLAR E IN THE FINAL GREaT SCORE



This automatic rating makes it possible to assess the robustness of issuers' climate strategy by taking a critical look at their operations, products and services. The pillar's rating is available on the GREaT 360 platform, giving the managers and analysts at LBP AM and TFSA the opportunity to select the best companies.

- **Climate risk management**
  > Holding of carbon assets (fossil energy reserves)
  > Use of renewable energies in its operations
  > Greenhouse gas emissions: this indicator aims to assess an issuer's strategy to reduce the direct and indirect greenhouse gas emissions stemming from its operations (Scopes 1 and 2). In particular, it showcases the definition of quantified objectives over a clear time horizon consistent with a scientific scenario. Validation of these goals by a recognised third-party organisation, such as the Science Based Targets Initiative, is also a factor in improving the score.

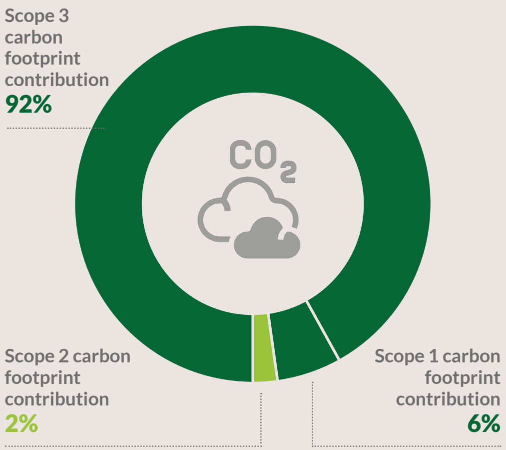
- **Contributing to the energy transition through the offering of products and services**
  > Share of revenue and/or income (depending on the company, its sector and the products it sells) generated thanks to services and solutions contributing to the effort to fight climate change.
  > Depending on the level of exposure of the sector to climate-related risks and opportunities, the weighting of Pillar E varies between a minimum of 15% and a maximum of 35% of the final GREaT rating.

Measuring the carbon footprint of investments
This carbon intensity of the investments is defined as the companies' GHG emissions, stated in tonnes of CO_2 equivalent, relative to the amounts invested.
The carbon footprint is available in the investment monitoring tools for the management teams, and communicated annually in the reporting of each fund bearing the SRI label.

As at 31 December 2021, the LBP AM Group's carbon footprint was 782 tonnes of CO_2 per million euros invested, for the entirety of Scopes 1, 2 and 3.
For Scopes 1 and 2, the carbon footprint is less than 65 tonnes CO_2 per million euros invested, down nearly 20% compared to 31/06/2021, when it reached 82 tonnes CO_2 per million euros invested.

This calculation is based on information available for 87% of issuers in the portfolio for Scopes 1 and 2 and more than 75% for Scope 3. With regard to this scope, the information available is increasingly extensive, with coverage increasing by 50% in 2 years.

BREAKDOWN OF CARBON FOOTPRINT ATTRIBUTABLE TO OUR INVESTMENTS



APPLIED METHODOLOGY

To measure the volume of GHG emissions (Scope 1+2+3) of each issuer in the portfolio, we use the data provided by MSCI. We integrate Scope 3 emissions in order to have an overview of the company and its value chain, despite the limitations arising from the quality of the information communicated on this scope.
As to GHG emissions, MSCI uses three different methods, based on:
- information provided by the companies themselves;
- the energy production model (methodology reserved for electricity producers using the energy mix);
- modelling by business sector. This approach is preferred for companies that do not publish any information on their GHG emissions.

As at end-December 2021, nearly 40% of the direct and indirect emissions (Scopes 1 and 2) used by MSCI came directly from the annual reports of companies within the MSCI World universe. The remainder was modelled and calculated by the rating agency. This figure is still significantly lower for Scope 3, for which the information is not published by the company and had to be modelled based on sectoral approximations, which can result in significant differences in results between data providers for the same company.

We then deduct the proportion of these emissions attributable to our portfolios, in proportion to the level of holding of LBP AM and TFSA for each issuer, through our holdings in its capital (equity investments) or its debt (via our bond investments).
In order to enable comparisons between portfolios or over time, these tonnes of emissions "attributable to LBP AM or TFSA" are reduced to a standard unit of one million euros invested.

PHYSICAL RISK ASSESSMENT

FOR THE ANALYSIS BELOW, WE USE THE SUPPLIER MSCI ESG AND ITS CLIMATE VALUE-AT-RISK CVAR METHODOLOGY, DUE TO THE TRANSPARENCY AND GRANULARITY OF THIS METHODOLOGY.

Analysis methodology

CVaR is a probabilistic model used to determine the present value of the costs borne by an issuer in the event of physical damage to its assets resulting from severe (cyclones, heatwaves, tsunamis, floods, etc.) and/or chronic (sea level rise, drought, extreme heat and cold waves, heavy rainfall, heavy snowfall, strong winds, etc.), weather events, on the assumption that climatic hazards will continue according to the same trend. Costs stemming from the decrease in revenues caused by business disruption following such weather events are also taken into account in the assessment.

Chronic risks materialise primarily as reduced productivity or employee availability, as well as temporary disruption of manufacturing activity, and are modelled by extrapolation of historical data.

Acute risks have been modelled using climate models similar to those used in the insurance and reinsurance sector, to estimate the direct or indirect material costs based on the costs recorded for past disasters.

The estimated materiality of physical risks is a function of three factors:

- The vulnerability to climatic hazards of the assets of a given issuer, which estimates the direct material impacts (damage, destruction) or indirect impacts (temporary interruption of production due, for example, to the inability of employees to reach the site, etc.).
- Geographical exposure of activities, resources and employees connected with a given issuer.
- The likelihood of occurrence of the climate event.

We decided to base the analysis on the "aggressive" scenario connected with warming of 3-4°C MSCI ESG.
We calculate the proportion of costs connected with the different climate risks attributable to our investments, then add up the costs by risk category to estimate their weight in the total valuation of the portfolio. This ratio is then compared to that of the composite benchmark index to assess the degree of control we have over our climate risks.
Lastly, we aggregate all the costs of each portfolio (i.e. all the open-ended funds of LBP AM and TFSA) to reach an estimate at the level of the management company, which we compare with the representative benchmark of our assets in order to manage our climate risk management.

Cost of climate risk
as % of eligible assets covered
=

$$\frac{\text{Total cost of risk}}{\text{Covered eligible assets}}$$

Results of the analysis

According to the CVaR model, the "maximum" physical risks incurred by the LBP AM Group for all its open-ended funds represent approximately 6.6% of the net assets under management.

This analysis is based on information provided by MSCI ESG on more than 90% of issuers in the portfolio and almost 95% of those in the composite benchmark, which gives us a satisfactory level of confidence in our assessment.

These commitments are also known as National Determined Contributions (NDCs).

TRANSITION RISK ASSESSMENT

FOR THE ANALYSIS BELOW, WE USE THE SUPPLIER MSCI ESG AND ITS CLIMATE VALUE-AT-RISK CVAR METHODOLOGY, DUE TO THE TRANSPARENCY AND GRANULARITY OF THIS METHODOLOGY.

Analysis methodology

Transition risks are those that might arise, for instance, from the various policies put in place by States and international organisations, to ensure a transition compatible with the attainment of the Paris Agreement objectives.

To assess the political risks, MSCI ESG starts from the commitments made by the States in 2015 to reduce their greenhouse gas emissions by 2100 in order to estimate the share of reduction in GHG emissions that should be achieved by each sector within each country. It then assigns an emissions reduction trajectory to each company in accordance with its geographical location and its market share. Lastly, the multiplication of the required reduction in GHGs by an estimated price of CO_2 makes it possible to calculate a final cost.

The technological risks are assessed based on an estimate of the potential revenue from low-carbon patents filed by a company, and revenue from the sale of products with a positive impact on the low-carbon economy. These two factors make it possible to estimate the capacity for innovation and, ultimately, the potential revenues which a company could generate by 2033. These estimates are first made by sector, then adapted for each company according to its market share. The underlying assumption is that the sum of transition costs implies an equivalent amount of potential future revenues related to technological opportunities. Companies that have been able to adapt to the energy transition will thus be able to benefit from these opportunities, while others will only bear the costs. Lastly, a present value of the net costs that an issuer would have to bear to align its activities is obtained.

Results of the analysis

According to scenario P2, the transition risks amount to slightly less than 11% of the assets across all our portfolios, i.e., a level slightly lower than the transition risks observed on our composite benchmark index, which amounts to 11.5%.

These risks are partly offset by the green opportunities that will emerge from investments made in companies considered "solutions providers" for the energy transition, according to the MSCI ESG methodology. The green opportunities generated by the investments of LBP AM and TFSA are higher than those found in the composite benchmark index (6.9% vs. 5.4%).

These results are based on information available to more than 91% of issuers in the portfolio and almost 97% of those in the composite benchmark, which gives us a satisfactory level of confidence in the valuation. A methodological review has been carried out and may explain gaps in magnitude between the exercises on the magnitudes observed. Consequently, we do not show historical information on this indicator, the comparison of which would be of little relevance.

MSCI ESG relies on international and European bodies that register more than 400 groups of technologies considered low-carbon, then assesses the relevance of each patent by analysing the potential markets, number of references and the number of technologies affected. For more details on the updating method, see Climate Value at Risk methodology part 2 – Policy Risk. Green opportunities are defined by MSCI ESG and may differ from the sustainable investment themes defined by LBP AM and TFSA.

Mobilising the risk function

Climate risk is considered by central bankers as a systemic risk that can significantly impact the financial health of the global economic system. Some central banks (e.g. *European Central Bank*, *Banque de France*) have launched programmes aimed at developing and improving the climate risk assessment approaches to guarantee financial stability, as well as the first stress test exercises. The risks to which the financed companies are exposed may impact the profitability of the investment portfolios and the liquidity of the underlying assets. The methodologies for assessing physical and transition risks are still recent, but help to quantify the effects of climate change and the ecological and energy transition on portfolios.

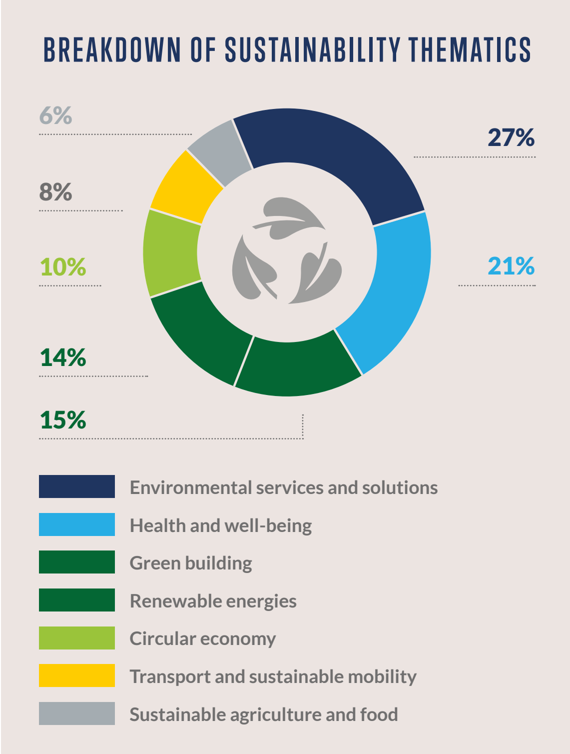
3.1.4 Stepping up investments in companies that provide solutions for the energy transition

Sustainable investment themes

At 30 June 2021, €7.3 billion in assets under management (equity funds) were exposed to our Sustainable Investment themes.

The increase in these assets in the overall management of the LBP AM Group is a major focus of our climate strategy, because the energy transition is driven by these companies that provide solutions through their product and service offering.

This effort is materialised by the creation of dedicated thematic funds, now joined by an infrastructure debt fund strategy with climate impact.



Strategies dedicated to financing the energy transition

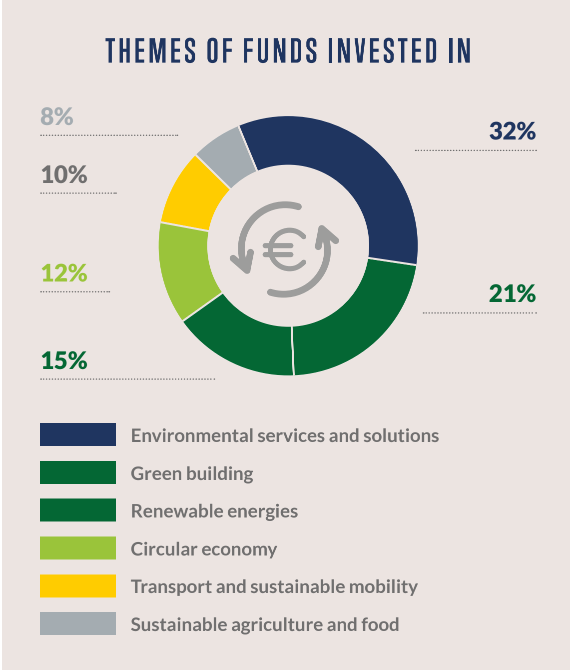
The LBP AM Group manages and markets three funds, which have energy transition and environmental protection at the heart of their investment strategy: LBPAM ISR Actions Environnement, LBPAM ISR Global Climate Change and LBPAM Infrastructure Debt Climate Impact Fund.

LBPAM ISR Actions Environnement

Bearing the SRI label, this fund has also earned the Greenfin label created by the Ministry of Ecological Transition. It enables customers to contribute to the decarbonisation of the economy, while exposing themselves to the performance of European equity markets.

The companies in which the fund invests must meet two requirements:

- fall within one of the six environmental themes identified (environmental services and solutions, renewable energies, the circular economy, sustainable transport and mobility, green buildings, sustainable agriculture and food), defined to align with the nomenclature of the Greenfin label;



- earn a rating considered positive with regard to the four axes of our GREaT non-financial analysis methodology.

Companies the operations of which call upon fossil fuels or the nuclear sector must be excluded.

LBPAM ISR Global Climate Change
This SRI-labelled fund is the global version of the previous one.
The companies in which the fund invests must meet a two-fold requirement: fall within one of the six environmental themes (sustainable agriculture and food, green buildings, the circular economy, renewable energies, environmental services and solutions, sustainable transport and mobility); and earn a rating considered positive with regard to the four thrusts of our GREaT non-financial analysis methodology.

3.1.5 Supporting companies invested in the transition

Engagement policy and its enforcement

Dialogue with issuers is an integral part of our climate strategy, as this approach can enable us to:
- obtain additional information on an issuer's decarbonisation strategy;
- influence it in order to accentuate the alignment of its climate strategy with the Paris Agreement, in particular to encourage it to define, achieve and deploy its decarbonisation objectives at all levels: activities, GHG scopes and horizons.
- and ultimately improve the management of its climate-related risks.

It is exercised through a variety of levers:
- Voting in general meetings to support climate resolutions;
- The individual commitment to implement the LBP AM Group's coal policy;
- Collaborative engagement such as the campaign with the Total Energy Group, within an investor consortium

The "Say on Climate", a step forward for shareholder democracy and for the climate

LBP AM and TFSA paid particular attention to the transition plans/climate strategies at general meetings, focusing primarily on:
- The existence of precise objectives for reducing greenhouse gas emissions in the short and long term on a relevant scope;
- Their level of ambition, with regard to the challenge of aligning with the trajectory set by the Paris Climate Agreement;
- The commitment of the Board of Directors to consult shareholders on a regular basis (at least every three years) on these objectives and strategies, taking into account the rapid changes in the regulatory, technological and political environment;
- The development of criteria in the variable remuneration of managers that are aligned with the climate and environmental objectives announced by the company.

In addition to the dialogue with the company's management on these matters, in 2021 LBP AM and TFSA had the opportunity to formally express their opinion on these plans through so-called "Say on Climate" resolutions submitted to the vote of the general meeting.

They supported eleven "Say on Climate" resolutions out of the fifteen on which they voted. This vote was consistent with the dialogue initiated with some of these companies to support them in this complex transition process.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

"Say on Climate" is an annual advisory vote at a general meeting of shareholders based on a report prepared by the Board of Directors relating both to the trajectory already achieved and to the prospective part of the non-financial performance document

SUMMARY OF VOTES ON "SAY ON CLIMATE"

COUNTRY	COMPANY	VOTE
France	Vinci SA	Against
	Atos SE	For
	Total SE	Against
Spain	Ferrovial SA	For
	Aena S.M.E. SA	Against
	Iberdrola SA	For
UK	Unilever Plc	For
	Aviva Plc	For
	Royal Dutch Shell Plc	Against
	HSBC Holdings Plc	For
	PEAK	For
	National Grid Plc	For
Switzerland	Nestle SA	For
United States	S&P Global Inc.	For
Canada	Canadian National Railway Company	For

For decarbonisation trajectories:

The commitment with Total Energies

TotalEnergies

LBP AM and TFSA recognise that oil and gas majors, including TotalEnergies, have a crucial role to play in the transition to a low-carbon economy. TotalEnergies is an important issuer in our portfolios, in particular with regard to the quantitative management of the LBP AM group, and its ability to successfully complete its energy transition and to protect itself from transition risk is therefore a key factor for the financial value of long-term investments. As part of the bilateral dialogue with the Group, LBP AM and TFSA have measured the extent of the commitments made by TotalEnergies since 2020 to reduce the share of oil in its operations and, more generally, to reduce its greenhouse gas emissions, particularly in certain geographical areas. However, we also identified a lack of transparency on certain aspects of the strategy, which does not enable a proper assessment of the alignment of the company's global objectives, in the medium term, with the objectives of the Paris Climate Agreement. These concerns prompted us to discuss with other TotalEnergies shareholders who shared the same point of view, and then, in 2020, to jointly table, with ten other investors, the first climate resolution in France, at TotalEnergie's general meeting. The aim in doing so was to enable each shareholder to express an opinion on the company's strategy in the face of the energy transition challenge. The purpose of the resolution was to amend TotalEnergie's articles of association in order to spark the company to specify a medium- and long-term action plan to reduce GHG emissions in absolute terms on its three scopes, as well as the means deployed to achieve this objective. Although TotalEnergies' shareholders did not cast enough votes to pass this resolution, it received almost 20.7% of the ballots. LBP AM and TFSA are convinced that the resolution contributed to advancing discussion among shareholders and exposing the key role which oil companies could play in the energy transition and the fight against climate change. In 2021, LBP AM and TFSA participated in the work of the Climate Action 100+ coalition, which brings together investors from all over the world concerned about the climate challenge. Within this framework, we co-signed a letter coordinated by Climate Action 100+, asking TotalEnergies to adjust its strategy to better align with the Paris Agreement. Some of the points raised include increasing the amount of investment dedicated to the development of new fossil resource capacities, or setting quantified targets for the reduction of Scope 3 GHG emissions by 2030. LBP AM and TFSA voted against the company's "Say on Climate", which, while an improvement in terms of shareholder dialogue, did not provide all the information and ambition expected. This demanding and constructive dialogue is intended to be carried forward over time, to ensure that the Group achieves its objectives and steps them up gradually.

As regards sector policies on fossil fuels:

engagement with HSBC

LBP AM and TFSA participated in a collaborative engagement action coordinated by the UK ShareAction initiative since 2021, to urge the company to define a transition plan with 13 short-, medium- and long-term targets, including a clear timetable to reduce its exposure to fossil fuels, starting with the definition of a policy to exit thermal coal as a top priority in view of the need to eliminate it from the global energy mix to meet the Paris Agreement targets. The LBP AM Group recognises that there are no "one size fits all" solutions and approaches at this stage in terms of fossil fuel policies for the banking sector; however, defining a credible and transformative policy is a prerequisite to enabling the bank to operationalise its carbon neutrality ambition. It is for this reason that in 2021 LBP AM co-tabled a resolution in the run-up to the company's AGM, which we were able to withdraw after a successful collaboration between the company and investor coalition members to publish the bank's coal policy. The commitment continues, however, with a view to completing this policy and developing it for other fossil fuels with precise objectives.

For a just transition:

launch of the Finance for Tomorrow initiative

Finance for Tomorrow is an initiative of Paris Europlace dedicated to promoting sustainable finance in France and internationally. The aim is to redirect financial flows towards a low-carbon and inclusive economy, consistent with the Paris Agreement and the Sustainable Development Goals. René Kassis (Head of Real and Private Assets at LBP AM) was elected to his office in 2020. In 2021, the LBP AM Group joined the engagement coalition set up by F4T to contribute to the analysis, awareness-raising and development of best practices in the area of just transition. The commitment will begin in 2022.

3. 2.
Our biodiversity strategy

In 2021, the LBP AM Group, alongside its shareholder LBP, became a signatory to the Finance for Biodiversity Pledge, a market advocacy campaign uniting nearly 100 companies worldwide amounting to over €14 trillion in assets under management and aimed at setting up joint actions to preserve biodiversity.

The actions undertaken by the players in the Pledge range over several levels:

- Setting up tools to assess a company's "biodiversity footprint" and by building a fund or entity; followed by the setting of objectives and actions with regard to this measure;
- Shareholder engagement with respect to the companies invested in order to promote best practices for preserving biodiversity, optimising the use of resources and restoring nature;
- Engagement with regulators and decision-makers to direct discussions;
- Sharing knowledge with the various members of the coalition to carry out joint actions and move the subject forward at the global level.

With this in mind, in 2021, LBP AM/TFSA entered a contract with Carbon 4 Finance and CDC Biodiversité and acquired a tool for measuring the biodiversity footprint. At the same time, she joined several other working groups to collectively open up dialogue with companies (FAIRR; CERES; PRI; FIR; Finance For Tomorrow).

3.2.1
Measuring our biodiversity footprint

The Global Biodiversity Score is a footprint measure equivalent to the carbon footprint in the area of biodiversity. It assesses the impact of a company's activities on biodiversity in light of 4 of the 5 pressures defined by the Intergovernmental Scientific and Political Platform on Biodiversity:

- Artificialisation of soils;
- Overexploitation of Natural Resources;
- Pollution
- Climate Change.

This impact is stated in MSA.km². MSA (Mean Species Abundance) is a metric recognised by the scientific community as one of the metrics used to aggregate different types of impacts on biodiversity in order to assess the intactness of ecosystems by measuring the average abundance of species in a given location.

> 1 MSA.km² lost is equivalent to a full concrete coverage of 1 km² of virgin natural area.

The tool estimates these pressures based on financial or operational data, by breaking down the inputs used to achieve the turnover of the company in question. Data on the pressures that companies report directly can also be used, such as the carbon footprint.

In order to arrive at a single global measure, mathematical transformations must be made:

- A rescaling is performed. The terrestrial impacts are scaled to the total area of the terrestrial biome. Similarly, the aquatic impacts are related to the total surface area of the aquatic biome (lakes, rivers, streams).
- Static impacts are treated as a depreciation over time in order to be aggregated with dynamic impacts.

These transformations result in a single metric, the msa.ppb, stated per 1 million euros invested.
These metrics can be broken down into 2 biomes, terrestrial and freshwater aquatic, and 2 temporal concepts, static impacts, i.e. the accumulation of the degradation caused by the company's activities over the

previous 50 years, and dynamic impacts, which indicate the deterioration caused in the year under consideration, reflecting the current business model of the company under study.

STATISTICAL IMPACTS

36%
OF ASSETS COVERED BY THE INDICATOR

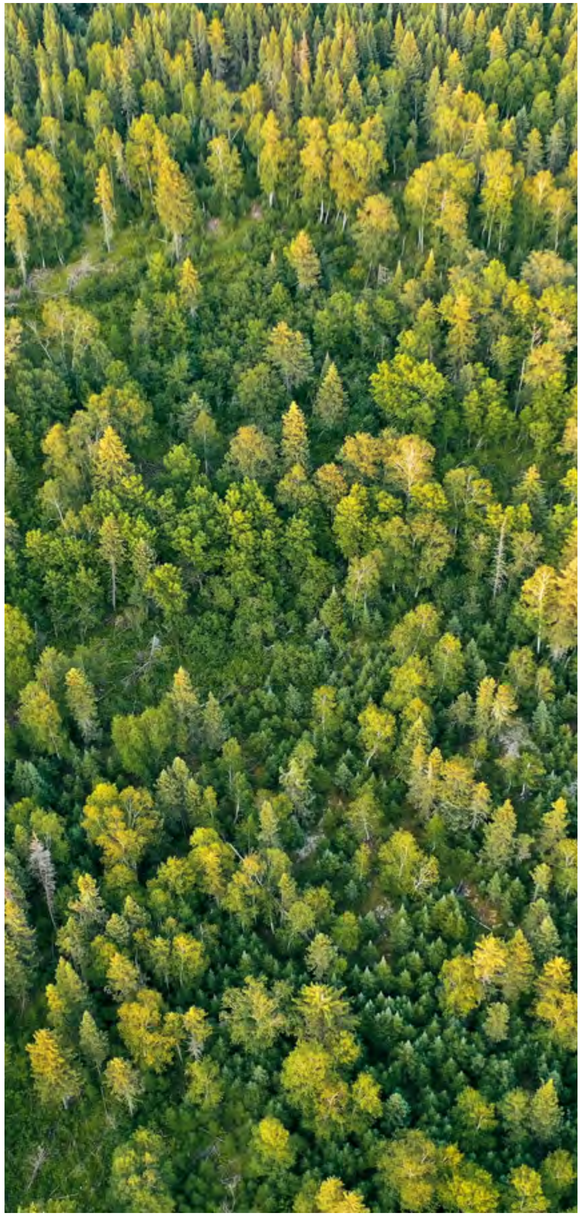
65
MSA.PPB PER MILLION EUROS INVESTED

1,769
MSA.PPB

110.5
MSA.KM² TERRESTRIAL DYNAMIC

Engaging businesses in favour of biodiversity protection

To move beyond the analysis of their footprint, LBP AM and TFSA implemented an initial biodiversity commitment policy, focused on the fight against deforestation. LBP AM and TFSA's engagement policy prioritises the analysis of deforestation risks in sectors exposed to the exploitation of the main commodities at risk: palm oil, soya, cattle and its derivatives, rubber, wood and cocoa. In order to align with the National Strategy to Combat Imported Deforestation (SNDI) set up by the Ministry of Ecological Transition, LBP AM and TFSA thus engage the companies harvesting, trading, reselling or processing these commodities to set a Zero Deforestation, Degradation, Conversion objective for 2025 at the latest; to publicly report the indicators attesting to their evolution and to implement the planning and resources necessary to achieve this objective. Manufacturers and processors are also encouraged to heighten their watchfulness on the supply chain by setting up best reference practices. The scope of engagement is reviewed annually. LBP AM and TFSA started deploying their deforestation policy in 2021 through a dialogue with the US multinational Bunge, a producer of agricultural commodities.



COMMITMENTS BY COMPANIES IN FAVOUR OF BIODIVERSITY PROTECT

Companies	Engagement
FINANCE FOR TOMORROW by Paris Europlace	In 2021, the LBP AM Group joined the Biodiversity initiative, where work is underway on reviews of regulatory frameworks and reporting; the implementation of scientific concepts in investment strategies; the implementation of objectives and joint positions for the market.
FAIRR FARM ANIMAL INVESTMENT RISK & RETURN A COLLER INITIATIVE	The international network of investors, FAIRR, encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. The network is conducting several targeted engagement actions, for example to encourage the reduction of antibiotics in livestock farming or to combat deforestation caused by agriculture. LBP AM and TFSA employees take part in FAIRR's consultations and commitments, in particular on the "sustainable proteins" thematic. LBP AM and TFSA engage the stakeholders identified as not implementing the best practices on these subjects in order to raise their awareness and support them in managing the change.
Ceres PRI Principles for Responsible Investment	Coordinated in partnership by the PRIs and the American organisation Ceres since 2018, this initiative brings together international investors who wish to contribute to the fight against deforestation, mainly linked to the breeding and cultivation of soya in the Amazon. In 2020-2021, in this context, the LBP AM Group engaged with a company producing agricultural commodities on the thematic of deforestation to encourage it to set a date-specific target for the end of the use of deforestation and the conversion of agricultural land via the implementation of an action plan tracked using indicators.

SCOPE OF THE FUNDS CONCERNED AND THE BENCHMARK INDEX

The indicators and methodology presented in the chapter apply to the scope of the LBP AM Group, composed of 223 portfolios (including 198 funds or SICAVs and 25 mandates), for assets under management of EUR 76 billion. These funds' assets are composed of 31% equities and 26% debt, with the remaining 43% divided mainly between convertible bonds, UCIs and cash.

In parallel, we have built a composite index representative of this universe in order to make all comparisons of indicators with an index representative of our assets.

CHAPTER 4

UNDERSTANDING RESPONSIBLE INVESTMENT

Do you have any questions?

Would you like more information?

Here, you will find all the information you need to decode our responsible investment policy and follow our actions on a daily basis.

4. 1.

Reading keys: The SRI glossary

AFNOR
French Standards Association

AIM/CGE
Asia-Pacific Integrated Model/ Computable General Equilibrium

COFRAC
Para-public body that sees to the quality of the label issuers

DCCI
French Directorate of Compliance and Internal Control

ESG
Environment, social and governance

IPCC
Intergovernmental Panel on Climate Change

GREaT
G-Responsible Governance, R-sustainable management of natural and human Resources, Energy and economic transition, Territorial development

ISR
Responsible social investment

LBP AM
La Banque Postale Asset Management

UCI
Undertakings for collective investment

SFAF
French Society of Financial Analysts

TFSA
Tocqueville Finance SA

4. 2.
Mapping of indicators

CONTENTS	PAGE	ARTICLE 29-LEC	TCFD INDICATORS
1.1 Our responsible investment policy	8	• General process for taking ESG criteria into account in the investment policy	
1.2 Governance of our responsible investment approach	10	• Integration of ESG criteria into the internal regulations of the entity's Board of Directors or Supervisory Board • Knowledge, skills and experience of governance bodies in decision-making relating to the integration of ESG criteria into investment policy and strategy • Inclusion in remuneration policies of information on how these policies are adapted to the integration of risks in the field of sustainability	Governance • Board supervision of climate risks and opportunities and management's role in their assessment • Functions responsible for assessing and managing climate-related risks and opportunities
1.3 Being a responsible investor day by day	12	• Description of financial, human and technical resources dedicated to taking ESG criteria into account • Actions carried out to step up the entity's internal capacities • Entity's signing of a charter, code, initiative or earning a label • Content, frequency and means used by the entity to inform subscribers or customers	

Mapping of indicators (continued)

CONTENTS	PAGE	ARTICLE 29-LEC	TCFD INDICATORS
2.1 Integration of non-financial issues in the analysis	25	• General process for taking ESG criteria into account in the investment policy	
2.2 Integration of non-financial issues in management processes	35	• General process for taking ESG criteria into account in the investment policy • List of financial products listed by virtue of Article 8 and Article 9 of the SFDR Regulation • Overall percentage of assets under management taking ESG criteria into account • Signing of a charter, code, initiative or obtaining of a label, brief description of these	
2.3 Dialogue and engagement with companies	43	• Scope of companies concerned by the engagement strategy • Presentation of voting policy • Review of engagement strategy • Assessment of voting policy, in particular on resolutions on ESG issues • Investment strategy decisions	
2.4 Integration of non-financial issues in risk management	49	• Consideration of ESG criteria in risk management, including physical, transition and responsibility risks related to climate change and biodiversity • The process for identifying, assessing, prioritising and managing ESG risks • Integration with the entity's contractual risk management framework	Risk management • The organisation's process for identifying, assessing and managing climate-related risks • Description of how these processes are integrated into overall risk management • Reporting of climate-related risks and other material risks;

Mapping of indicators (continued)

CONTENTS	PAGE	ARTICLE 29-LEC	TCFD INDICATORS
3.1. Our climate strategy	54	• Strategy for aligning with the long-term objectives of Articles 2 and 4 of the Paris Agreement relating to the mitigation of greenhouse gas emissions. For financial products where investments are made entirely in France, alignment with the SNBC • Quantitative target to reduce greenhouse gas emissions by 2030 • Role and use in the investment strategy, in particular the complementarity between the evaluation methodology selected and the other indicators on the ESG criteria used • Internal methodology: method, coverage, time horizon, assumptions and scenarios used, quality of methodologies and data, prospective estimation method, level of time granularity, sector and geographic quantification of results, frequency of assessment and update, monitoring actions • Changes in the investment strategy in line with the strategy of alignment with the Paris Agreement, and in particular the policies put in place with a view to phasing out coal and unconventional hydrocarbons; • Possible actions to monitor results and changes observed; • Share of assets in activities in accordance with the technical examination criteria defined in the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852	Strategy • Climate-related risks and opportunities over multiple time scales; in particular through scenario analysis • Long-term business strategy and financial planning • Plans for the transition to a low-carbon economy, including GHG emissions reduction targets and initiatives within operations and the value chain Measures & objectives • Measures and targets used, including greenhouse gas emissions, to manage climate-related risks, • Timetable for achieving the reduction target • Key performance indicators used • Description of the calculation methods used
3.2 Our biodiversity strategy	68	• Strategy for alignment with long-term biodiversity targets, which includes targets to be met by 2030: a) A measure of compliance with the objectives set out in the Convention on Biological Diversity adopted on 5 June 1992 b) An analysis of the contribution to reducing the main pressures and impacts on biodiversity defined by the IPBES c) Use of a biodiversity footprint indicator and, where appropriate, how this indicator measures compliance with international biodiversity-related objectives	

4. 3.
For more information and stay up to date with the latest news from the LBP AM Group

LBP AM/TFSA makes public its entire responsible investment and engagement undertaking. The aim is, first, to ensure transparency with regard to investors and stakeholders; and secondly, to contribute to the transformation of asset management towards sustainable finance. Asset management companies have a part to play in changing behaviours. An educational approach is, in our view, essential in ensuring that everyone can take ownership of positive developments and reflections for more responsible finance.
To communicate, the LBP AM Group makes privileged use of its website:
https://www.labanquepostale-am.fr/.
The main information is grouped under the heading "Sustainable investment": undertaking, core beliefs, regulatory documentation and others, available here: https://www.labanquepostale-am.fr/finance-responsable/notre-engagement/id/1085
We take care to detail our SRI management processes, and how financial and extra-financial analysis is integrated into the managers' overall approach. This information is available in the "Our expertise" section of the website: https://www.labanquepostale-am.fr/nos-expertises/id/1039
The transparency of our undertaking is also ensured by regular press releases, the quarterly AGIR newsletter and articles on many SRI topics published on our website and also on Linkedin https://www.linkedin.com/company/LBP AM/

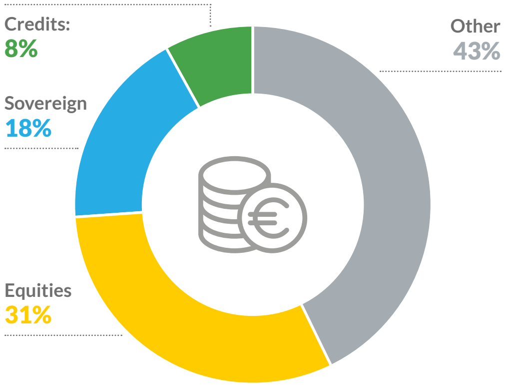
The table below contains most of the publications on LBP AM and Tocqueville Finance, the undertakings and SRI funds.

DOCUMENT TYPE	SOURCE	Frequency of update	Confidentiality
Transparency Code	Tocqueville Finance website, Regulatory section	Annual	Public
Transparency Code, Tocqueville ISR Euro MidCap	Tocqueville Finance website, Regulatory section	Annual	Public
Transparency Code, Tocqueville Value Amerique ISR	Tocqueville Finance website, Regulatory section	Annual	Public
Energy Transition Law Report	LBP AM website, Publications section	Annual	Public
Voting policy	LBP AM website, Publications section Tocqueville Finance website, regulatory section	Annual	Public
Voting report	LBP AM website, Publications section Tocqueville Finance website, regulatory section	Annual	Public
SRI engagement policy	LBP AM website, Publications section	Ad Hoc	Public
SRI engagement report	LBP AM website, Publications section Tocqueville Finance website, regulatory section	Annual	Public
Exclusion policy	LBP AM website, Publications section	Ad Hoc	Public
Climate Policy	LBP AM website, Publications section	Ad Hoc	Public
Coal Policy	LBP AM website, Publications section	Ad Hoc	Public
Policy for managing conflicts of interest	Tocqueville Finance website, Regulatory section	Annual	Public
AGIR brochure for the Energy Transition	LBP AM website, Publications section	Ad Hoc	Public
Newsletter "ISR AGIR"	LBP AM website, Publications section	Quarterly	Public
Guide to 9 Sustainable Investment Themes	LBP AM website, Publications section	Ad Hoc	Public
SRI reporting by fund	LBP AM website, Our funds section	Monthly	Public
Transparency Code by management process/fund	LBP AM website, Our funds section	Annual	Public
SRI inventory by fund	LBP AM website, Our funds section	Quarterly	Public
SRI glossary	LBP AM website, Publications section	Ad Hoc	Public

Appendices

SRI performance: key figures by asset class

BREAKDOWN BY ASSET CLASS



€76 billion
TOTAL

BREAKDOWN OF INDICATORS BY ASSET CLASS

Asset class	Eligible AUM	Carbon footprint Scope 1, 2 & 3		Climate risks		Biodiversity footprint	
		Cover	T C02 per € million invested	Cover	% AUM	Cover	MSA.PPB* per € million invested
Equities	20,482,641,748	85%	851.1	99%	- 9.9	96%	69
Credit	5,531,345,721	49%	347.7	77%	- 13.1	76%	46
Sovereign	902,654,637	2%	593.6	4%	- 23.2		
Monetary	26,477,666	55%	162.7	55%	- 8.1		
Other	-						
Sovereign	26,943,119,772	75%	782.5	91%	- 10.5	91%	46
Monetary	26,477,666	55%	162.7	55%	- 8.1		
Other	-						
Total	**26,943,119,772**	**75%**	**782.5**	**91%**	**- 10.5**	**91%**	**46**

CARBON FOOTPRINT DETAILS

Asset class	Eligible AUM	Scope 1 carbon footprint		Scope 2 carbon footprint		Scope 3 carbon footprint		Carbon footprint Scope 1, 2 & 3	
		Cover	T C02 per € million invested	Cover	T C02 per € million invested	Cover	T C02 per € million invested	Cover	T C02 per € million invested
Equities	20,482,641,748	99%	52.9	99%	15.3	85%	782.9	85%	851.1
Credit	5,531,345,721	56%	30.2	55%	8.3	49%	309.2	49%	347.7
Sovereign	902,654,637	2%	121.3	2%	15.6	2%	456.7	2%	593.6
Monetary	26,477,666	55%	0.1	55%	1.8	55%	160.9	55%	162.7
Other	-								
Total	**26,943,119,772**	**87%**	**50.0**	**86%**	**14.4**	**75%**	**718.1**	**75%**	**782.5**

Appendices
SRI performance: key figures by asset class (continued)

DETAILS OF CLIMATE RISKS

Asset class	Eligible AUM	Physical risk		Transition risk		Opportunities		Climate risk	
		Cover	% AUM	Cover	% AUM	Cover	% AUM	Cover	% AUM
Equities	20,482,641,748	98%	6.1	99%	11.2	99%	7.3	99%	9.9
Credit	5,531,345,721	76%	8.4	77%	10.1	77%	5.0	77%	13.1
Sovereign	902,654,637	4%	24.9	4%	27.0	4%	28.7	4%	23.2
Monetary	26,477,666	55%	1.3	55%	1.3	55%	-	55%	8.1
Other	-								
Total	**26,943,119,772**	**90%**	**6.6**	**91%**	**11.0**	**91%**	**6.9**	**91%**	**10.5**

DETAILS OF THE BIODIVERSITY FOOTPRINT

Asset class	Eligible AUM	Static water footprint		Dynamic water footprint		Static land footprint		Dynamic land footprint		Biodiversity footprint	
		Cover	MSA.KM²	Cover	MSA.KM²	Cover	MSA.KM²	Cover	MSA.KM²	Cover	MSA.PPB* per € million invested
Equities	20,482,641,748	96%	172.7	96%	1.6	96%	2343.9	96%	94.8	96%	69
Credit	5,531,345,721	76%	18.5	76%	0.3	76%	241.2	76%	15.6	76%	46
Sovereign	902,654,637										
Monetary	26,477,666										
Other	-										
Total	**26,943,119,772**	**91%**	**191.1**	**91%**	**1.9**	**91%**	**2585.1**	**91%**	**110.5**	**91%**	**46**

Appendices

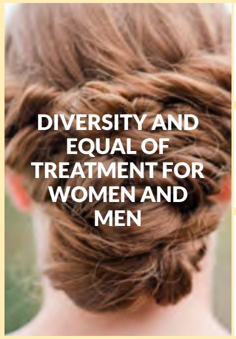
Summary table of policy for taking into account the main negative impacts on sustainability factors

TOPIC	PURPOSE	NATURE	DETAIL	RELEVANT FUNDS
 GHG EMISSIONS	**Companies' climate plan**	ENGAGEMENT & VOTING	The support of the LBP AM Group for the climate plans submitted to the shareholders' vote is conditional on the following elements: • the plan contains specific targets for reducing GHG emissions in the short and long term; • the plan is aligned with the trajectory set out in the Paris Climate Agreement; • The Board of Directors undertakes to consult shareholders on a regular basis (at least every 3 years); • Executives' variable compensation includes non-financial criteria aligned with the announced objectives.	All LBP AM funds
	Coal exclusion	EXCLUSION	Exclusion of issuers from the mining and electricity production sectors that have not committed to an exit from coal within deadlines compatible with the IPCC recommendations to limit global warming to 1.5°C. In the rest of the value chain (upstream and downstream service providers), issuers that generate more than 20% of their turnover in connection with thermal coal are excluded.	All LBP AM funds
	Carbon footprint	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating companies on their procedures for measuring and reducing carbon emissions throughout their value chain.	SRI funds (A8 and A9 SFDR)
	GHG emissions	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their investments in low-carbon technologies and in the energy efficiency of their infrastructures.	SRI funds (A8 and A9 SFDR)
	Carbon intensity of portfolio (scopes 1 and 2)	PERFORMANCE KPI	The fund must have a lower carbon footprint than its investment universe. The carbon footprint is used to measure the GHG emissions generated for each euro invested in the fund. The portfolio's carbon footprint is calculated as the sum weighted to reflect the proportion of the carbon footprint of the securities in the portfolio. The carbon footprint of a security is the share of a company's carbon emissions that can be ascribed to the fund (the share corresponding to the share of the company held by the fund).	Specific funds

Summary table of the policy for taking into account the main negative impacts on sustainability factors (continued)

TOPIC	PURPOSE	NATURE	DETAIL	RELEVANT FUNDS
WATER	**Water use**	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on water consumption arising from their activities, water stress in their area of activity and their policies for managing water-related risks and opportunities.	SRI funds (A8 and A9 SFDR)
BIODIVERSITY	**Biodiversity**	ENGAGEMENT & VOTING	Biodiversity is one of the four major themes we have chosen to focus on as part of our shareholder engagement and voting policy. For this purpose, we are working jointly with the FAIRR, PRI, CDP and CERES on Thematics such as intensive agriculture and land management, deforestation, or biodiversity in the broad sense, i.e. by acting on all the threats to it.	All LBP AM funds
	Deforestation	EXCLUSION	Exclusion of players that have been the subject of controversies relating to a strong impact on deforestation and which have not committed to corrective measures.	All LBP AM funds
	Negative impact on fragile ecosystems	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on the impact of their activities on fragile ecosystems. In particular, biodiversity protection and land use policies implemented by companies are considered.	SRI funds (A8 and A9 SFDR)
POLLUTION, WASTE	**Pollution**	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their policies for managing and preventing pollution generated by their activities.	SRI funds (A8 and A9 SFDR)
	Toxic and carcinogenic waste emissions	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their procedures for monitoring and reducing toxic emissions and carcinogenic substances.	SRI funds (A8 and A9 SFDR)
	Waste management and recycling	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on the management of waste stemming from the goods they produce. In particular, electronic waste recycling policies are assessed.	SRI funds (A8 and A9 SFDR)
	Impact of packaging	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their packaging impact management policies.	SRI funds (A8 and A9 SFDR)
CONTROVERSIAL WEAPONS	**Oslo Convention and Ottawa Treaty**	EXCLUSION	Exclusion of players who do not comply with the Oslo Convention and the Ottawa Treaty.	All LBP AM funds

Summary table of the policy for taking into account the main negative impacts on sustainability factors (continued)

TOPIC	PURPOSE	NATURE	DETAIL	RELEVANT FUNDS
 DIVERSITY AND EQUAL OF TREATMENT FOR WOMEN AND MEN	**Gender equality**	ENGAGEMENT & VOTING	Opposition to elections for male candidates on company boards when these are less than 40% composed of women.	All LBP AM funds
	Wage inequalities	ENGAGEMENT & VOTING	Opposition to executive compensation when it exceeds 240 times the median salary in the country where the company is headquartered.	All LBP AM funds
	Fight against discrimination	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their policy to prevent discrimination in the workplace. These include policies promoting gender equality, protecting and supporting pregnant women, and integrating vulnerable people.	SRI funds (A8 and A9 SFDR)
 RESPECT FOR HUMAN RIGHTS (UN GC AND OECD GUIDELINES)	**Human rights violations**	EXCLUSION	Exclusion of companies guilty of serious and/or repeated violations of the UN Global Compact principles, according to LBP AM analysis.	All LBP AM funds
	Respect for the right of association and expression	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their policies relating to freedom of association and the right to collective bargaining.	SRI funds (A8 and A9 SFDR)
	Fight against child labour and forced labour	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating of companies on their policies on the fight against child labour.	SRI funds (A8 and A9 SFDR)
	Signing of UN UNGCC Charter	PERFORMANCE KPI	The indicator measures the proportion of securities in the portfolio that have signed the UNGCs. The fund must have a higher membership rate than its investment universe.	Specific funds
	Working conditions	BEST IN CLASS – INCLUDED IN THE FUND'S SRI RATING	Rating companies on their remuneration, incentive, training and employee incentive policies.	SRI funds (A8 and A9 SFDR)

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Tocqueville Finance, a French société anonyme (public limited company) with share capital of €2,520,547.80 - Registered office: 36, quai Henri IV 75004 Paris - Paris Trade and Companies Register no. 381 652 072 - approved as a portfolio management company by the AMF under number GP 91012.