2022

LBP AM & Tocqueville Finance

RESPONSIBLE INVESTMENT REPORT

REPORT DRAWN UP IN ACCORDANCE WITH THE FRENCH ENERGY AND CLIMATE ACT

LBPAM

TOCQUEVILLE

Editorial

Emmanuelle Mourey
Chair of the Management Board, LBP AM

Vincent Cornet
Managing Director, Tocqueville Finance

2022 was a year of powerful commitments for LBP AM[1] and its subsidiary Tocqueville Finance. As part of our participation in the Net Zero Asset Management Initiative, we set out a decarbonisation trajectory for our portfolios with an ambitious objective: **80% of our total assets will be aligned with a decarbonisation target compatible with the objectives of the Paris Agreement from 2030**. This ambition is underpinned in particular by an across-the-board and transparent policy for managing our fossil fuel allocations, applied to oil and gas since 2022 through distinct measures.

Concurrently, we have stepped up our commitment to the conservation of biodiversity, with the deployment of a policy and a dedicated fund. We are therefore committed to incorporating the issue of preserving biodiversity into our investment policy as a matter of standard procedure, and we take particular care to raise awareness and support companies in implementing a plan to manage their risks and impacts on biodiversity.

*"In 2022, we passed major milestones, particularly in **favour of the climate and biodiversity**, which reaffirm our position as **a pioneer in sustainable finance.** These are compelling commitments, on par with the expectations we have of the companies invested."*

Our commitments for a just transition have also materialised at the heart of our offerings, in particular: our Infrastructure Debt fund with an impact on the energy transition, which pursues an investment strategy in low-carbon projects, our new Corporate Debt fund, the LBP AM Mid Cap Senior Debt, which is aimed at supporting companies in their transition, and our sharing funds – including three newly created in 2022 – which have been added to La Banque Postale's civic range.

As concerns sustainable finance, at the European level, this was also the year in which the regulatory framework was strengthened. We support the need for an ambitious and clear foundation when it comes to sustainability. **Our teams work to apply these evolving requirements to our own working methods and to support our clients in their regulatory implementation**, as we did with the classification criteria for our Article 9 funds according to the SFDR Regulation, or the MiFid sustainability rules for the distribution of our products.

We have been very active in **initiatives to develop sustainable finance standards**, such as Glasgow Finance Allianz Net (GFANZ). LBP AM was thus the only European management company to have been selected by GFANZ, to participate in the deployment of companies' transition plans.

In 2023, our ambitions evolved, and our our image did too. Banque Postale Asset Management became LBP AM. This brand modernisation is intended to support our development and assert our growth ambitions, and our development in Europe **with the acquisition of La Financière de l'Echiquier**, all the while maintaining **our DNA as multi-specialist conviction managers, 100% SRI.**

This SRI Report[2] is in line with our commitments. It explains our approach as a responsible investor and our conviction: to draw on all the levers we have to encourage a – fair and organised – transition, to contribute to the general interest and deliver financial, environmental and social performance to our customers.

1. Banque Postale Asset Management became LBP AM as of 1 July 2023.
2. This report fulfils Article 29 of Act No. 2019-1147 of 8 November 2019 on Energy and the Climate.

Presentation

of the LBP AM Group

The LBP AM Group is currently held:

75%

by La Banque Postale and

25%

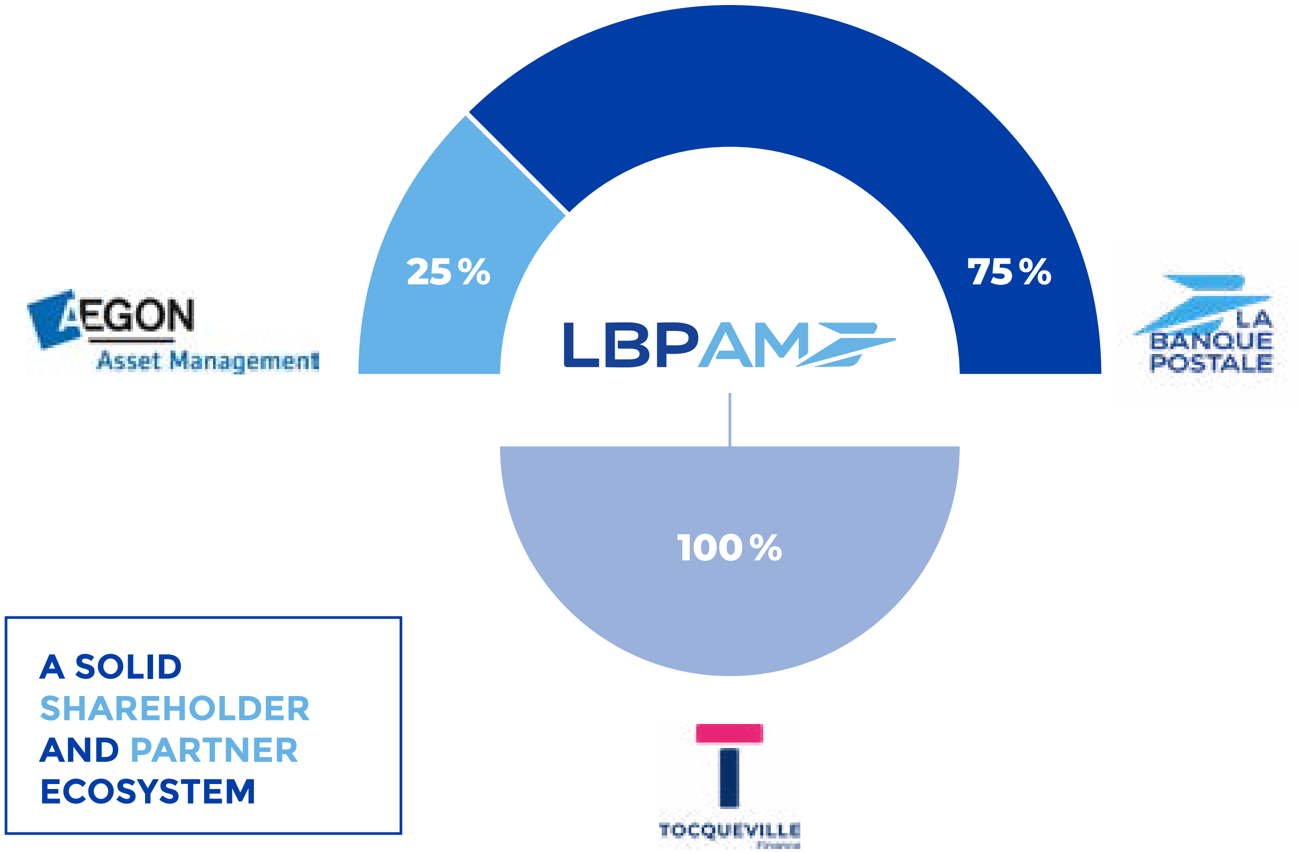
by Aegon Asset Management.

As at 31 December 2022,
the consolidated assets of LBP AM
and its subsidiary Tocqueville Finance
amounted to

63

billion euros in assets

under management and distributed
(scope: LBP AM and TFSA).



A SOLID SHAREHOLDER AND PARTNER ECOSYSTEM

Our areas of expertise in management

LBP AM Group:
a 100% SRI label[1] range

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

Actions Tocqueville Finance

- European and thematic equities managed based on convictions
- An in-depth understanding of Eurozone/European companies

Value • Small & Mid Cap • Growth • Blend • Thematic

Real & Private Assets

- Responsible financing of real assets and the economy
- A diversification and yield strategy, with multichannel origination

Private debt Infrastructure, Real Estate, Corporate SME/ETI • Dutch Mortgages

Multi-asset & absolute performance

- Multiple areas of expertise to be able to adapt investment objectives and risk profiles
- A historical skill in building dedicated solutions

Dynamic allocation • International equities

Quantitative solutions

- An international Smart Beta range that is comprehensive and SRI Label certified
- Structured management to diversify its assets with tailored objectives

Smart beta • Structured management

This report presents the responsible investment policy of LBP AM and Tocqueville Finance, and how it has evolved, is managed and is implemented, in accordance with the transparency requirements set out by the French Energy and Climate Act.
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.

1. In the context of certifiable expertise and funds

Our 2022 highlights

1

A trajectory leading to carbon neutrality

In July 2022, we announced a trajectory to decarbonise our portfolios between now and 2050, with an ambitious target of having 80% of our total assets aligned with the objectives of the Paris Agreement, from as early as 2030. Its implementation is based in particular on a transparent policy applied as a matter of standard procedure in managing its fossil fuel allocations. The LBP AM Group has rounded out its sector-specific policy on thermal coal with a policy on oil and gas.

2

Our contribution to the fight against the erosion of biodiversity

The LBP AM Group is launching the Tocqueville Biodiversity ISR fund, classified under Article 9 according to the European SFDR regulation, which targets companies offering solutions to the challenges of preserving biodiversity. Concurrent to its participation in the COP-15 on Biodiversity, the LBP AM Group unveiled its biodiversity policy contributing to the objectives of the Global Biodiversity Framework project for the post-2020 world.

3

A commitment in favour of demanding environmental standards

The LBP AM Group is embarking on the deployment of new standards in the area of sustainable finance (SFDR Regulation, MiFID 2 Directive, European Green Taxonomy) and is actively and publicly contributing to exchanges and consultations on the development of national and international frameworks:
The GFANZ standards on transition plans, changes in labels, company reporting standards, and the development of Say on Climate.

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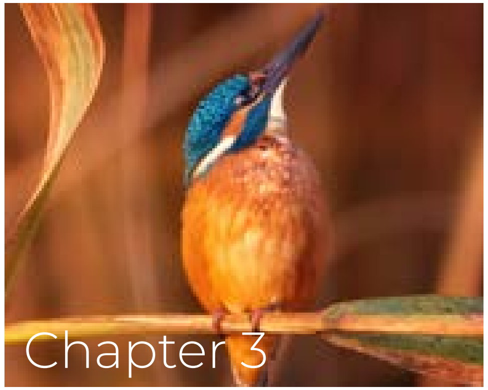
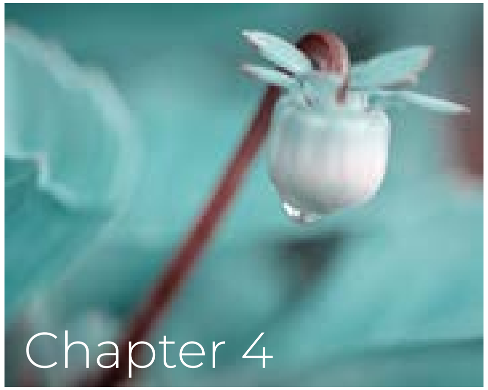
Our undertakings as a responsible investor

Our responsible investment initiatives



A close-up on the environment



Keys for greater understanding

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 our structuring choice in favour of 100% SRI in 2018, which enabled us to create a management company dedicated to responsible investment, we have stepped up our ambitions, charting out a new strategic course: towards carbon neutrality for our portfolios.

In this chapter, we present you with our responsible investment policy in detail. You will find out how these commitments play out in our corporate governance, tools, products, expertise and the daily lives of our employees.

1.1 Our responsible investment policy

1.1.1 The foundation of our approach, 100% SRI

ENABLING EVERYONE TO TAKE AN ACTIVE PART IN SUSTAINABLE FINANCE

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 with 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 the employees at LBP AM and TFSA for 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, in its variety[1].
With 137 SRI-labelled funds (including mandates), 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.

137
SRI-labelled funds,
the largest number of funds bearing the French SRI label.

1. 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.

SOCIALLY RESPONSIBLE INVESTMENT, A BEARER OF MEANING

1.1.2. Our three SRI levers

ANALYSIS AND INTEGRATION OF SUSTAINABLE DEVELOPMENT ISSUES, IN ACCORDANCE WITH THE PROPRIETARY GREAT METHODOLOGY

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, LBP AM uses the four pillars of our proprietary GREaT SRI analysis methodology:

- G – Responsible Governance,
- R – Sustainable Management of Natural and Human Resources,
- E – the Energy Transition
- T – Territorial development.

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

These SRI ratings are integrated using the quantitative thresholds established and audited as part of the SRI labelling process. This demanding framework defines binding principles for the management company: mandatory quantitative thresholds, and transparency obligations as regards its practices and reporting. Compliance with these rules and the quality of the management process are verified through an on-site audit by an independent organisation accredited with the label.

ENGAGEMENT WITH COMPANIES TO ENCOURAGE THEM TO IMPROVE THEIR PRACTICES IN THESE FOUR AREAS

Our commitment policy is one of the levers for implementing our action as a responsible investor, complementing the other levers, namely ESG selection and exclusion.

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.

The engagement policy is based on our thematic SRI policies, in which our objectives, principles, methods of action, priorities and expectations of the companies invested are presented:

- **Voting policy**
- **Coal policy**
- **Oil and gas policy**
- **Biodiversity policy**

In 2022, we strengthened our shareholder engagement policy by detailing our requirements on fossil fuels with the application of an oil and gas policy, setting out as a matter of standard procedure the expectations on climate ambitions in our voting policy and describing how it integrates biodiversity into dialogue with companies.

1. 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.

Focus

A transforming objective: carbon neutral portfolios by 2050

As a member of the Net Zero Asset Managers Initiative, in 2022 LBP AM published an ambitious target: 80% of our total assets will be aligned with a decarbonisation target compatible with the objectives of the Paris Agreement from 2030, one of the highest targets in the asset management sector.

To ensure the robustness of our approach, we chose to use the portfolio coverage methodology established by the Science-Based Targets Initiative (SBTi) for financial companies. Consequently, from 2030, the target of 80% of total assets aligned translates into an investment target of 90% of eligible assets in companies the decarbonisation trajectories of which have been validated by SBTi as compatible with the emissions reduction scenarios needed to achieve the climate objectives of the Paris Agreement.

AN AMBITION SET OUT IN A NEW SECTOR POLICY ON OIL AND GAS

The implementation of this transition ambition relies in particular on a transparent policy, applied as a matter of standard procedure, for managing our allocations in companies and projects exposed to fossil fuels. Accordingly, we therefore supplemented our sector policy on thermal coal with the publication in 2022 of an oil and gas policy.
By adopting the International Energy Agency's (IEA) Net Zero by 2050 scenario as a reference framework to effect the energy transition in these sectors, we are instituting several complementary levers for action:

- **An exclusion policy**

We will not invest in companies earning turnover more than 20% exposed to unconventional energies (shale gas, oil from tar sands and heavy oil, very deep sea drilling, resources from the Arctic zone) and in projects dedicated to these energies. We also exclude new projects in fossil energies, will not refine any existing project in these energies where the energy mix is not aligned with that recommended by the IEA's Net Zero scenario, and will exclude companies in the sector that have not embarked on their energy transition.

- **An engagement policy**

We ask oil and gas companies to adopt a transition strategy aligned with a transparent and credible 1.5°C scenario, based on:

- comprehensive, transparent GHG emission reduction targets aligned with the global carbon neutrality target by 2050;
- a redirection of their business model towards decarbonised energies and services, in particular the end of the exploration and development of new fields, with a progress report in 2025. From that date on, the cessation of investments to explore new oil and gas reserves as well as the approval of the development of new oil and gas fields, will become a criterion for the case-by-case disposal of portfolios;
- transparency on the company's exposure to climate risks and an energy transition strategy that makes it possible to control them;
- particular watchfulness as regards the development of unconventional energies;
- an influence policy favourable to the energy transition;
- clear governance consistent with the deployment of climate ambitions.

- **An analysis and selection policy**

We analyse all investments in projects and companies in the sector in light of their level of alignment with the energy transition. These analyses, based on a proprietary rating model comprising some thirty criteria, inform the selection of our investments.

For more information:
"Net-Zero Asset Managers Initiative"
Publication presenting the decarbonisation objective for LBP AM portfolios

Focus

Biodiversity conservation: a cross-cutting policy is published

In 2022, we stepped up our commitments to protect the living world with the publication of our biodiversity policy, contributing to the objectives of the Global Biodiversity Framework project for the post-2020 period. With this policy, we are now integrating the challenge of preserving biodiversity into our investment policy as a matter of standard procedure, and are drawing on all the levers of action available to us:

- **An integration policy:** we include biodiversity in our proprietary SRI assessment grid (GREaT) as a matter of standard practice. In addition, we calculate the portfolio biodiversity footprint using the Global Biodiversity Score[1] methodology, created by CDC Biodiversity;
- **An exclusion policy:** we exclude any companies that have a significant impact on biodiversity and fail to implement remediation plans. To identify them, we rely on a variety of data sources: ENCORE tool, BIA-GBS database, controversy indicators published by Moody's ESG, ISS and MSCI; reports from specialised NGOs (see details in the paragraph "our exclusion policy")
- **A shareholder engagement policy:** we engage with the companies in which we invest to encourage them to reduce their impacts on biodiversity and control their dependence on natural capital. This policy is structured around a multiplicity of collaborative commitments addressing targeted thematics – such as the publication of companies' action plans on circularity and deforestation – and bilateral commitments with companies whose change of practices may represent a significant issue;
- **A CSR policy:** we raise awareness and train our employees, to encourage them to adopt eco-friendly actions and thus reduce our own biodiversity footprint;
- **An influence policy:** we support regulatory initiatives aimed at strengthening the action of companies – including financial – in favour of biodiversity, by responding to consultations on frameworks such as the TNFD (Task Force on Nature-related Financial Disclosures) or the EFRAG (European Financial Reporting Advisory Group) standards in terms of sustainability reporting and on regulations such as that concerning deforestation imported into the European Union.

For more information:
Our biodiversity policy

1. The Global Biodiversity Score is a measure of the impact of a company's activities on biodiversity based on the 5 main pressures that are exerted on biodiversity. It is broken down into 4 impact measurements assessed in msa.km² (aquatic and terrestrial static; and aquatic and terrestrial dynamics); i.e. in mean species abundance per km² in comparison with its primary state; thus quantifying the loss of biological diversity related to the company's activities. These 4 data points are aggregated into a single measurement: msa.ppb, which makes it possible to mathematically aggregate impacts of different kinds. https://www.cdc-biodiversite.fr/le-global-biodiversity-score-pour-les-institutions-financieres/

COMPANY EXCLUSIONS

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 and some oil and gas companies), in line with the policies of LBP AM and TFSA, which are demanding and regularly updated.

In 2019, we 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.

In 2022, we stepped up our policy of sectoral exclusions, in two areas:

- **Oil & Gas**
  Through our oil and gas sector policy, we have committed to:
  → forego any investment in companies earning turnover more than 20% exposed to unconventional energies (shale gas, oil from tar sands and heavy oil, very deep sea drilling, resources from the Arctic zone) and in projects dedicated to these energies;
  → exclude new projects in fossil fuels;
  → forego refinancing of any existing project in these energies where the energy mix is not aligned with that recommended by the IEA's Net Zero scenario;
  → exclude companies in the sector that have not embarked on their energy transition.

- **Preserving biodiversity**
  We are committed to excluding companies with the most serious and irreversible impacts on biodiversity and that do not implement remediation measures supported by a credible action plan. In order to detect companies with the most serious and irreversible impacts, we draw upon:
  → **an analysis of the sectors** displaying the most critical biodiversity challenges using the United Nations' tool, ENCORE; in order to prioritise sectors with higher challenges;
  → **the BIA-GBS13 database** which makes it possible to assess the impact of a company's activities on biodiversity;
  → **controversy indicators** published by data providers such as Moody's ESG, ISS and MSCI;
  → **reports by specialised NGOs** analysing the practices of certain companies.

Controlling exposure to companies with a serious impact on biodiversity promotes the voluntary implementation of the duty of care as set out in the OECD principles for multinationals; the consideration of negative impacts on biodiversity as defined by the SFDR directive and the "Do No Significant Harm" criterion of the European Taxonomy; and the management of reputational and financial risk that may arise from investing in companies with highly controversial practices (litigation, commercial risk, etc.).

This exclusion policy is applied to all open-ended funds and interconnects with the policy of commitment to biodiversity.

For more information:

Our biodiversity policy

Our exclusion policy

*"We commit to **exclude companies with the most serious and irreversible impacts on biodiversity** that do not implement remediation measures supported by a credible action plan."*

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.

This governance 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.

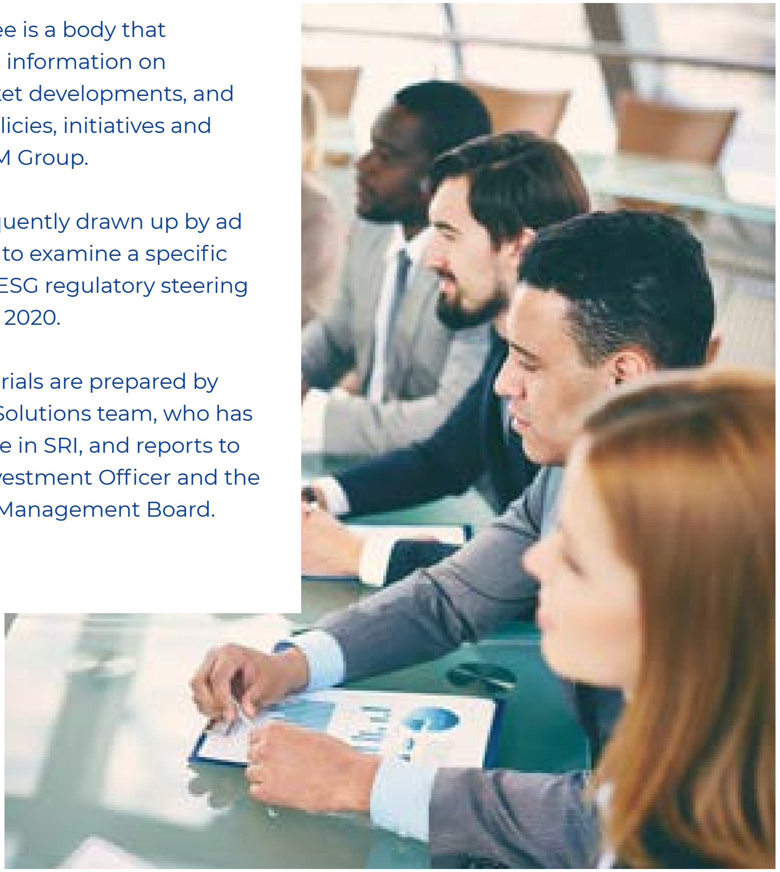
Under the responsibility of the Deputy Asset Management Director, and composed of 14 ex-officio members representing all the skills and key business lines of the management company, the Committee meets every three weeks and is empowered to guide and validate the SRI policies of LBP AM Group.

It also validates the key decisions for the application of these policies, such as new commitments made by LBP AM and AM in the area of SRI, the key principles guiding the most significant shareholder dialogues, and the principles for developing procedures or structural tools.

Lastly, this committee is a body that monitors and shares information on regulatory and market developments, and circulates the SRI policies, initiatives and results of the LBP AM Group.

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 2020.

The discussion materials are prepared by the head of the SRI Solutions team, who has 13 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 sustainability-related. 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.

THE GOVERNANCE COMMITTEE

This thematic committee convenes SRI specialists, manager-analysts and legal and risk managers, one or more times, upstream from the general meeting season to validate the evolution of the voting policy and its application. It is placed under the responsibility of the Head of the SRI Solutions team.

Exclusion Committee decision-making process

Identification of exclusions:
- Regulatory
- Normative
- Sector
- Specific

Analyses and discussions on the cases presented

Assessment of each case by the Exclusion Committee according to 3 levels:
- Security excluded → Sale
- Suspended → Purchase prohibited
- Alert → Heightened watchfulness

Impact on the investment decisions of LBP AM and TFSA

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 17 members:

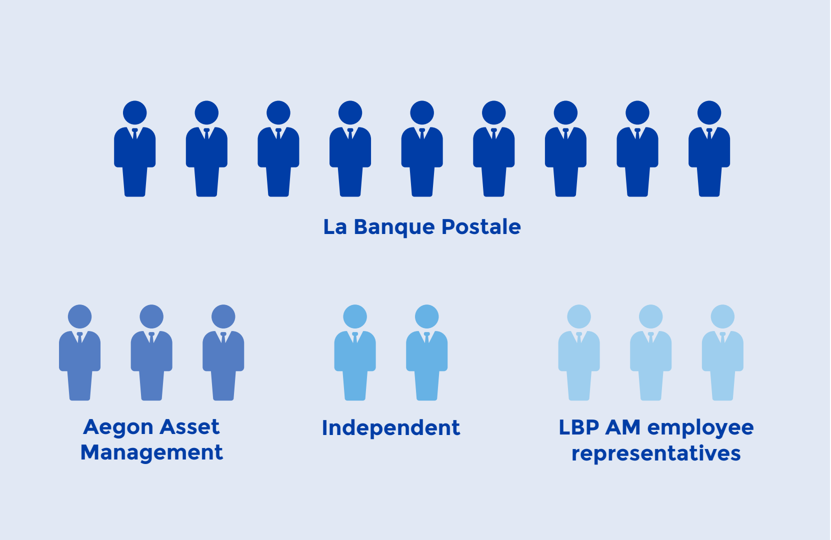
- 9 members holding positions at the La Banque Postale Group,
- 3 holding positions at the Aegon Asset Management Group,
- 2 independent members,
- 3 representatives of La Banque Postale Asset Management employees

In particular, it takes care to ensure 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 regulatory developments in this area, on LBP AM's and TFSA's engagement 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 2022:

- **Impact of the war in Ukraine** and the energy crisis on SRI management;
- **SRI & Tech strategy** and demonstration of the internal SRI research and scoring tool (GRE aT);
- **Presentation of the SRI 2025 ambition** by LBP AM, including the Net Zero Asset Managers Initiative (NZAMI) trajectory commitment, the integration of regulatory constraints (in particular SFDR) and the new oil and gas policy;
- **Presentation of the biodiversity strategy** including the launch of the Tocqueville ISR Biodiversity fund and our guest presentations at COP15 Biodiversity in Montreal;
- **LBP AM and TFSA voting policy**.

Members of the Supervisory Board



1.2.2 Responsible investor undertakings integrated all the way to our remuneration policy

Since 2021, our remuneration policy has specified how LBP AM and TFSA integrate sustainability risks into its performance review process.

INTEGRATION INTO "COLLECTIVE" OBJECTIVES ON OVERALL PERFORMANCE

Since 2021, all LBP AM employees have been given a common objective on the company's overall performance, within which several of the SRI objectives are defined, and subsequently adjusted each year (training rate on CSR & SRI issues, attainment of the objectives set out in the strategic SRI and CSR roadmap, etc.). They account for 10% of the performance criteria for calculating the variable remuneration of all employees or employees.

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.

INTEGRATION IN MANAGEMENT ACTIONS

Furthermore, the managers of collective investments or individual mandates of LBP AM are expected to comply with the exclusion constraints in their investment process, as a minimum. In addition, the fund managers are in charge of financially managing UCIs with an SRI label, a process during which they must take sustainability issues into account
in their management activities: these UCI managers are expected to secure the financial performance of the UCIs while complying with the demanding framework of the SRI label. The managers are, furthermore, responsible for managing UCIs that help promote E and/or S characteristics (Article 8 SFDR) or pursue a sustainable investment objective (Article 9 SFDR).

The GREaT method implemented by LBP AM's UCI or mandate managers includes taking into account the sustainability risks stemming from corporate practices, in particular via the G (Responsible Governance), R (Sustainable Resource Management) and E (Energy Transition) pillars (with climate risk).

Through this proprietary methodology, UCI or mandate managers thus assess the impact of sustainability risks on the yield of the portfolios for which they are financially responsible.

For more information:

LBP AM & Tocqueville Finance compensation policies

Testimonial

"In 2023, we will go further in our employee involvement measures"

Lily Desnoes,
Director of Human Resources,
LBP AM Group

Depending on the business line, the variable portion may account for up to 60% of remuneration. By combining collective and individual objective setting, we mobilise a lever to contribute to achieving the ambitions set by LBP AM. In 2023, we will go further in our employee involvement measures, by setting out a specific individual ESG objective, in relation to the CSR challenges of their business. For the years ahead, **our goal is that 40% of our employees' goals be based on ESG criteria.**

1.3 Our responsibility day by day

1.3.1 Dedicated teams and a training policy structured 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 including 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 commitments 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.

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 used by all the teams in their everyday work: fund selection, risk managers, IT, structurers, sales, communication, HR, etc. Each employee of LBP AM and TFSA actively contributes to the management companies' SRI dynamic.

CONTINUOUS LEARNING TO CONSOLIDATE OUR KNOWLEDGE AND UNDERSTANDING OF SRI ISSUES

Stirring support and company-wide synergy around ESG issues is one of the HR and CSR pillars of LBP AM and Tocqueville Finance. The Human Resources Department has developed an awareness-raising and training course for all employees on the key ESG issues. It was in this spirit that, in 2021, we rolled out the Climate Fresco to 100% of our employees, thereafter doing so for each new arrival in 2022.

16.3%
of the FTEs are dedicated to deploying the ESG strategy

In 2022, new mechanisms were instituted. A community of 15 employees designated as “Climate Champions” was formed in early 2022. This community is made up of employees from different business lines to implement our approach on the fundamental subject of global warming, but also to be facilitators in spreading information and fostering discussion around this topic. Toward this end, they were able to take advantage of an advanced 16-hour training course with the organisation Carbone 4 for 2022.

LA FRESQUE DU CLIMAT

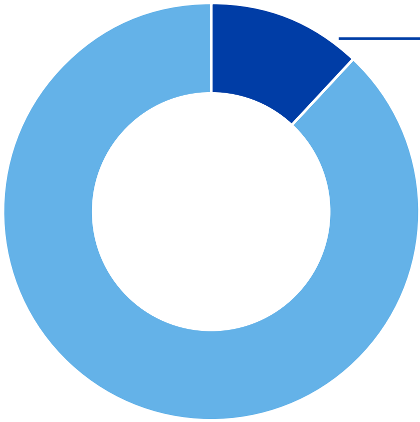
THE CLIMATE FRESCO

Every new employee is signed up for the Climate Fresco, which was made available to all employees in the company in September 2021.

THE IMPACT MEETINGS

A new awareness-raising format was also rolled out in October 2022: the IMPACT Meetings. For 1-1.5 hours, 3 – 4 employees discuss a topic connected with our 4 GREaT pillars in order to raise awareness among all our employees. The first meeting, in November 2022, focused on biodiversity, with three more meetings planned for 2023.

A specific ESG/CSR training plan is being drawn up for 2023, including a variety of topics such as biodiversity, climate and energy efficiency, in particular, in order to keep its employees in a dynamic of continuous upskilling.



In 2022 **the budget for ESG training accounted for**

12%

of the total training budget, or

€18,500

1.3.2 Management tools tailor-made to make our responsible approach central to the management process

GREAT 360, A PROPRIETARY PLATFORM FOR INTEGRATING SRI INTO ALL OUR ANALYSES

The LBP AM Group has integrated SRI analysis, making it a central component of 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.

€930,000

per year are dedicated to ESG data and research, i.e. 7.7% of the research and data budget of LBP AM and 1.5% of that of TFSA. GREaT is powered by multiple data sources.

GREaT 360 platform

DEEP DIVE	A tool for visualising, understanding and interpreting the GREaT scores (overall scores, by pillar and by indicator).
SIMULATION	A tool for simulating the impact of new transactions on the sustainability metrics and mandatory ratios.
EXCLUSION	A tool for managing, visualising and measuring the impacts of exclusion policies.
SRI LABEL	A decision-making support and monitoring tool for the SRI label.

This platform is supplied from numerous data points

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

Collaboration with suppliers or service providers:

GREat360, in particular, is populated by data providers covering in particular needs relating to the implementation of exclusions, needs relating to the assessment of companies, and needs for raw data points for the monitoring of regulatory KPIs.

These contracts amount to nearly €380,000.

ISS ESG	Access to research on the assessment of standards-related controversies; as well as data on controversial activities (the weapons, tobacco and gambling industries)
MSCI	Access to ESG data and monitoring of controversies involving issuers and data analysis and construction of climate risk analysis models.
Moody's ESG	Access to ESG data and monitoring of controversies involving issuing parties.
CDP	Access to data on companies' Net Zero trajectory and alignment
CDC Biodiversité	Data on the biodiversity footprint via the BIA-GBS (Biodiversity Impact Analytics powered by the Global Biodiversity Score™) methodology
S&P Global	Data relating to companies' environmental impact, in particular their operations connected with fossil fuels
London Stock Exchange	Access to raw ESG data
urgewald	Access to data on companies with operations related to coal and unconventional fossil fuels
Bloomberg	Taxonomy data

CONSTANTLY-DEVELOPING TOOLS TO DEEPEN OUR ENDEAVOURS

Enriching the SRI Datahub

In the face of 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.
The SRI Datahub enables the LBP AM Group to apply high standards all along the data life chain, in terms of integrating and harmonising new data points, verifying data reliability and improving accessibility for many uses. The SRI Datahub, powered by around twenty different data sources, is connected to our proprietary GREaT360 tool.

In 2022, the SRI Datahub was enriched with more than 1,100 new data points. As a result, we have 3373 data points, covering more than 64,000 issuers. Furthermore, its access has been opened to employees so that they can view all the data it contains.
In a continuous data quality improvement approach, changes to the SRI Datahub are planned, in particular in order to develop consistency and reliability inspections.

"Consequently, we have ***3,373 data points, covering more than 64,000*** *issuers"*

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 create a version that is more robust, flexible and up to date. The 2.0 version of our model went into production in late 2021. The SRI Datahub will facilitate future developments.

Tools enabling the SRI service

The SRI services provided by LBP AM Group 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

THE OBJECTIVE:
to actively contribute to enabling the advancement of academic research, improving the environmental transparency of issuers, developing SRI, developing the standards of the future in SRI management or, for instance, in collaborative cutting-edge initiatives in shareholder engagement.

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

Our initiatives 1/3

Access to Medicine Index	The Foundation is an international network of investors whose objective is to encourage the pharmaceutical industry to develop access to medicines for the populations of low-income countries. Every two years, it publishes a ranking of the twenty largest pharma companies in this area.
AFG	Emmanuelle Mourey (Chairman of the Management Board of LBP AM/TFSA) has been a member of the Strategy Committee since December 2019. LBP AM/TFSA is a member of the Responsible Investment (RI) and Corporate Governance committees. Other LBP AM/TFSA employees also participate in other AFG Commissions.
AMF Autorité des marchés financiers	LBP AM/TFSA is a member of the Advisory Committee on Climate and Sustainable Finance, which began a new term at the end of 2022. On that occasion, LBP AM actively participated in developing the Commission's position on Say On Climate matters.
Nature 2050	LBP AM/TFSA contributed sponsorship to the Nature 2050 programme, managed by CDC Biodiversité, to protect biodiversity and adapt natural environments to climate change. A portion of the management fees generated by LBP AM's Private Debt business is put toward financing the preservation and restoration of nature.
CDP	The CDP encourages increased disclosure of the environmental impact of investors, businesses and government. Three LBP AM/TFSA equity funds in 2019, 2020, 2021 and 2022 received a Climetrics award from the initiative. LBP AM also participates in collaborative engagement campaigns: Transition Plan and SBTi Targets organised by the CDP.
Ceres	Ceres is an American organisation, the purpose of which is to encourage dialogue between investors and companies in order to act on sustainability issues. LBP AM participates in the following collaborative engagement campaigns organised by CERES: Land use and climate, deforestation and biodiversity.
Climate Action 100+	The Climate Action 100+ initiative, run by such organisations as the PRI and the IIGCC, aims to encourage the world economy's major greenhouse gas emitters to reduce their emissions in line with the objectives of the Paris agreement. By signing this charter, LBP AM/TFSA undertakes to work to facilitate the energy transition through the investments of its funds.
30% Club	The French 30% Club was created in November 2020 to promote gender diversity on the governing bodies of companies listed on the SBF 120 exchange. The goal is to ensure that management teams have at least 30% female membership by 2025.
Eurosif	Eurosif is the pan-European association promoting sustainable finance at the European level – encompassing the EU, the wider European Economic Area (EEA) and the United Kingdom (UK). Eurosif's activities consist of contributing substantively to public policy and conducting research that enables a better understanding of sustainable investment and the obstacles encountered by sustainability-minded investors.

Our initiatives 2/3

FAIRR	This initiative is aimed at bringing about change in the animal farming sector. LBP AM/TFSA participates in the following working groups: sustainable aquaculture, sustainable proteins, biodiversity and pollution, antimicrobial and antibiotic resistance.
Finance for Biodiversity Pledge	Since 2022, LBP AM/TFSA has been a signatory to the Finance for Biodiversity Pledge and participates in the following working groups: Biodiversity Impact Measurement: shareholder engagement on biodiversity, setting targets for biodiversity, advocacy actions and political commitment on biodiversity
FIR Forum pour l'Investissement Responsable	The FIR was created in 2001 to promote SRI. LBP AM/TFSA joined the FIR in 2014. Helena Charrier (SRI Solutions Director at LBP AM/TFSA) and Nicholas Vantreese (Head of CSR at La Banque Postale) were re-elected to the Board of Directors of the Forum for Responsible Investment in June 2022, of which Helena is one of the Vice-Chairs. LBP AM/TFSA participate in the FIR working group on Say on Climate, and in collaborative engagement on forced labour and child labour.
FRANCE INVEST	LBP AM is a member of the Sustainability Commission of France Invest, a professional organisation comprising more than 400 French private equity and private debt management companies. The association and its members are committed to supporting unlisted start-ups, SMEs and mid-caps in their transformation towards responsible practices and models.
GFANZ Glasgow Financial Alliance for Net Zero	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 show the commitment of financial institutions to help companies and countries attain the targets of the Paris Agreement. Within the framework of this alliance, LBP AM very actively participated in working groups on the development of an international voluntary standard for transition plans, for the real economy via the "Real Economy Pathways", and for financial institutions as part of the work on the "Portfolio Alignment".
INSTITUT DE LA FINANCE DURABLE	Formerly known as Finance for Tomorrow, the IFD 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/TFSA is a member of the Initiative Bureau, the Policy Commission and the Impact, Just Transition and Biodiversity working groups.
IIGCC The Institutional Investors Group on Climate Change	The IIGCC is a network of investors on climate change, working together to develop financial market guides and engagement actions. LBP AM/TFSA participates in consultations and working groups, in particular the "Investors' Expectations" working group aimed at assessing the state of the art on climate data, comparing the solutions of 16 data providers and their completeness, coverage and quality.
TCFD	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 communicate about and report on climate risks in connection with the TCFD's standards.

Our initiatives 3/3

Investor Alliance for Human Rights	A further purpose of the Alliance is to mobilise responsible investors on respect for individual fundamental rights. LBP AM/TFSA participates in the "Corporate Human Rights Benchmark", "Rating Digital Rights" and "Uyghur Forced Labour" working groups.
The Net Zero Asset Managers initiative	An initiative aimed at strengthening actions adopted in favour of the climate with the aim of achieving carbon neutrality by 2050. LBP AM/TFSA has committed to achieving carbon neutrality in these portfolios through its involvement in this alliance.
Chaire Finance Durable et Investissement Responsable	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.
PRI Principles for Responsible Investment	The PRIs were launched by the United Nations in 2006. This is a voluntary commitment aimed at the financial sector and encourages investors to incorporate ESG issues into their portfolio management processes. LBP AM/TFSA participates in the following working groups and collaborative engagement actions: fiscal responsibility and responsible raw material production
PRI Montréal PLEDGE	Investors and asset management companies, including the LBP AM Group, have committed to measuring and publicly disclosing each year their portfolios' carbon footprint.
ShareAction»	ShareAction is a non-governmental organisation that conducts engagement campaigns to spark changes at the heart of the financial system, contribute to public policies, and create a diversified movement of savers and investors for responsible investment. In 2022, LBP AM/TFSA participated in a commitment with a banking company via Share
Rainforest Alliance	The aim of this working group is to appeal to all players in the automotive value chain, from parts producers to assemblers, in order to encourage them to control deforestation in their supply chain.
	An initiative launched in 2018, this is the first international treaty aimed at reducing the impact of tobacco on the global economy. The signatories to this initiative are committed to a very strict policy of excluding tobacco from their investments.
UNI global union	In 2022, LBP AM/TFSA participated in a collaborative engagement campaign aimed at promoting better integration of social risks and human rights related to the healthcare sector (particularly retirement homes).

1.3.4 Information to investors

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

- the **SRI policies of management companies:** voting policy, engagement policy, exclusion policy, sector policy on oil and gas and coal, sustainability risk management policy;

Find out more

- **reporting on their execution on an annual basis:** voting and engagement report, and this 29 LEC Report;

Find out more

- **regular information for our customers,** through newsletters and articles as well as educational videos on the LBP AM website;
- **the Transparency Code of our labelled funds as well as an Annual ESGDH Report**, and of course the prospectus, the key information document, the pre-contractual SFDR appendices of the funds and, where applicable, their LEC 29 Report.

We also conduct training initiatives for our teams (see our CSR commitments, p. 27)

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 SRI issues, in line with the frequency desired by the customer. (half-year, quarterly, monthly, and even weekly for intensified support in the event of a structure-critical SRI project for our customers).

1.3.5 A responsible company and a good corporate citizen: 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. Our Sustainable Finance Committee ensures that SRI and CSR are systematically and transparently integrated into the corporate project.

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 of the GREaT methodology. LBP AM's CSR policy is therefore based on 4 pillars, each with set ambitions, defined objectives and specific action plans.

Focus

The 4 pillars of our CSR policy and the associated ambitions

PILLAR 1 :
TAKING ACTION AS A RESPONSIBLE EMPLOYER

PILLAR 2 :
REDUCING OUR ENVIRONMENTAL FOOTPRINT

PILLAR 3 :
CONTRIBUTING TO TERRITORIAL DEVELOPMENT

PILLAR 4 :
ENSURING RESPONSIBLE GOVERNANCE

Testimonial

"We deploy our CSR actions driven by a strong desire: ***to give our commitments to our own practices****. In 2022, this materialised through the installation of the LBP AM and Tocqueville Finance teams at the new Morland site in Paris. Meeting the best environmental standards, this eco-responsible property complex is fully aligned with our commitments with respect to the energy transition and perfectly embodies our CSR ambition.*

In 2023, we set out a new CSR roadmap for 2025*, which steps up our commitments and their impact on our employees, the planet and society"*

Carolina Viguet,
Communications & CSR Director, LBP AM

Our CSR commitments 1/2

THE PILLARS OF OUR CSR POLICY	KPI 2022
TAKING ACTION AS A RESPONSIBLE EMPLOYER	
Ensuring good working conditions	➔ The telecommuting agreement establishing 2 days per week signed in 2022 ➔ Workspace layout designed to become more collaborative. In 2022, LBP AM moved to the Morland building, which offers open and flex office spaces, where employees are free to work at the spot of their choice)
Ensuring the employability and professional development its employees	➔ Training received by 88% of employees in 2022 ➔ Support for 12 new employees through the executive sponsorship programme
Fostering equity, diversity and inclusion	➔ Participated in the Duo Day (Disability Awareness Day) organised by the LBP Group: an RQTH person (formerly a bank advisor) wishing to turn to Human Resources followed our daily HR activities for one day
Making each employee an active player in the CSR strategy	➔ Training for 100% of new employees in the Climate Fresco ➔ Training of 15 employees in Carbon 4 (Climate Champions) ➔ A new training and awareness-raising format launched around SRI = the November 2022 IMPACT Meetings on the subject of biodiversity and April 2023 in the Territories ➔ SRI assessment criteria implemented for managers
REDUCING OUR ENVIRONMENTAL FOOTPRINT	
Reducing the environmental impact of our operations (Scopes 1, 2, 3) CLIMATE	➔ The carbon report launched with Greenly in 2022 ➔ Change of premises and move to the Morland building. The building boasts the most innovative technology when it comes to energy, recycling and local recovery of bio-waste and is compliant with City of Paris' Climate Plan. It has been awarded the NF HQE New tertiary buildings labels for 2015 (level: Excellent), the 2013 BREEAM Bespoke International (level: Excellent) and Wiredscore. ➔ Number of printers per floor now reduced: 3 in total for all employees
Limiting the environmental footprint of digital technology	➔ Mobile phone allotment per employee halved since implementation of the dual chip (personal and professional)
Encouraging more sustainable mobility among our employees	➔ A sustainable mobility package instituted replacing the bicycle mileage allowance in order to include scooter/bicycle rental subscription schemes and/or use of a personal scooter/ Sustainable Mobility package and reimbursement of Navigo pass combined + partnership established with Zeride to enable employees to have a bicycle/scooter/accessories at a more attractive price and, in so doing, foster more eco-responsible home/office travel. ➔ Subscription contract signed with G7 for hybrid taxi services ("G7 Green") – to cover trips not possible by public transport ➔ Bicycle parking lot opened (available in the new Morland building) and partnership signed with Zeride, a shop offering electric bike and scooter sale and repair. Fleet of 10 e-bikes formed for business travel to reduce taxi travel thanks to Zeride

Our CSR commitments 2/2

CONTRIBUTING TO LOCAL-LEVEL DEVELOPMENT

Supporting organisations that contribute to development at the local level	→ Paid a portion of the management fees for our thematic sharing funds to our 3 partner associations (approximately €100,000 per association)
Contributed to improving our value chain and partners	→ Working groups organised to integrate CSR criteria into service provider selection (partners grid formalised in 2023)
Helping to sustainably develop the sector (advocacy)	→ LBP AM has extended its engagement action toward financial regulators and professional financial organisations, in order to convey its vision of responsible investment across the market, in the regulations and in the specific standards conducive to sustainable finance. → In 2022, LBP AM developed in particular an advocacy action on the following topics: • Review of the SRI label *LBP AM responded to the consultation on the guidelines for the revision of the French SRI label. LBP AM fully supports the need to revise the reference framework, in particular with regard to its high level of stringency, so that the label remains a clear reference point for investors – one that is more than necessary today, as the European regulations come into effect. LBP AM took active part in a working group on the revision of the label, proposing criteria for the tracking of controversies and shareholder engagement. They also sought to contribute to the AFG's positions on the topic.* • EFRAG consultation *LBP AM responded to the public consultation of the European Financial Reporting Advisory Group (EFRAG) on the first set of draft European Sustainable Development Reporting Standards (ESRS), through organisations of which it is a member and through the CDC Group. LBP AM also contributed to the development of proposals on the EFRAG and IFRS standards, via the Eurosif initiative.)* • ESMA consultations *On ESG data providers and Greenwashing.* • Global Financial Alliance for Net Zero (GFANZ) *LBP AM joined the initiative in 2022 and participated in the drafting of three standards on transition plans, intended as material for the regulations and practices of the Net Zero alliances and national market standards.* • Promoting Say on Climate *by publishing an Editorial, coordinated by the FIR.* • Promoting an ambition for COP15 *via an editorial calling for an ambitious global framework and explaining the part that investors can play in promoting biodiversity.* • Net Zero Data Public Utility (NZDPU) *participation in consultations on the creation of an open data platform that compiles the climate data of corporates and financial players.* • TNFD consultations *Response to consultations on the Draft TNFD Framework Versions 1 and 2 via the Sustainable Finance Institute and the Finance for Biodiversity Foundation.*

RESPONSIBLE GOVERNANCE

Embarking on a continuous improvement approach in complete transparency	→ CSR 2023 – 2025 roadmap scoping
Aligning with European impact measurement and sustainability reporting requirements	→ Annual voting policy updated to include the new oil and gas policy and a biodiversity policy

Focus

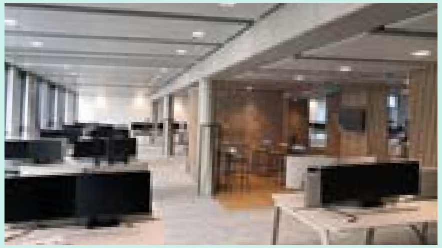
A new eco-responsible site for LBP AM and Tocqueville Finance

In April 2022, the teams of LBP AM and Tocqueville Finance moved to the new Morland site, right in the heart of Paris. These premises, designed according to the latest eco-responsible standards, reflect the choice of a site consistent with our values and our ambition to bring sustainable finance to life through action.

- **A site aligned with the values of LBP AM SRI**
  Rehabilitating a former site owned by the prefecture of Paris, Morland Mixité Capitale, a winning project of Réinventer Paris, in 2016, was eco-responsible from end to end, from its design to its daily use. Thanks to construction that fosters the reuse of materials from the former site, the institution of biowaste recovery solutions and energy loops, it is fully aligned with LBP AM's commitments with respect to the energy transition.

- **Committed finance, at the heart of an innovative city**
  The Morland site is also in keeping with LBP AM's ambition to put finance back at the heart of the city. This real estate programme accommodates multiple uses and audiences. It will house a variety of places directly integrated into the life of the neighbourhood: housing, shops, crèche, arts centre, hotel, restaurant, youth hostel, etc.

- **Unique quality of life at work**
  LBP AM and Tocqueville Finance employees enjoy an entirely new working environment that weds innovation, collaboration and comfort. The premises are spread across more than 3,300m², in a new and green building with a view of the Seine, plumb in the middle of 7,000m² of green spaces. The workspaces were made using durable, high-quality materials and ergonomic design.



Chapter 2

Our action in responsible investment

Our corporate purpose is the enhancement financial capital, both natural and human, to support sustainable customer transitions. We are constantly innovating so as to be able to deploy, on the entirety of our funds, a 100% responsible investment approach.

In this chapter, you will find out how our commitments translate into concrete actions. We detail how our methods for integrating sustainability issues are incorporated into our analyses, our management processes, our dialogue and engagement with companies and our risk management.

2.1 Integration of sustainability focuses in the analysis

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 result of several years of research, which rests 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.

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

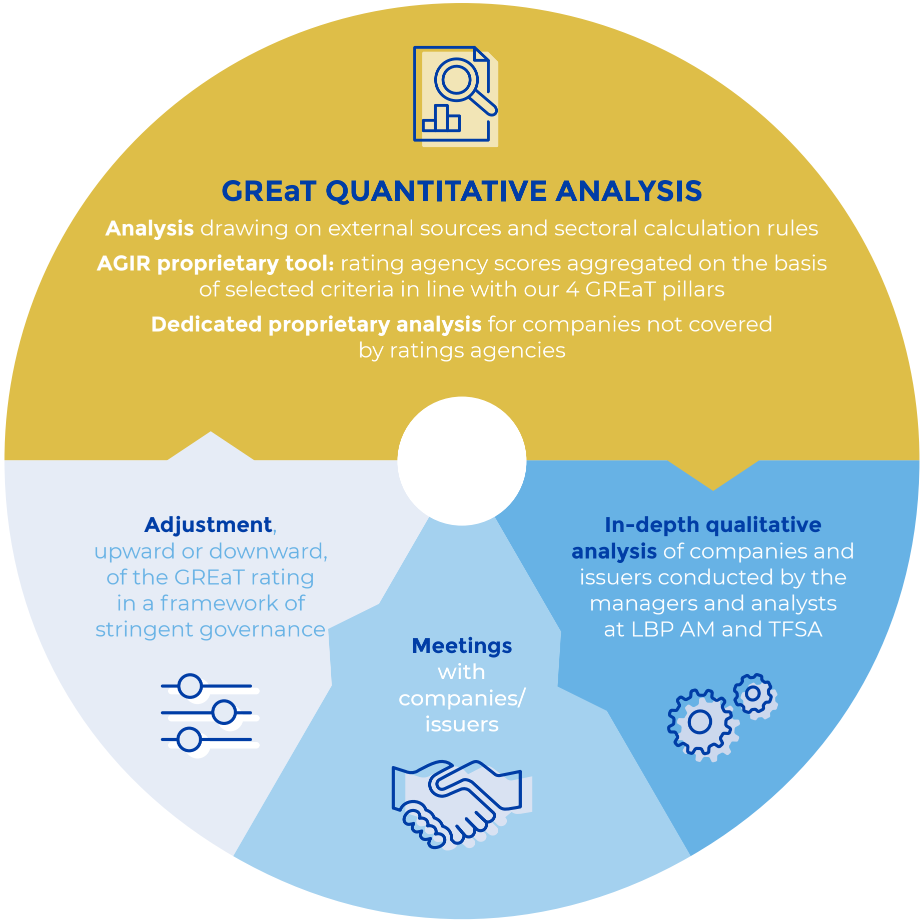
ENERGY TRANSITION

Contribute to the energy transition for new, more sustainable consumption and production methods, and support the transition from a business model high in fossil fuel consumption to a more restrained, more sustainable, carbon-free model.

T

TERRITORIAL DEVELOPMENT

Sustainably manage relationships with stakeholders outside the company (communities, customers, suppliers, etc.)



2.1.1 SRI analysis methodology for listed and semi-public companies

The GREaT methodology is applied differentially to private and para-public companies. It consists of a stage of quantitative research based on a proprietary model, supplemented by qualitative analyses.

The strength of its model is based on:

- broad coverage extending to nearly 10,000 issuers,
- increased reliability and responsiveness thanks to the wide variety and complementarity of assessment sources,
- greater refinement that triggers stronger buy-in through the combination of quantitative and qualitative analysis stages run 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

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.

To determine the settings for AGIR, our SRI specialists assess the materiality of each GREaT pillar for each sector in order to establish a weighting between 15% and 35%.

Once this process comes to an end, each issuer in the universe has a GREaT rating on a scale from 1 (high SRI quality) to 10 (low SRI quality).

GREaT quantitative 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 in accordance with each sector and each GREaT 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	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 the **4 pillars** assessed in accordance with the sector (~25 sectors).

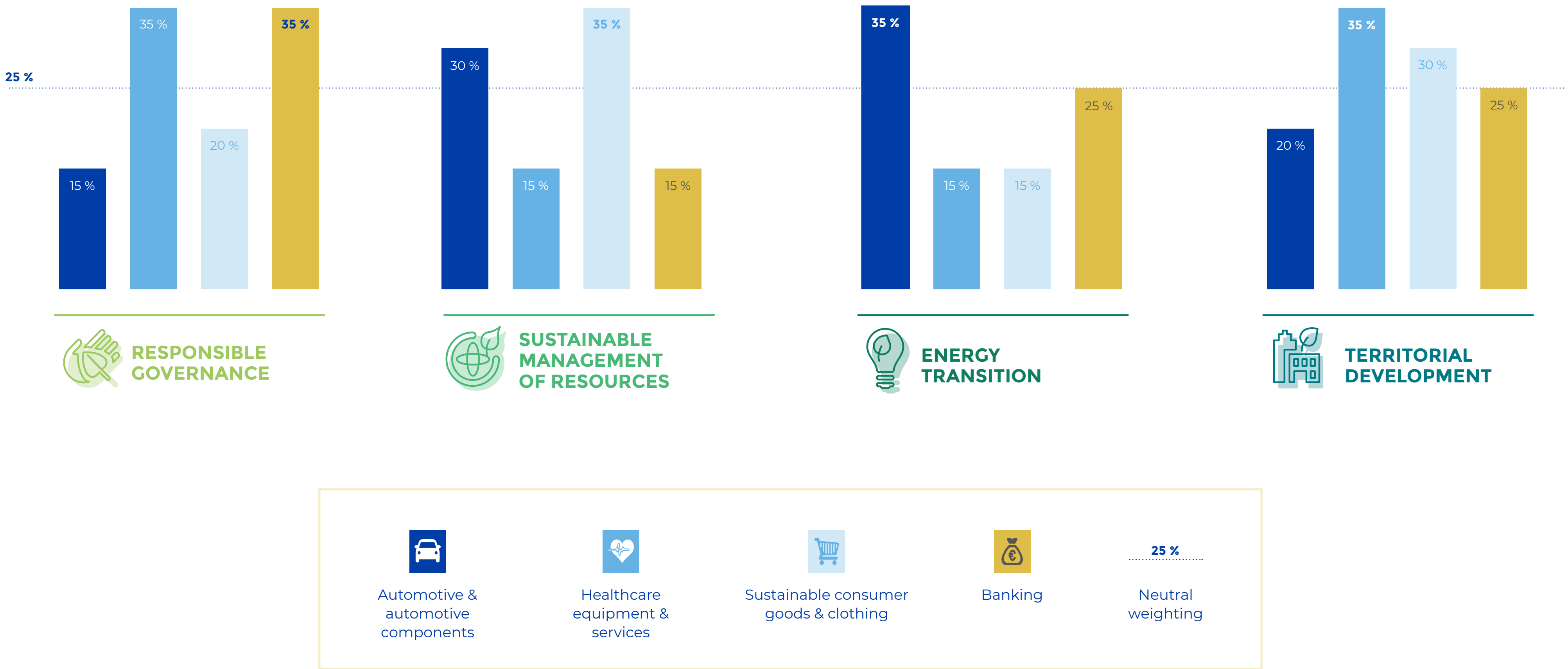
Indicators specific to the sector's criteria handled using a bonus point system.

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

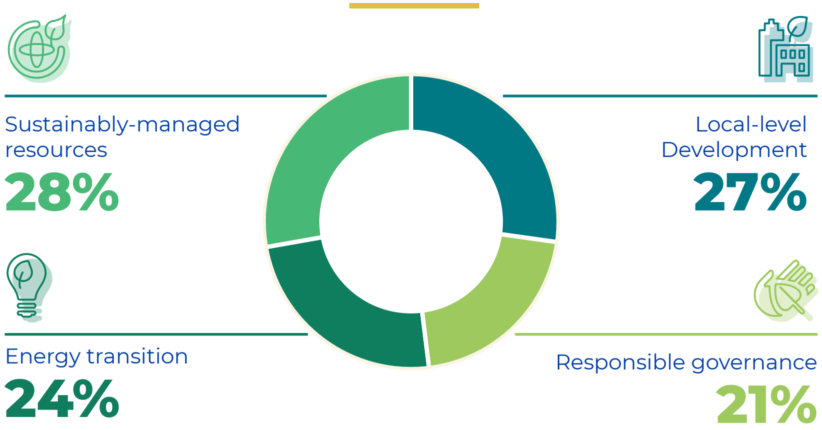
(1) Coverage encompassing a universe of 10,000 issuers. (2) Arithmetic mean of criteria scores. (3) % applied in accordance with each sector.
(4) Sum of weighted scores and spread by region.

Examples of sector weighting under the GREaT pillars

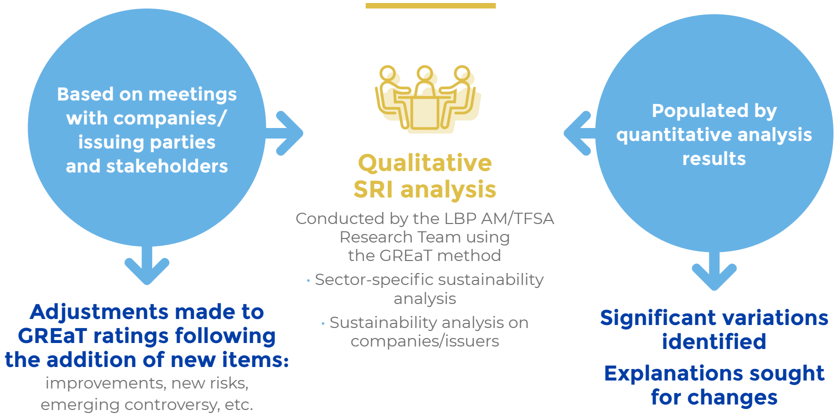


Overall, the LBP AM Group's GREaT rating model is very well-balanced:

Average weight of pillars across all sectors



Qualitative SRI analysis



QUALITATIVE ANALYSIS

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 general audience (Bloomberg, Factset).

Qualitative analysis is used in particular to feed the management process through:

- **Adjustments to 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 contributed by external sources, thus enabling greater reliability;
  - take into account additional public information gathered through regular dialogue with the issuer, thus enabling full integration of the shareholder engagement, monitoring and selection processes;
  - dig deeper into 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 the financial analysis, by analysing the potential financial impact of non-financial issues** (known as "materiality"). 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.

2.1.2 SRI analysis methodology for private 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. Working from indicators gathered across a variety of sources (international public bodies, think tanks, NGOs), we endeavour to identify States that: respect human rights and the environment, promote these rights and principles internationally; develop a model of responsible governance, respectful of human rights and the environment; and are socially just.

States are assessed against 100 indicators, classified into 18 criteria under 4 pillars, equally weighted. The indicators are collected from international organisations: the OECD, the World Bank, the United Nations, etc.;
recognised NGOs: Transparency International, Reporters Without Borders, etc.;
and research institutes such as the World Justice Project, the Notre Dame Gain initiative, etc.

SRI analysis of the 4 GREaT pillars

G
RESPONSIBLE GOVERNANCE

The capacity of the State to offer its citizens a framework enabling the realisation of their rights, to ensure the stability of its legal, legislative and economic system and the effectiveness of public services, as well as to effectively fight corruption or any behaviour that might undermine democratic and rule of law principles.

R
SUSTAINABLE MANAGEMENT OF RESOURCES

The State's laws and practices ensure the respect and protection of fundamental rights, as well as the preservation of the natural environment.

E
ENERGY TRANSITION

An assessment of the State's policies and practices, adopted and implemented in order to mitigate global warming and adapt sustainably to its consequences.

T
TERRITORIAL DEVELOPMENT

The ability of States to promote respect for fundamental rights and the preservation of the environment internationally and, on its territory, to ensure a quality and level of development that enables individuals to develop in a socially just environment that is conducive to their individual development.

2.1.3 SRI analysis methodology applied to real and private assets

LBP AM has established a pioneering practice of taking into account sustainability 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 ESG performance.
Lastly, an overall GREaT rating is produced for each transaction, obtained by weighting the scores attributed to each analysis pillar.

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, improvements in the company's sustainability 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.

A *Sustainability-Linked Loan* for the climate and biodiversity in the agricultural sector

When its strategies were first deployed, the Corporate Private Debt management and SRI Solutions teams at LBP AM worked together with a player in the agricultural sector to make the loan agreement dependent on certain ESG criteria, in the framework of a *Sustainability-Linked Loan*.
This company, a leader in its field of activity, produces an agricultural material, the derivatives of which contribute to the nation's sovereignty in food, energy and health. Consequently, it serves major sustainability challenges in terms of GHG emissions, water consumption and biodiversity.
The GREaT analysis demonstrated that the company had perfectly identified the resulting risks and had adopted satisfactory policies, action plans and indicators to steer them. In particular, it emerged that the company wanted to set ambitious targets to achieve carbon neutrality and become self-sufficient in water by reusing 100% of the water from agricultural matter for the industrial process and field irrigation.
The teams at LBP AM thus chose to support the company in the execution of these strategic thrusts, by endorsing loan improvement trajectories on the following three thematics: the institution of a decarbonation target validated by SBTi, reduction in water withdrawals in natural environments, and an increase in land farmed according to organic principles.
Annual objectives have been determined for the duration of the financing to validate the company's progress. If attained, they will make it possible for the company to enjoy a reduction in interest margin. In the opposite case, the latter will be raised.

PRIVATE DEBT: INFRASTRUCTURE

SRI analysis is all the more important in this asset class, as the financing granted can have significant environmental and social repercussions, the underlying assets falling in sectors that are essential to economic and social development at the local level (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.

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 2022, 20 receivables (in the fields of renewable energies, rail transport, charging stations for electric vehicles, heating and cooling grids, and telecommunications) were part of the fund.

The transition risk analysis carried out by Carbone 4 demonstrated that the portfolio ***was aligned with a +1.6°C warming scenario****, in step with the target set out in the Paris Agreement.*

In addition, it was estimated that, over their life cycle, the assets in the portfolio could be expected to avert 98,000 tonnes of CO_2 emissions annually compared to a +2°C warming scenario.

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, then reflects it as a temperature with respect to the Paris Agreement.

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

Focus

LBP AM's climate impact strategy: an infrastructure private debt fund classified Article 9 according to SFDR

Launched in early 2022, the intentionality of this impact strategy is to contribute to the reduction of GHG emissions from the real economy to enable the achievement of the Paris Agreement objective of keeping global warming well below 2°C. It thus responds to SDG 13 relating to the fight against climate change by making long-term investments in infrastructures belonging to one or more of these three categories:

- energy mix decarbonisation,
- electrification of uses,
- improvement in energy efficiency.

In order to ensure the highest additionality in terms of reducing GHG emissions, the selection focuses exclusively on assets, projects and/or companies that are already efficient from a climate point of view.
The strategy thus refers to the European green taxonomy in order to select only those infrastructures whose performance demonstrates a substantial contribution to the climate change mitigation objective of this reference framework, and furthermore targets a minimum of 70% of assets under managed, aligned at the end of the investment period.
To wit, an initial investment was made in a 100%-aligned project to produce heat and electricity from biomass waste.

The impact, at the asset level and for the entire portfolio, is measured via three indicators:

- the percentage of alignment with the first objective of the European green taxonomy,
- the carbon footprint,
- the implicit temperature.

This fund was born of a close collaboration between the Private Debt Infrastructure management and SRI analysis teams at LBP AM, the former contributing their familiarity with 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 attainment of the fund's objective.

Considering this structuring, which sets a precise sustainable investment objective all the while ensuring that negative externalities are kept under control, the strategy has thus been classified as Article 9 within the meaning of SFDR.

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.

IMPACT SRI ET ANALYSIS METHODOLOGY FOR 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:

1

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

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

2

ANALYSIS OF THE SUSTAINABILITY POLICIES AND PRACTICES at the solidarity company, according to the four GREaT pillars

- **Resources:** strategic integration of the quality of human resources management and diversity, company practices with regard to 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 management processes

Intersecting perspectives

Mathilde Sauvé,
Director of Development and Marketing

Léonard Pirollet,
Sustainable Finance Public Affairs Officer

"The deployment of the new framework in the area of sustainable finance ***is a lever for transformation****"*

2022 marked a new phase in regulatory deployment in the area of sustainable finance: continued deployment of the SFDR Regulation in the area of transparency, implementation of the MiFID 2 Directive or the gradual entry into force of the European Green Taxonomy. In this context, LBP AM has mobilised numerous areas of expertise to integrate these transformations into its offer and support its investor clients and distributor partners in their own information needs.

"*Beyond the regulatory impetus, factoring in sustainability criteria has become a secular trend for our customers, an essential prerequisite. For LBP AM, it is a powerful driver of innovation. This pushes us to offer an even more demanding range, integrating regulatory changes and the specific needs of our customers*", says Mathilde Sauvé.

This was reflected in particular through the launch of multiple Article 9 funds: the climate impact infrastructure debt fund; the LBP AM Mid Cap Senior Debt fund, which contributes to the acceleration of the transition of private sector companies to a more sustainable economy; or, more recently, the Tocqueville Biodiversity ISR fund, which finances companies that are leaders in their sectors in terms of the sustainability of their practices with regard to biodiversity, as well as companies offering products and services that reduce the impacts on biodiversity.

In 2022, these regulatory changes also had a significant impact on the retail segment. "*We have discussed extensively with our distributors to secure the deployment of the MiFID 2 Directive, which is aimed at integrating savers' preferences in the area of sustainability into the customer journey and the offers made to them. Our aim was to be transparent and explain to them our approach and methodology related to communication on sustainability thresholds*", explains Mathilde Sauvé.

As Léonard Pirollet explains, "*despite tighter regulatory requirements, which LBP AM supports, there is still room for interpretation in European texts. A minimum level of requirement, clearly defined and validated by an external auditor, is needed in order to promote an ambitious SRI approach for all players. That is why, as early as 2018, LBP AM chose the French label SRI, encouraged by the robustness of its reference base. It is also in this spirit of transparency and rigour that, at the end of 2022, we chose to adjust the classification of 8 funds classified 9 in Category 8, pending more precise regulatory definitions.*"

Lastly, explains Léonard Pirollet, "*we integrated the many regulatory indicators into our tools, from the SRI datahub or the SRI GREaT 360 management platform, so as to meet not only our own reporting requirements, but also those of our customers.*"

2.2.1 SRI management undertakings

Nearly 100% of the open-ended funds managed by LBP AM and TFSA incorporate a common core of sustainability 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, oil and gas), in line with its policies. The latter are demanding and regularly updated.

Sector-specific exclusion policy on coal

Since 2019, LBP AM and TFSA committed to phase out those mining and power generation companies that had expansion plans connected with coal, and not committed to exiting that form of energy by 2030 (OECD countries) or 2040 (rest of world). This commitment was stepped up in 2021 to extend to issuers providing upstream and downstream services that generate at least 20% of their revenues from coal. These data come from the Urgewald's Global Coal Exit List and the supplier Trucost.

Oil and gas sector exclusion policy

This policy aims to achieve a sector allocation of 100% by 2030, aligned with an energy transition trajectory enabling the Net Zero target to be achieved by 2050, and includes a midway review in 2025 to assess the allocation's progress in the face of the 2030 ambition.

It will take shape via 3 major levers:
- an exclusion policy;
- an engagement policy;
- an analysis and selection policy.

The exclusion policy aims in particular at the use of unconventional hydrocarbons according to the extensive definition of these resources proposed by the scientific committee of the Sustainable Finance Observatory and detailed below:
- oil from tar sands and extra-heavy oils;
- shale gas and oil;
- Arctic oil and gas: projects or activities taking place in regions where seawater is temporarily or permanently frozen;
- ultra-deep gas and oil: offshore exploration or production activities taking place at a depth of more than 1,000 metres.

For more information:

Oil and gas policy

Coal policy

Exclusion policy

INTEGRATION OF SUSTAINABILITY ISSUES INTO 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 exhaustive research: economic context, market levels, financial and ESG quality of companies, issuers and sectors, valuation, etc. The managers make their choices, selecting and weighting stocks according to their assessment of the SRI quality/financial performance pairing, taking a long-term view.

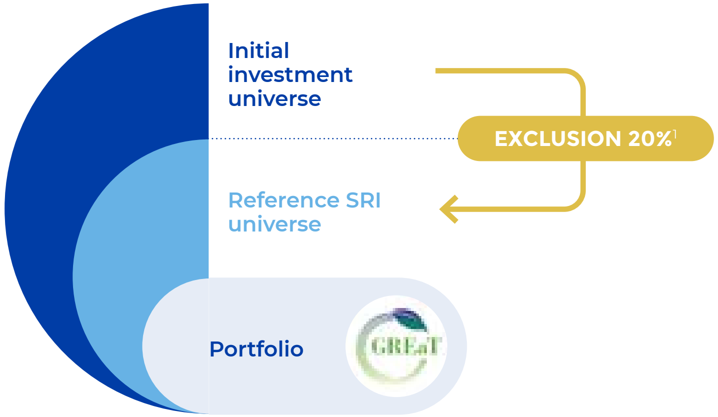
SELECTIVITY IN ACCORDANCE WITH THE SRI LABEL

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 guidelines, an investment universe is defined for each fund in line with the investment strategy and monitored by the labelling body. A selectivity rate of 20% is applied to this universe, according to the two methodologies used by the SRI label: the exclusion method and the average rating method.

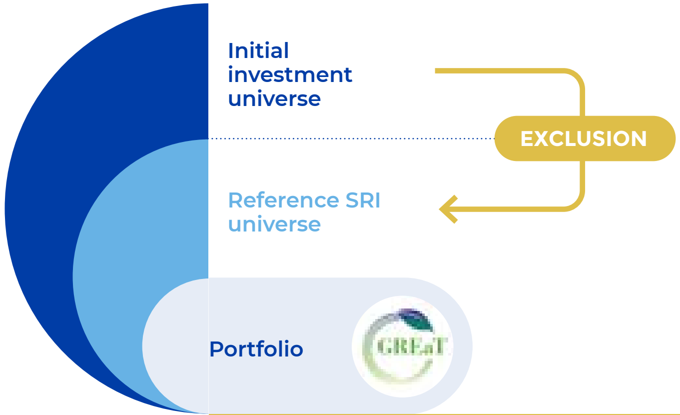
Exclusion method

The 20% lowest rated companies/issuers according to GREaT are excluded from the investment universe, as are securities on the exclusion list drawn up by the Exclusion Committee.



Average 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.

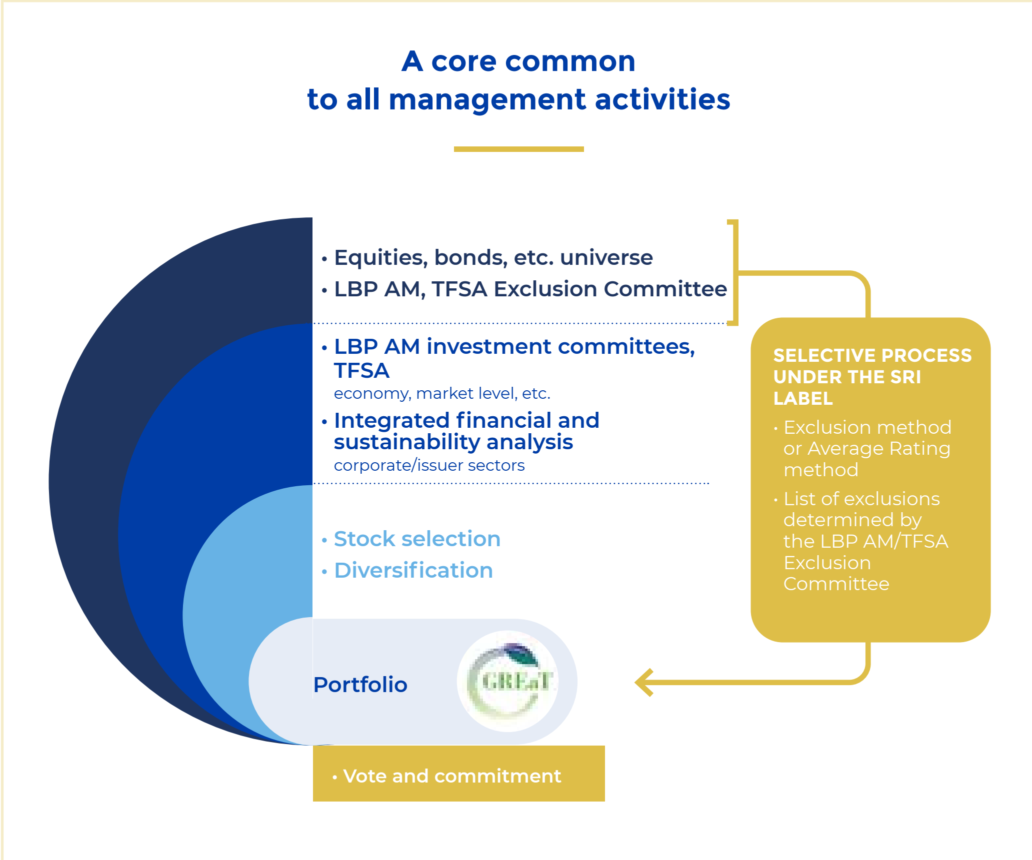


- Portfolio GREaT rating better than SRI universe GREaT rating
- Exclusions determined by the LBP AM/TFSA Exclusion Committee

1. 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 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.



Focus

SRI selection in real asset and private debt infrastructure, property and corporate 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 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	GREaT grid integrated into the managers' analysis and due diligence	INDEPENDENT rating by the SRI Solutions team	SRI ANALYSIS integrated into the monitoring of the receivables portfolio
• An SRI analyst in charge of private debt • Initial discussions on the issuer, its business sub-sector, the transaction	• Analysis grid by GREaT 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 key aspects liable to give rise to specific monitoring	• Verification of analysis grid completed by the Private Debt team by the SRI Solutions 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	• 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:

- **Inclusion of sustainable investment thematics in the management processes**
  The multi-theme funds are designed to seize opportunities on long-term trends in sustainable development. In addition to the SRI analysis based on GREaT, the assets in these funds are mainly channelled towards companies identified as "solution companies", i.e. with a product and service offering aligned with these thematics. The latter are identified based on the taxonomy of sustainable assets under the French label Greenfin.

→ **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. The purpose of the solidarity funds is to help finance the projects of SSE companies and/or associations with a strong social and environmental purpose, either through a donation (revenue sharing or management fees), or by investing the equivalent of 5 to 10% of their assets.

- **Tocqueville Silver Age ISR**
  This fund invests in the Silver Economy. The association supported through this fund is Siel Bleu, chosen for its objective of fostering good health and well-being for the most vulnerable populations, by helping them remain self-sufficient, promote inclusion and fight against sedentary living and isolation.

- **LBP AM SRI Human Rights**
  This fund implements an SRI strategy focused on human rights and associated with FIDH (International Federation for Human Rights) which takes action to secure respect for all rights (civil, political, economic, social and cultural), diversity and equality of individuals.

- **LBP AM ISR Actions Environnement**
  This fund, specialised in the energy transition, selects companies from sustainable sectors promoted by the UN under the 2030 Agenda. In this context, the Nature 2050 programme was selected for its mission to protect the natural environment, restore biodiversity and ensure its long-term management. 50 projects are currently being supported across France.

- **LBP AM ISR Actions France**
  This fund invests in French equities to support entrepreneurs through companies found to be "structural leaders" or emerging groups. The Louvre Endowment Fund was selected because it supports numerous public interest missions to make art, culture and history accessible to the widest possible population throughout France.

- **LBP AM ISR Actions Solidaire**
  This fund combines SRI management and solidarity investment in four priority investment areas: education, health, environment and solidarity. It holds shares in companies accredited as "Entreprises solidaires d'utilité publique" [solidarity-driven companies serving the public good], one of which is Habitat & Humanisme, which works to build, acquire and renovate housing for struggling populations.

Focus

Solidarity investment to support social economy company projects or associations with a strong social and environmental purpose

The 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 How our assets are segmented

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 2022, approximately 74% of the assets of the LBP AM Group were managed in line with SRI principles, i.e. €40 billion. These assets take into account sustainability criteria 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 €34.8 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 routinely integrate SRI criteria[1]; 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 where the client did not want these criteria to be incorporated.

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.

Total assets in € of funds and discretionary mandates classified in Art. 8 or Art. 9 according to SFDR for all assets managed by the asset management company:

€41,373 M

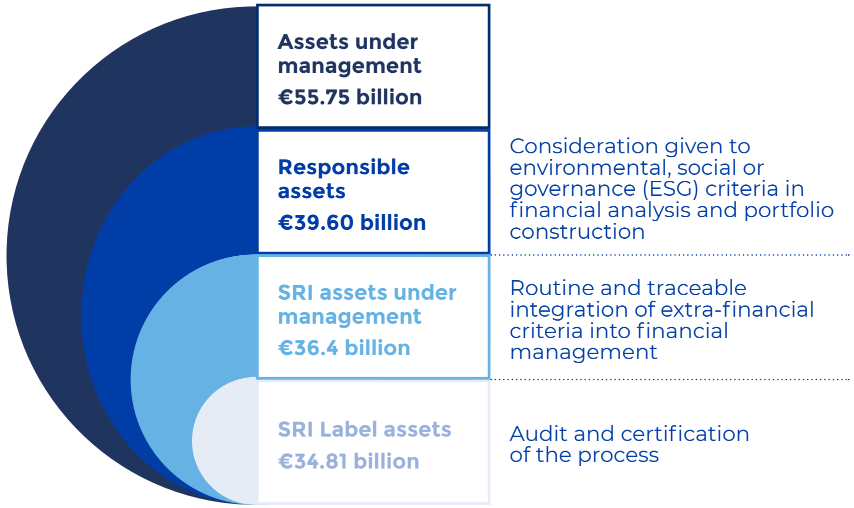
Percentage of assets in funds and discretionary mandates classified Art. 8 or Art. 9 according to SFDR for all assets managed by the AMC:

74%

All funds and mandates classified in Art. 8 or Art. 9 according to SFDR and managed by the AMC:

125

Labelled assets



Sustainable finance label

Labels	Number of labelled funds	Assets under management
SRI LABEL	110	34.81
GREENFIN LABEL	2	0.87
FINANSOL LABEL	4	0.22
FRANCE RELANCE LABEL	4	0.29

1. LBPAM Actions Asia Pacific, LBPAM ACTIONS DIVIDENDES EURO, LBP AM INFLATION FLEXIBLE, LBP AM 3 MOIS, TOCQUEVILLE GOLD, TOCQUEVILLE OLYMPE PATRIMOINE, TOCQUEVILLE VIE GENERATION

Focus

Classification of funds under the SFDR regulation

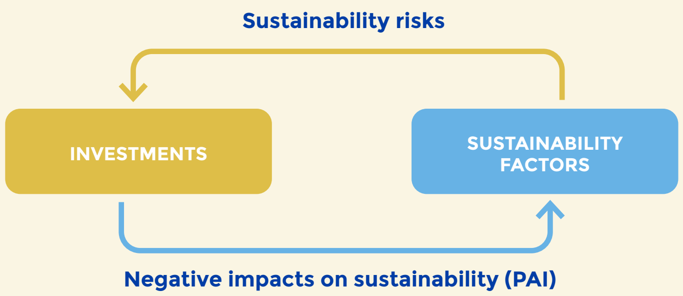
The legal and regulatory landscape of sustainable finance has evolved greatly, in particular where investment is concerned. The European SFDR (Sustainable Finance Disclosure Regulation) is one of the key regulations in the field.

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 objective **(Article 6)**
- Products that promote environmental and/or social features **(Article 8)**
- Products the purpose of which is 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

Labels

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.

Awards

Identity	Description
Climetrics	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	ISR LABELS *BARRING EXCEPTIONS*	EXCLUSIONS									SELECTION UNDER THE SRI LABEL *BARRING EXCEPTIONS*		VOTING AND ENGAGEMENT
			REGULATORY		NORMATIVE	SECTOR								
			Controversial and unconven-tional weapons	Agricultural raw materials	Global Compact; OECD Guidelines	Coal	Oil & Gas	Tobacco	Gambling	Bio-diversity	Combating deforesta-tion	EXCLUSION	AVERAGE SCORE	
EQUITIES														
Sustainability Thematics France/ Euro/Europe	8	●	●	●	●	●	●	●	●	●	●	●		●
Other thematics France/Euro/ Europe	8	●	●	●	●	●	●	●	●	●	●	●		●
Environment equities	9	●	●	●	●	●	●	●	●	●	●	●		●
China equities	8	●	●	●	●	●	●	●	●	●	●		●	●
American equities	8	●	●	●	●	●	●	●	●	●	●	●		●
Smart Beta France, Euro, Europe, Asia, Emerging	8	●	●	●	●	●	●	●	●	●	●		●	●
MULTI-ASSET														
Diversified	8	●	●	●	●	●		●	●		●		●	NA
International equities	8	●	●	●	●	●		●	●		●		●	NA
Multigestion/ external funds	8	if necessary	●	●	if necessary							●		NA
Solidarity-based	8	●	●	●	●	●		●	●		●			NA

RANGE OF OPEN-ENDED FUNDS	SFDR	ISR LABELS *BARRING EXCEPTIONS*	EXCLUSIONS									SELECTION UNDER THE SRI LABEL *BARRING EXCEPTIONS*		VOTING AND ENGAGEMENT
			REGULATORY		NORMATIVE	SECTOR								
			Controversial and unconven-tional weapons	Agricultural raw materials	Global Compact; OECD Guidelines	Coal	Oil & Gas	Tobacco	Gambling	Bio-diversity	Combating deforesta-tion	EXCLUSION	AVERAGE SCORE	
BONDS														
Credit/Crossover	8	●	●	●	●	●	●	●	●	●	●		●	Engagement
Convertible bonds	8	●	●	●	●	●	●	●	●	●	●		●	●
Sovereign Europe	8	●	●	●	●	●	●	●	●	●	●		●	
Sovereign Other	6	non-eligible	●	●	●	●	●	●	●	●	●	NA	NA	
Inflation	6 & 8	non-eligible	●	●	●	●	●	●	●	●	●	NA	NA	
Aggregate	8	●	●	●	●	●	●	●	●	●	●		●	Engagement
Monetary	8	●	●	●	●	●	●	●	●	●	●	●	●	
Absolute Return bond	8	●	●	●	●	●	●	●	●	●	●		●	Engagement
Solidarity Savings														
UCIs and employee savings plans	8	●	●	●	●	●	●	●	●	●	●	●	●	●
Private Debt														
Infrastructure	8 & 9	non-eligible	●	●		●	●	●	●	NA	NA	NA	NA	Engagement (SLL)
Corporate	8 & 9		●	●		●	●	●	●	NA	NA	NA	NA	Engagement (SLL)
Real Estate	8		●	●		●		●	●	NA	NA	NA	NA	Engagement (SLL)

2.3 Dialogue and engagement with companies

2.3.1 Corporate engagement

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.

This is why our shareholder engagement policy is one of the levers for implementing our action as a responsible investor, rounding out the other levers, formed by ESG selection, exclusion and thematic investment.

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.

The shareholder dialogue that we initiate with companies has a twofold objective:

- **via ESG dialogues:** better understanding the policies and practices of companies in order to strengthen the analyses carried out by our teams. This dialogue with the issuers is aimed at collecting additional information or refining our understanding of the elements published in terms of sustainability,
- **via ESG engagement:** we seek to encourage the integration of sustainable development issues into corporate strategy, the formalisation of robust policies contributing to the prevention of ESG risks, and their implementation in companies' operational practices and the strengthening of companies' transparency regarding ESG policies, objectives and results.

Like our other SRI levers, our engagement policy is based on the four pillars of our proprietary analysis method, GREaT, to establish the key thematics of dialogue and engagement with the investee companies. This policy also describes the procedures for identifying the companies to engage and the customary procedures for maintaining this engagement and for potential escalation in the absence of results.

The shareholder engagement policy of LBP AM and TFSA is also based on our thematic SRI policies, which describe in greater detail our objectives, principles, methods of action, priorities and expectations on these thematics:

- **Voting policy – governance**
- **Biodiversity policy**
- **Coal policy**
- **Oil and gas policy**

These exchanges take place using two methods, sometimes in combination:

➔ **Bilateral dialogue and engagement** with the Management of the companies in which we invest, in particular at the issuer meetings; LBP AM and TFSA can request meetings with companies to discuss specific thematics, in application of our policies. The teams may also be spontaneously called upon by the companies to provide feedback on thematics defined by these companies, for example in the context of the preparation of general meetings. We take the opportunity provided by these requests to present our expectations in terms of good governance practices.

➔ **Collaborative engagement,** carried out with other investors on a shared issue. LBP AM and TFSA take part in joint initiatives when these fall within the scope of their thematic SRI policies. These can usefully supplement the approach initiated at the bilateral level, by pooling research results, providing companies with consistent signals regarding the expectations of responsible investors, and in order to have a more significant influence with companies. When LBP AM/TFSA is involved in collaborative commitments, the campaigns are selected to be in line with LBP AM/TFSA's SRI policies. Their level of involvement may vary from support to co-lead or lead.

In 2022, LBP AM and TFSA built

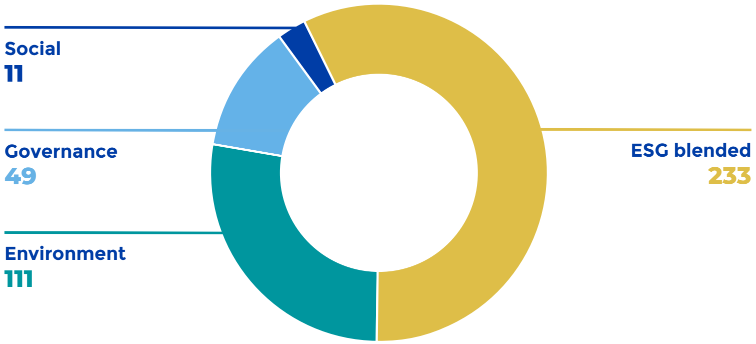
72
individual commitments and

80
collaborative commitments.

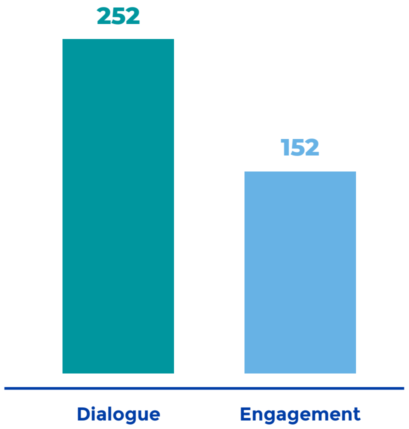
The launch of an engagement campaign is proposed by the SRI Solutions team and approved by the LBP AM Sustainable Finance Committee.

In 2022, LBP AM/TFSA conducted
404
ESG discussions with
302
separate companies
in 29 countries, mainly in France and Europe.
Out of these 404 discussions:
- **252 ESG dialogues** with 227 companies,
- **152 ESG commitments** run with 116 companies.

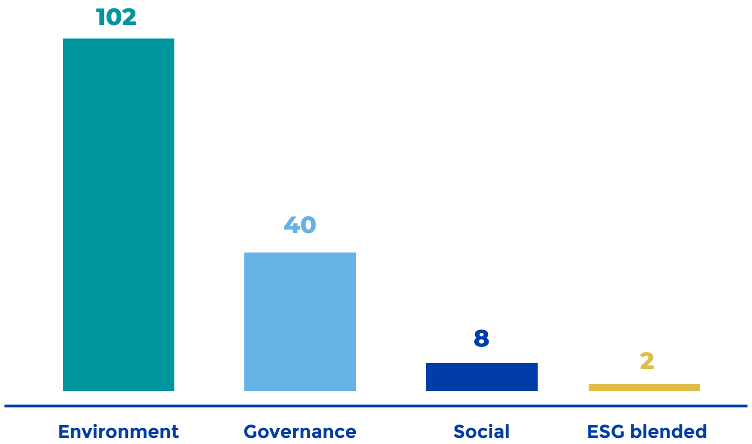
Breakdown of all ESG discussions conducted by LBP AM/TFSA in 2022, by thematic



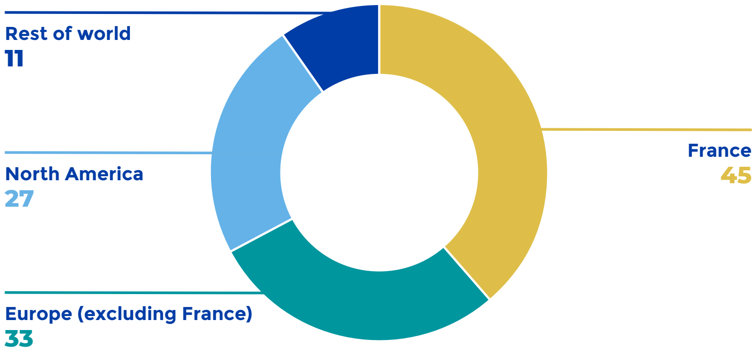
Number of ESG commitments and dialogues carried out by LBP AM/TFSA in 2022



Breakdown of commitments by ESG thematic



Companies engaged in 2022 by LBP AM and TFSA, breakdown by geographical region



Testimonial

*"**Engagement is an important lever in our SRI strategy.** It is always very interesting for our managers to provide support to SRI Solutions experts in their dialogue with companies. We have an in-depth understanding of the companies that are still gaining in granularity on complex subjects related to Human Rights, raw materials sourcing, or the use of plastic for example. Engagement allows us to have a better view of the companies' practices, share our expectations and encourage them to adopt best practices. **To wit, it is important to make companies aware of their trajectory and their Net Zero commitments** because we ourselves have ambitious objectives that must be integrated into the portfolios that we manage.*

We have numerous ongoing commitments with the SRI Solutions teams and it is always an exciting, highly informative process that furthermore enables us to better manage our portfolios by identifying material risks that are sometimes taken into account in a way that is still limited by companies.
***This contribution to moving companies towards a more sustainable world is very important.**"*

Christine Lebreton,
Manager – Analyst, Tocqueville Finance

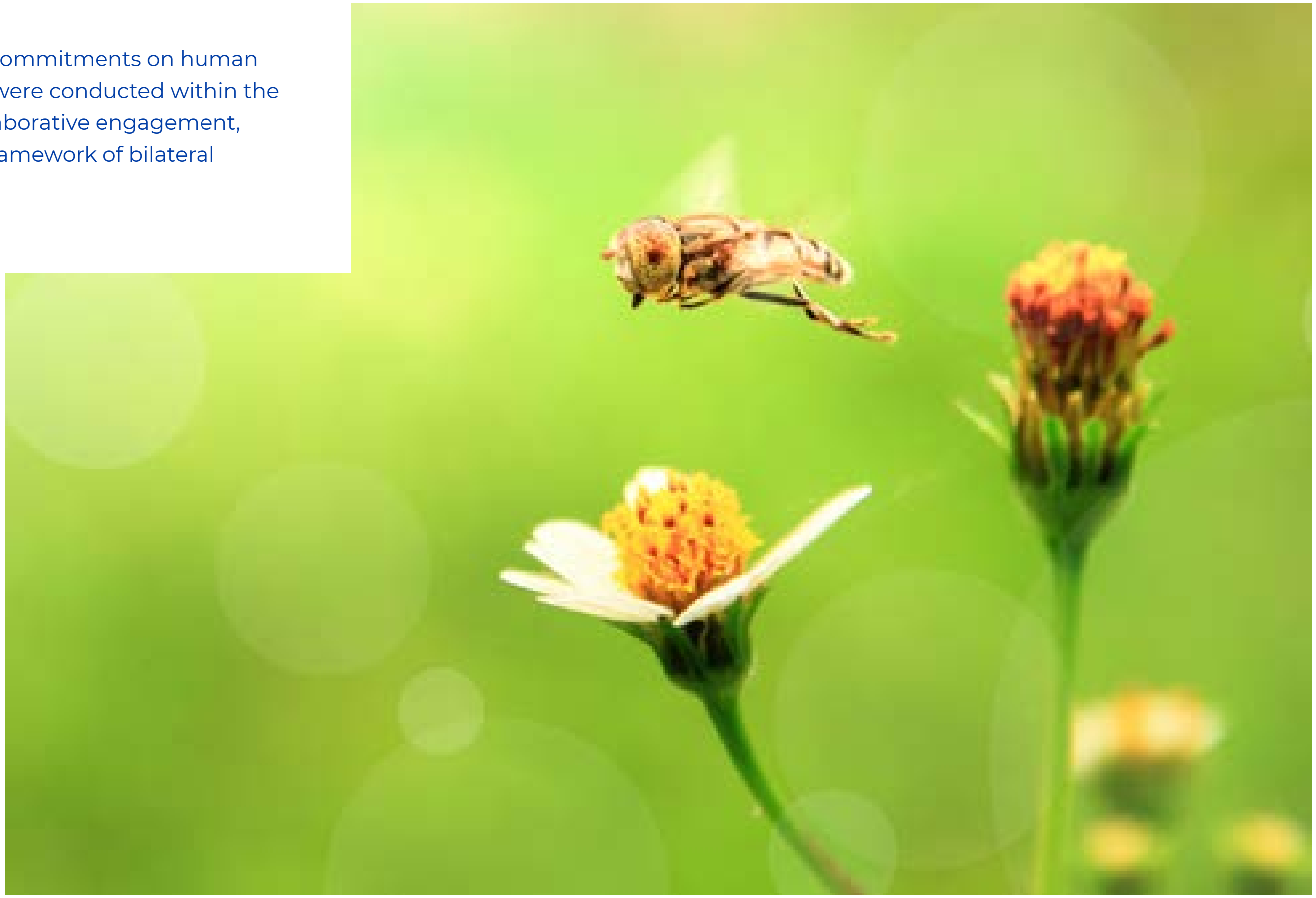
UNDERTAKINGS CARRIED OUT WITHIN THE FRAMEWORK OF OUR THEMATIC SRI POLICIES

Biodiversity
LBP AM/TFSA secured 64 commitments on this thematic. 15 commitments were run, in particular towards managing 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).

Climate
45 commitments were run with 40 companies. As part of the implementation of its oil and gas policy and the implementation in its voting policy of principles relating to Say on Climate, LBP AM/TFSA encouraged the companies to submit their energy transition plan to shareholders for a vote. Whenever LBP AM/TFSA spoke out against a Say on Climate, the reasons for its vote were sent to the company, with the aim of supporting the implementation of best environmental practices.

Governance
A key moment in our shareholder engagement activity, the general meeting season is an opportunity to discuss LBP AM and TFSA's voting principles with investee companies, the reasons for opposing certain resolutions put to a shareholder vote and any 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. On the subject of governance, 40 commitments were made, 33 of which were formulated within the framework of the General Meetings. Across all thematics, 60 engagement actions were carried out in 2022 in the framework of the general meetings.

Human rights
In 2022, we ran 8 commitments on human rights, 7 of which were conducted within the framework of collaborative engagement, and 1 within the framework of bilateral engagement.



SOME COLLABORATIVE ENGAGEMENT CAMPAIGNS IN WHICH LBP AM AND TFSA PARTICIPATED IN 2022

RESPONSIBLE GOVERNANCE

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 2022, LBP AM and TFSA extended a dialogue, initiated in 2021, with Carrefour. The aim of this dialogue is to encourage the company to improve the transparency of its action aimed at promoting the inclusion of women in high-responsibility positions. Such discussions make it possible to identify the company's culture on these subjects and the initiatives instituted on gender parity, and also to target the items that need improvement in order to support the company in integrating women into top management teams. Each year, the 30% Club produces an activity report. The 2022 version is available via this link.

ENERGY TRANSITION

LBP AM/TFSA participated in two engagement campaigns organised by the Carbon Disclosure Project (CDP).
The first, entitled "Transition Champion", in which LBP AM/TFSA participated from February to September 2022, was aimed at improving the quality of the decarbonisation plans of the companies in the portfolio. In its context, LBP AM/TFSA has engaged with 9 companies, through individual letters, to push them to take their transition plan deeper.
The second, the "Science-Based Targets Campaign", aimed to encourage more than 1,000 companies between October 2022 and October 2023 so that these could commit to the Science-Based Targets initiative. By committing to SBTi, companies are adopting decarbonisation targets validated by science and aligned with the scenario limiting global warming to 1.5°C. In 2022, LBP AM/TFSA supported this initiative.

In 2022, LBP AM/TFSA also participated in a collaborative engagement campaign run by the Responsible Investment Forum, aimed at encouraging the company Engie to do more towards making its transition plan comprehensive and submit it to shareholders' vote once again. The coalition noted the progress made by ENGIE during 2022, with in particular the validation of several carbon targets by the SBTi initiative as being in line with a trajectory significantly below 2°C but nevertheless wanted the company to improve the transparency of its transition plan. The coalition of investors thus sent a letter to the Chairman of the Board of Engie and organised several meetings with the company in order to discuss multiple topics, many of which are common to those dealt with through the Climate Action 100+ initiative (transition plan, climate lobbying, coal exit strategy, alignment with a 1.5°C scenario, just transition), supplemented by other more specific issues (biodiversity, methane, biomethane). This engagement campaign, though still in progress, is already bearing fruit, as the company has already communicated certain details requested by the coalition.

SUSTAINABLE RESOURCE MANAGEMENT

The international network of investors, Farm Animal Investment Risk & Return (FAIRR), encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. The network conducts several targeted engagement actions, for example to encourage the reduction of antibiotics in livestock breeding or to promote the transition to sustainable sources of protein. LBP AM and TFSA take part in FAIRR's consultations and collaborative engagement campaigns on the following thematics: sustainable aquaculture, sustainable proteins, biodiversity and pollution & antimicrobial and antibiotic resistance. 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. In 2022, LBP AM sent letters requesting improvements in practices on these thematics to 47 companies, primarily based in North America and Europe, and in the meat and food industry as well as packaging materials.

In 2022, LBP AM/TFSA also participated in the engagement campaign coordinated by CERES for the sustainable production of agricultural raw materials. This initiative brings together international investors who wish to contribute to the fight against deforestation, primarily in connection with the farming and cultivation of oil and soya palms. Each year since 2020, the LBP AM Group has 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 Investor Alliance for Human Rights is a collective action platform for responsible investment premised on the idea of respect for fundamental human rights. It is a non-profit initiative based on buy-in and focused on the responsibility of investors when it comes to respect for human rights. The Alliance organises several working groups and collaborative engagements, in partnership with external stakeholders, to help strengthen responsible business conduct with regard to human rights.

One of the working and engagement groups in which LBP AM/TFSA participates is co-organised by the World Benchmarking Alliance and aims to engage companies assessed by the Corporate Human Rights Benchmark (CHRB). The CHRB is a benchmark that assesses the largest companies in high-risk sectors on their human rights due diligence policies, processes and practices, as well as their ability to remediate the most severe impacts on people. Investors engage with one or more companies in order to promote the strengthening of these practices and to improve respect for human rights at these companies. In this context, LBP AM/TFSA is running a commitment with ArcelorMittal.
LBP AM/TFSA also participates in the collective commitment co-organised by Ranking Digital Rights (RDR), an independent research programme that assesses the policies and practices of technology and telecommunications companies on human rights, including privacy and freedom of expression. Based on the results of their research, investors engage with the companies assessed to discuss their impacts and promote best practices in respect of human rights.
LBP AM/TFSA runs an engagement process aimed at Orange.
UNI Global Union is an international trade union federation of service industries.

Working more specifically on the care and nursing home sector, UNI Global Union is leading a coalition with the aim of engaging companies active in the sector to promote the strengthening of practices, particularly in terms of treatment of the elderly and working conditions. LBP AM became a signatory to the Investor Declaration on Expectations for the Retirement Home Sector, a document that formally sets out the coalition's objectives, in 2022. In this context, we are participating in an in-depth dialogue with Korian, in order to support the player in its adoption of relevant indicators (KPIs) on respect for the basic rights of patients and working conditions in their establishments. 7 new indicators will be published by 2023.

LBP AM/TFSA also takes part in a collaborative engagement campaign with the Institute of Sustainable Finance (IFD) on the just transition. The aim of this initiative is to understand the progress made by companies in understanding and taking account of the just transition issue in their operations and in their strategy. LBP AM/TFSA participates in the sub-group that focuses on the construction sector. In this respect, LBP AM/TFSA has engaged Bouygues, Eiffage, Legrand and Schneider Electric.

OUR ADVOCACY ACTIONS

LBP AM/TFSA has extended its engagement approaches with financial regulators and professional financial organisations, in order to advocate for its vision of responsible investment within the market, in regulations and specific standards conducive to sustainable finance.

In 2022, LBP AM/TFSA developed advocacy action on the following issues, in particular:

→ **Review of the SRI Label**
LBP AM/TFSA published a response to the consultation on the working guidelines for the revision of the French SRI label. LBP AM fully concurs with the observed need to continue the review of the reference framework, and in particular concerning its level of requirement, so that the label remains a reference point for investors, a reference point that is more than necessary today with the entry into application of a sometimes confusing European regulation that carries a risk of circumvention. LBP AM/TFSA then actively engaged in a working group on the review of the label aimed at proposing requirements criteria relating to the monitoring of controversies and shareholder engagement, and systematically sought to contribute to the development of AFG positions in this area.

→ **EFRAG consultation**
LBP AM/TFSA responded to the public consultation of the European Financial Reporting Advisory Group (EFRAG) on the first set of European Sustainable Development Reporting Standards (ESRS) projects, through organisations of which it is a member and through the CDC Group. LBP AM/TFSA also contributed to developing proposals on the EFRAG and IFRS standards via the Eurosif initiative.

→ **ESMA consultations**
- **On ESG data providers:** LBP AM/TFSA participated in a response to a public consultation of the European Securities and Markets Authority on the supervision of ESG data providers, via the CDC Group.
- **On Greenwashing:** LBP AM/TFSA took part in a consultation with the European Securities and Markets Authority on the identification and prevention of greenwashing, via its representative organisation on the market.

→ **GFANZ**
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. LBP AM/TFSA joined the initiative in 2022 and participated in the drafting of three standards on transition plans, intended to provide material for the regulations and practices of the Net Zero alliances and national market standards.

→ **Promoting Say on Climate**
by publishing a Tribune, coordinated by the FIR, urging companies to implement such resolutions, while providing the necessary degree of transparency on their transition plans.

→ **The promotion of an ambition for COP15**, ahead of the COP, LBP AM/TFSA published an opinion piece to call for an ambitious global framework for biodiversity and explain the action that investors can take to promote biodiversity.

→ **Net Zero Data Public Utility (NZDPU)** – **LBP AM** participated in the consultations on the creation of an open data platform that must identify the climate data of corporates and financial players.

→ **TNFD consultations**
LBP AM/TFSA responded to consultations on the Draft TNFD Framework Versions 1 and 2 via the Sustainable Finance Institute and the Finance for Biodiversity Foundation.

2.3.2 Active participation in general meetings

We participate in the general meetings of the investee companies 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 investee companies 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 2022, LBP AM and TFSA held discussions with
33
companies in the context of their general meetings.

VOTING POLICY

LBP AM and its subsidiary Tocqueville Finance deem that voting at general meetings is a full-fledged part of the management process, and exercise their voting rights in accordance with the principles set out in their Voting Policy.

In 2008, LBP AM formally laid down a voting policy that sets out the scope and procedure for voting at general meetings of shareholders as well as the criteria according to which resolutions submitted to shareholders are approved or rejected.
An internal voting guide details the technical rules for applying the policy, particularly with regard to specific local applications. Consistent with our GREaT philosophy,
it is aimed at fostering the implementation of best practices in terms of corporate governance and business ethics, and encourages the consideration of environmental and social issues within companies.

The exercise of voting rights is fully in line with the engagement strategy applied by LBP AM and TFSA and may constitute a lever for formally setting out the expression of its shareholder expectations. Our voting policy means that we do not support resolutions proposed by companies which we believe are not aligned with best governance practices. LBP AM/TFSA may support resolutions not approved by the Board, when it believes that their implementation is likely contribute to an improvement in ESG (Environmental, Social or Governance) practices at the company, including by participating in their proposals for the agenda.

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 stemming from the exercise of voting rights,** which can influence the threshold levels for either the minimum holding of an issuer's capital or the holding by the funds.

Exercise of voting rights of LBP AM and TFSA in 2022

Our voting scope is expands regularly and in 2022 covered around

95%

of our equity investments and

37%

of the general meetings at which we could have exercised our voting rights.

We exercised our voting rights on approximately

12,057

resolutions, with

645

companies, across 27 countries, at 750 general meetings.

In 2022, LBP AM cast **at least one protest vote at 86%** of the GMs in which we exercised our voting rights. **Our annual voting rate against resolutions has thus varied from 28% to 30%** on average in recent years.
In 2022, LBP AM/TFSA cast **3,810 votes disagreeing with the company convened – i.e. 31.6% of total votes cast**. 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.

Although still rare, particularly in Europe, **so-called "external" resolutions**, i.e. resolutions not proposed by the company's Board but by shareholders, **are on the rise and attest to a stronger commitment by shareholders to the governance of companies**.

The number of external resolutions on which LBP AM voiced an opinion in 2022 was up sharply compared to previous years.
405 external resolutions were presented at 120 GMs out of the 740 in which LBP AM and TFSA participated, compared with 268 resolutions in 2021. In 2022, **external resolutions accounted for 3.4% of the total resolutions presented at general meetings** at which LBP AM and TFSA expressed their views (compared with 2.3% in 2021).
LBP AM supported 83.2% of the external ESG resolutions on which it voiced an opinion. This high percentage of support for external resolutions testifies to the commitment of LBP AM and TFSA to social, environmental and governance progress on various subjects: election of board members, shareholder rights, environmental and social issues, employee shareholding, etc.

Main reasons for disagreement at general meetings
The resolutions most contested by LBP AM TFSA are those relating to executive remuneration (47.4% on resolutions relating to executive remuneration and 42.9% on long-term plans) and authorisations for capital transactions (37% of votes against the company).

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 bad practice seeing as this format of capital increase does not enable all shareholders to participate in the operation. The authorisations for capital transactions usable during a public offer period are also a frequent cause of contestation, as LBP AM/TFSA is unfavourable to the existence of "anti-takeover" mechanisms.

Here are a few examples of resolutions supported by LBP AM/TFSA:

→ **The energy transition:**
in 2022, shareholders tabled resolutions spurring 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.

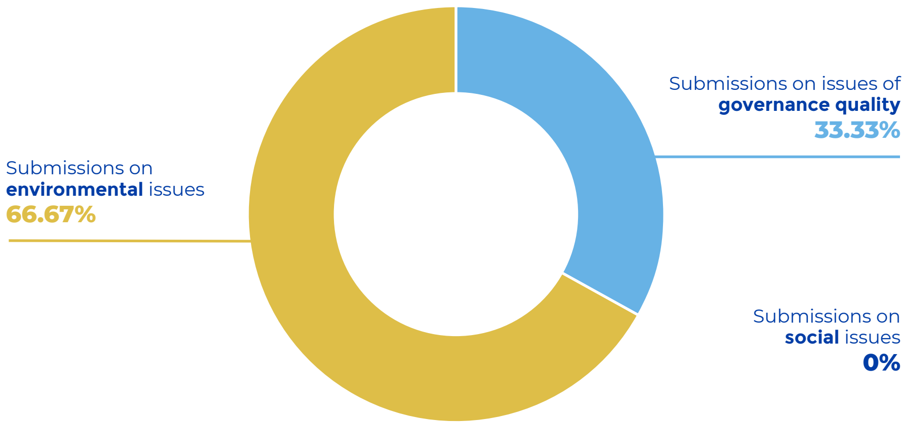
→ **Sexual harassment:**
a number of investors filed similar resolutions at general meetings of certain United States companies (for example, at Comcast Corporation and Microsoft Corporation), asking companies to publish reports on the effectiveness of their policies against sexual harassment. These resolutions encourage companies to implement robust policies for the prevention of sexual harassment.

→ **Role of the members of the Board of Directors:**
LBP AM supported a resolution tabled by shareholders at Danone's 2022 Shareholders' Meeting to clarify the role granted to the Honorary Chairman of the Board. The Board's rules of procedure provide that the Honorary Chairman may be present at each of his meetings.
His role is then likened to that of a Non-voting Director, not elected by the shareholders, with, moreover, the weight of legitimacy due to his previous functions in the company.

RESOLUTIONS FILED IN 2022:

Since 2018, LBP AM/TFSA's voting policy enabled it to participate in the filing of resolutions on ESG issues.
LBP AM and TFSA accordingly exercised their submission rights on several occasions.
Two resolutions were tabled and put on the agenda of the Total Energies AGMs in 2020 (on the theme of climate, so-called "Say on Climate" resolution) and Ipsos in 2022 (on a subject of governance). Three other climate resolutions were submitted, then withdrawn following successful commitments at the Engie AGMs in 2021 as well as HSBC and TotalEnergies in 2022. The withdrawal of these resolutions reflects the influence that the filing of resolutions has on companies, fostering the positive outcome of shareholder engagement initiatives.

Resolutions submitted



1. Of the total filings made

AG 2022 – TOTAL

LBP AM/TFSA actively participated, in collaboration with a group of investors, in a campaign of commitment to TotalEnergies, co-submitting a draft resolution to secure greater transparency on its climate strategy so that investors could objectively assess the company's alignment with a scientific scenario.

The resolution was withdrawn following commitments made by the company on climate transparency at a dialogue with LBP AM. The company committed to publish:

- **Its Scope 1, 2 and 3 absolute and relative greenhouse gas emissions** (GHG) reduction targets in the short (2025) and medium term (2030), covering all the company's activities.
- **The evolution of the energy mix and production volumes** targeted for these deadlines.
- **Its short- and medium-term investment plans**, broken down by sector and by intention, between maintaining and expanding the company's assets.
- **The potential contribution of GHG emissions** captured to attaining the company's GHG emissions reduction targets.
- **The work carried out by the company with third parties** to assess the relevance of these objectives with regard to the implementation of the Paris Agreement.

Furthermore, the company has undertaken to submit its climate strategy to the advisory vote of the General Meeting each year.

AGM 2022 – HSBC

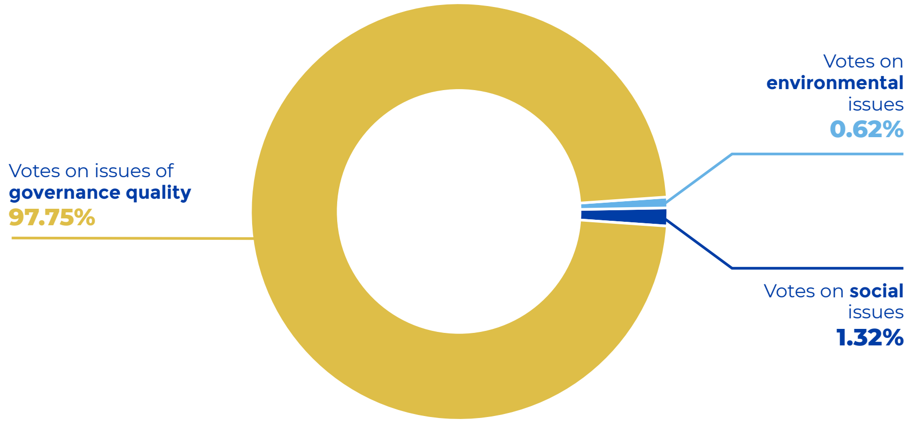
LBP AM and TFSA participated in a collaborative engagement action coordinated by the UK ShareAction initiative since 2021, to urge the company to define a transition plan with 13 short-, medium- and long-term targets, including a clear timetable to reduce its exposure to fossil fuels, starting with the 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/TFSA jointly 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. LBP AM/TFSA continued its engagement campaign with British bank HSBC to encourage it to strengthen its next transition plan, particularly through a sector policy on fossil fuels consistent with the conclusions of the IPCC and IEA scenarios. **Following the collaborative dialogue organised by ShareAction, the company made commitments to supplement its coal policy and develop its oil and gas policy, and the resolution was withdrawn.**

AGM 2022 – IPSOS

LBP AM and TFSA joined forces to submit a resolution presented by a group of shareholders at the May 2022 AGM of Ipsos, requesting the appointment of an independent director to the Board of Directors. The aim of this resolution was to improve the actual independence of the Board in a context in which governance concerns had been identified: an omnipresent founder and former CEO, who became Chairman, exercising significant influence on the remaining members of the Board of Directors, brought to light in 2021 by the announced arrival of an external CEO – which ultimately did not take place, a former country manager taking on the position instead. This proposal was not approved by the Board of Directors, which presented it as hostile. However, the voting advisory agencies ISS and Proxinvest supported the resolution, recommending its approval. In the end, the resolution was not approved by the majority but still received 34.4% of the ballots cast. Following the general meeting, Ipsos presented a governance review, at an investment meeting in June 2022. Little by little, it appears that governance more in line with shareholder balance is coming into place.

Review of voting policy



Number of votes on **governance quality issues:**
11,746

Number of votes on **environmental** issues:
74

Number of votes on **social issues:**
159

2.4 Managing environmental, social and governance risks

Dual materiality taken into account
LBP AM-TFSA sees consideration for sustainability risks and efforts to reduce the negative impacts of its investments on sustainability factors as intrinsically intertwined. A poorly controlled negative impact can result in greater sustainability risk, such that reducing the negative impacts of investments is an essential component in preventing sustainability risks. As a result, LBP AM-TFSA does not separate its treatment of climate risk management from that of taking into account and reducing the main negative impacts of its investment decisions on sustainability factors.

The analysis policy and the management of sustainability risks associated with environmental, social and governance factors are based on a set of complementary tools, policies and procedures.

2.4.1 Risk Identification and Assessment Framework

SRI RATING
The proprietary GREaT ESG rating methodology incorporates indicators relating to different categories of sustainability risks such as risks stemming from climate change, governance issues and respect for human rights. The following are thus considered:

- **Regulatory risks,** captured by the "Business ethics" criterion, which evaluates the internal control mechanisms set up by issuers;
- **Operational risks,** captured by 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**, which relate to the alignment of companies' strategy with long-term trends, particularly with the "Energy Transition" and "Regional Development" pillars;
- **Climate-related risks**, i.e. physical risks which cover damage directly caused by weather and climate phenomena; and transition risks resulting from the effects of instituting a low-carbon economic model, following a change in regulation, the emergence of new "disruptive" technologies, etc. These risks are analysed in the "Energy Transition" pillar.

This analysis is applied as a matter of standard procedure, and the underlying indicators, provided by MSCI ESG and Moody's ESG, are adapted to the geographical, sector and capitalisation size specificities of the companies in question.

The GREaT ratings are updated every half-year and may be updated on an ad hoc basis when a specific risk is identified.
The rating methodology is reviewed at least once each year.
The GREaT scoring tool is further described in section 2.1, p. 31.

FINANCIAL ANALYSIS

The qualitative integration of ESG considerations into financial analysis aims to identify the strengths and weaknesses of companies in relation to sustainability issues. For each issuer analysed, the managers and analysts identify material sustainability issues, i.e. likely to have a significant impact on the issuer's credit quality or valuation. This analysis takes into account the exposure of companies to the material issues identified and the time horizon over which they could materialise, the level of integration of these issues by companies in their strategy as well as the mobilisation of human, financial and technical resources to deal with them. These analyses result in the attribution of a materiality rating, made available to all managers in the financial analysis tool to support them in their investment decisions. The ratings are updated according to new information available and exchanges with the companies concerned or external analysts.

NORMATIVE ANALYSIS

The normative analysis carried out as part of the exclusion process aims to identify companies that are the subject of controversies relating to the violation of the following international standards: the United Nations Global Compact, the OECD Guiding Principles for Multinationals, and assess the proven, severe, repeated and non-corrective nature of these violations.

2.4.2 Risk Management Framework

RULES FOR THE INTEGRATION OF ESG RATINGS INTO THE ALLOCATION

The ESG ratings established on the basis of the GREAT methodology are at the heart of the SRI selection process for securities in the portfolios, based on the exclusion of the worst-rated companies or the overweighting of the best-rated. This means that the ESG approach applied to the selection of securities in the portfolios tends to disqualify the most exposed issuers and to favour those who have the best control over their exposure to sustainability risks. The process is described in section 2.1, p. 31.

NORMATIVE EXCLUSION POLICY

The normative analysis carried out on issuers that are the subject of major controversy is used as material for the deliberations of the LBP AM and TFSA Exclusion Committee. The process is described in section 2.1, p. 31.

ENGAGEMENT AND VOTING POLICY

While the two aforementioned mechanisms are aimed at rapidly and directly reducing the management companies' exposure to risk, LBP AM and TFSA's engagement and voting policy is aimed at mitigating the source of risks – deemed to be of lesser magnitude or less imminent – through proactive action aimed at encouraging invested companies to improve their own management of environmental, social and governance risks. The policy is described on p. 9 and its results in section 2.3, p. 53.

THEMATIC POLICIES

Dedicated thematic policies aim to specify the specific treatment of the main sustainability issues, in a transverse manner to these three systems. These policies are co-constructed by experts from the Solutions team and the management and research teams, and are submitted to the Sustainable Finance Committee for approval, which validates the assumptions and choices made and ensures that the policy is consistent with the management company's overall ESG strategy. These policies define the criteria used for rating, implementing commitment actions aimed at high-risk companies and excluding the most exposed companies. LBP AM-TFSA thus established its own policies on climate, biodiversity, coal, oil and gas, and compliance with fundamental human rights treaties (United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises). These policies are updated periodically, based on an annual assessment of the need for updating. The methodologies and results of these first two policies are described in sections 3.1 and 3.2.

CONVENTIONAL RISK MANAGEMENT FRAMEWORK

Finally, the Risk Department, which is responsible for applying the conventional risk management framework, is directly involved in validating and supervising the application of the above-mentioned measures: participation in the development or validation of policies, control of models, participation in the exclusion committee, pre- and post-trade controls. It has developed an action plan to ensure the gradual integration of ESG issues into its direct investment supervision activity, by prioritising climate risks, due to their systemic nature and the greater maturity of the indicators available.

Focus

Focus on human rights risk management

Human rights risks are analysed using the following tools:

- GREaT's proprietary ESG rating methodology incorporates criteria relating to companies' respect for human rights and rights at work, divided into the "sustainable management of Resources" and "development of Territories" pillars.
- The ESG materiality analysis, integrated into the financial analysis carried out by the research and management teams, incorporates issues relating to respect for human rights, particularly in relation to controversies, into the ESG materiality analysis.
- LBPAM-TFSA, as part of the monitoring of controversies for the implementation of its normative exclusion policy, specific monitoring of human rights risks by relying on various data providers (ISS, Moody's, MSCI, RepRisk), as well as specialised external data, in particular NGO and university reports, or the Business and Human Rights Resource Centre. In order to monitor its exposure to this type of risk across the board (as it does when assessing its exposure to climate and biodiversity risks), by 2023 the management company aims to produce a human rights risk map tailored to its activity and investment strategies.

Several components of LBPAM-TFSA's investment strategy are used to manage the risks arising from human rights issues:

- Stock selection based on ESG GREaT ratings through best-in-class or best-in-universe strategies. When these strategies are applied restrictively in fund management, the most exposed issuers tend to be underweighted.
- The normative exclusion policy based on the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines). Serious, repeated and uncorrected breaches of international standards on human rights, the environment, health, safety and the principles of good governance may lead to the issuer's exclusion, after analysis and possible discussion with the issuer.
- The engagement policy that gives priority to companies with a serious impact or risk of serious impact on human rights, taking into account the LBP AM Group's capital holdings and the weight that these companies represent in the Group's total investments. The aim of these commitments, which may be bilateral or collective, is to tighten companies' practices in terms of due diligence and respect for human rights. The LBP AM Group's expectations are based on the following principles, which are adapted to the company's specific challenges:
  - The implementation of human rights due diligence in accordance with the expectations of the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles on Multinational Enterprises;
  - the identification, prevention, mitigation and remediation of the key risks specific to the sector in which the company operates;
  - the remediation of negative impacts;
  - and consultation with stakeholders and persons affected by the company's activities or their legitimate representatives.

Chapter 3

A close-up on the environment

Across all our asset management activities, we implement an environmental policy aimed at supporting the energy transition in the real economy, ensuring effective management of climate risks and contributing to the preservation of the living environment.

Our environmental range, invested in green assets, enables our clients to make a direct contribution to protecting the environment.

In this chapter, we present in detail our climate and biodiversity policies and how they were strengthened in 2022.

3.1 Our climate policy

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 effects on the people, ecosystems and economic affairs** that has an impact on our portfolios, for example through heightened risks of natural disasters that affect companies, the new regulations that will require them to reduce their greenhouse gas emissions, etc.

Our climate policy is aimed at addressing the climate emergency, across these two dimensions.
Towards this end, we call on 4 levers:

1

Reducing our exposure to high-carbon assets

2

Optimising the choice of companies and sectors in the portfolio to reduce climate risks

3

Engaging and providing support to investee companies in their transition

4

Stepping up investments in companies and projects that provide solutions in favour of the energy transition.

3.1.1 A strategy for achieving carbon neutrality

In 2022, the International Group of Climate Experts (IPCC) published the third section of its assessment report, which reminds readers that in order to achieve the objective of limiting the average temperature rise to 1.5°C by 2100, net global GHG emissions will have to decrease by 43% by 2030 compared to 2019, and be equal to zero by 2050. Devoted to the mitigation actions needed, it describes a series of political, technological, financial and behavioural measures and outlines a profound transformation of society, towards sustainable and resilient consumption patterns, low-carbon technological innovations and well-managed land-use systems, and by limiting the use of carbon capture and storage technologies. This is known as the Energy and Ecological Transition.

The LBP AM Group has defined its climate strategy in particular based on IPCC scenario P2.

In 2021, the LBP AM Group joined the Net Zero Asset Manager Initiative (NZAMi) in order to ensure that its asset management is compatible with the objectives of the Paris Agreement and, in 2022, it defined the decarbonisation path for its portfolios.

The LBP AM Group has thus defined a decarbonisation trajectory for its investments to ensure the carbon neutrality of its portfolios by 2050, including open and dedicated funds, by defining, for the first stage, the objective of aligning 80% of its total assets managed by 2030 with a carbon trajectory compatible with the achievement of the objectives of the Paris Agreement, followed by 100% in 2040[1].

The implementation of this ecological transition ambition across all the portfolios draws in particular on a standard and transparent policy for managing its allocations in fossil fuels (sector-specific policies on thermal coal, oil and gas).

1 target:

80%

of its total assets will be aligned on a decarbonisation target compatible with the objectives of the Paris Agreement from 2030.

1. www.netzeroassetmanagers.org/signatories/la-banque-postale-asset-management-and-toqueville-finance

Concretely, from 2030, the target of 80% of total assets aligned translates into an investment target of 90% of LBP AM's eligible assets[1] in companies with decarbonisation trajectories validated by SBTi as compatible with the emission reduction scenarios needed to achieve the climate objectives of the Paris Agreement.

To set our decarbonisation targets for horizon 2050, with a midway point in 2030, we used the methodology of the Science-Based Targets – Financial Institutions initiative referred to 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."

It was chosen for the robustness of the objective validation process by SBTi, its consistency with the most recent science on the climate, and the concern to enforce the commitment made by LBP AM upon joining the NZAMI to **"Give priority to achieving emissions reductions in the real economy in the sectors and companies in which we invest"**. This is because this methodology actively contributes to sparking and supporting the transition of the companies financed[2]. According to the CDP study conducted in 2022 on the results of the "SBTi targets" campaign, SBTi companies reduce their GHG emissions by 8.8% per year, in line with the overall emission reduction trajectories set out in the sixth assessment report of the 2022 IPCC.

This method currently covers the following asset classes: listed equities and bonds. These asset classes have both alignment assessment methodologies developed by SBTi and a degree of quality and coverage in their data that enable the assessment of portfolio climate performance. The methodology is scalable and will eventually encompass a larger number of asset classes.

To define our trajectory, we:

- **Determined 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;
- **reviewed several factors shaping the development** of 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 development of our strategic allocation so that it can be assessed at 2030.

A methodology for casting the Net Zero alignment objective at the level of our funds is presently in development. The NZAMi also provides for a revision of the Net Zero target every five years or in the event of a change in investment profile.

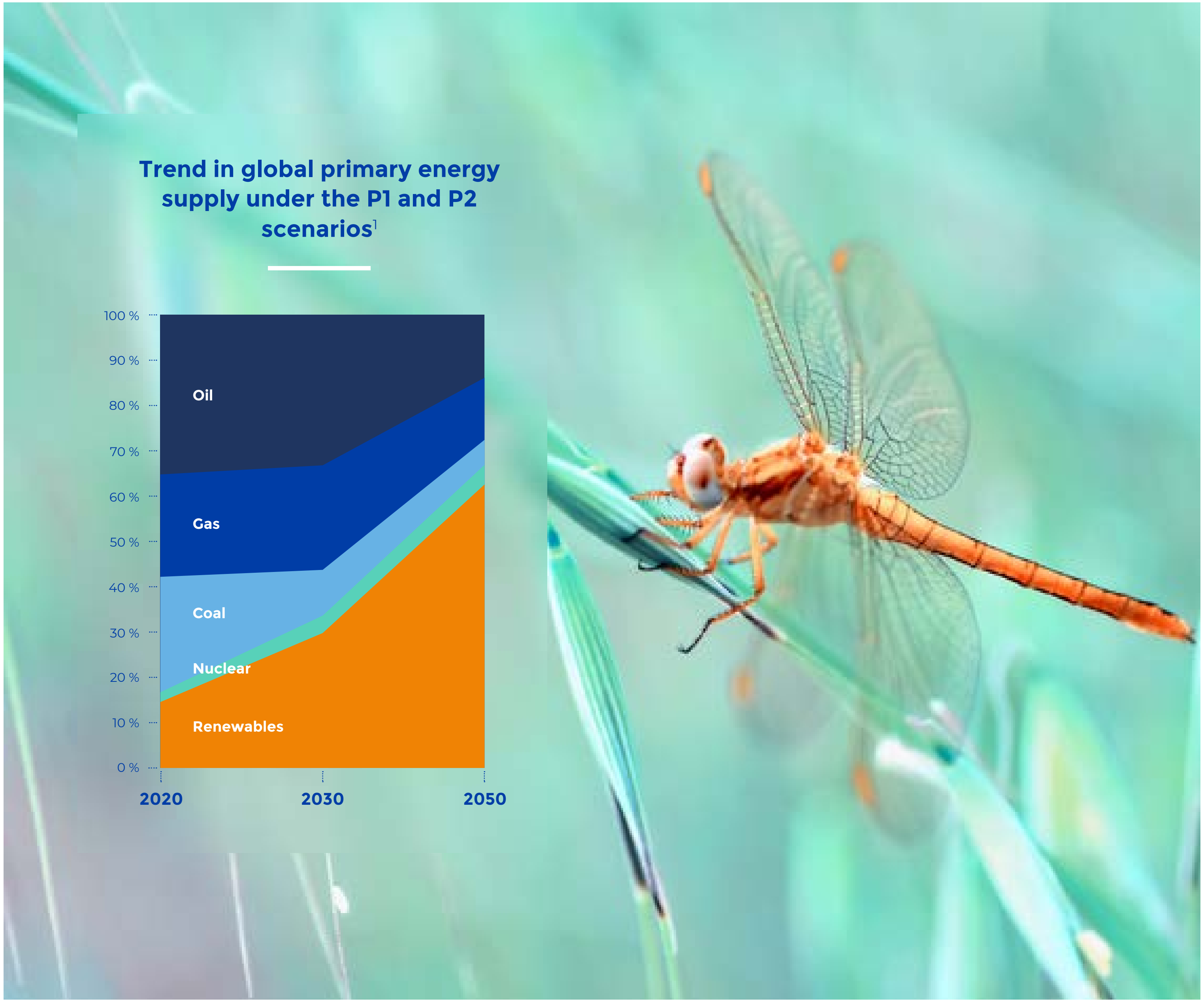
Due to its team's experience in this area, LBP AM participates in initiatives such as Net Zero Asset Managers, IIGCC, GFANZ, Eurosif, Finance for Tomorrow aimed at improving approaches to establishing and monitoring financial institutions' Net Zero objectives.

1. Some of our investments have not yet been subject to the SBT methodology. 2. Conversely, a reduction in portfolio GHG emissions could be achieved by simply shifting the allocation to sectors posting low emissions, without any particular impact on decarbonisation in the real economy. Similarly, we examined the so-called "temperature-based" methodologies and took into account the non-consensual character of existing methodologies and the wide divergence in results obtained by applying these methodologies to the same indices (ILB 2020 "Alignment Cookbook").

The reference climate scenario assumes a rapid and deep decarbonisation of the energy system

Insofar as two-thirds of global GHG emissions come from energy in the IPCC P2 scenario, the proportion of renewable energies 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 proportion accounted for by fossil fuels will fall from around 83% in 2020 to 67% in 2030, and ultimately to 33% in 2050. Coal's share in 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.



1. 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:

- applies to issuers in the mining and power generation sectors, as well as service providers generating revenue derived from thermal coal;
- is aimed at encouraging them to eliminate thermal coal from their operations within the deadlines recommended by science (by 2030 for OECD countries, by 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.

Engage

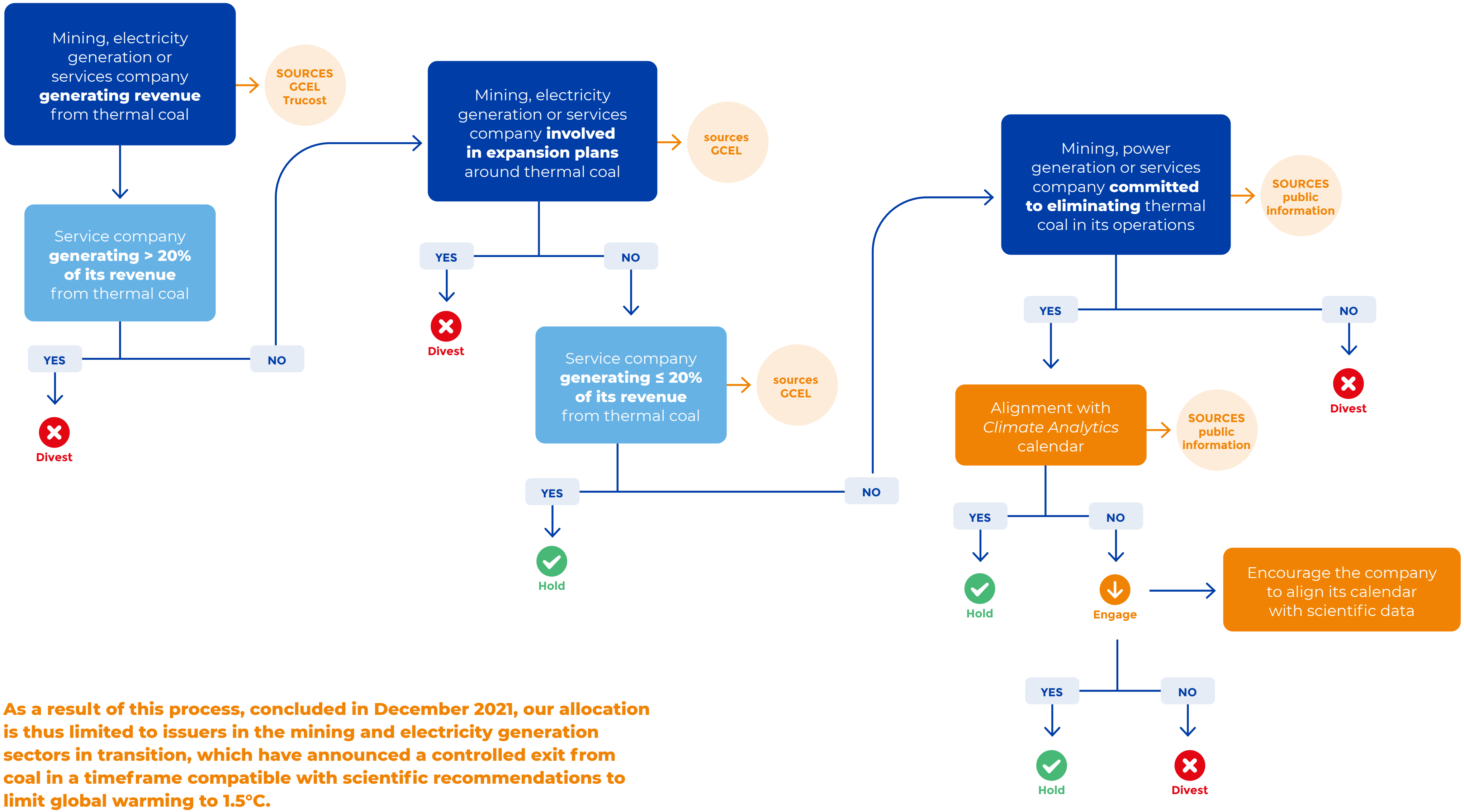
Issuers having communicated about an exit from coal but without a clear timetable. If necessary, commitment opened in Q1 of year N to encourage them to revise their strategy and align it with science. Where appropriate, we ask them to provide a detailed plan justifying the robustness of their new strategy. 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 halting the development of new thermal power plants with no CCS and gradually shutting down the current plants[1]. 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 company or power generator that has not communicated about any commitments to exit coal (by the end of the commitment period).
- Services company generating at least 20% of its turnover. We draw on Trucost's research to identify them.

1. IPCC AR 6 WGIII – p 16

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.

Our total exposure to companies themselves exposed to thermal coal thus amounted to nearly €1.4 billion as at 31 December 2022, with 100% of assets managed in issuers to be maintained as they are committed to an explicit coal exit path.
At 31 December 2021, this exposure amounted to approximately €422 million, and in 2020 to €693 million.

The identification of companies exposed to thermal coal is carried out using an S&P Trucost database, in which companies generating revenue from this resource are pinpointed, then the Global Coal Exit List of the German NGO Urgewald which lists mining companies or companies producing electricity involved in new expansion projects, and service companies generating at least 20% of their turnover related to thermal coal. The S&P Trucost database in question is not open-access and does not any entail redundancy risks to our knowledge. The GCEL database is in open-access, and does not entail any redundancy risks to our knowledge.

THE 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 for 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.

Thus, according to the IPCC, the carbon intensity of primary energy must diminish by approximately 7.7% per year over 2020-50 worldwide to limit warming to 1.5°C. Worldwide 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 dropping by 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.

Against this backdrop, our sector policy on investments in companies and project companies operating (exploration, exploitation, processing, transport, refining and distribution activities, directly or as a partner or shareholder) in the oil and gas sector, in effect since September 2022, sets out the principles applicable by asset management companies in order to:

- **Foster and support 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.

*This policy is expected to enable, by 2030, **sector allocation 100% aligned with an energy transition trajectory** in order to achieve the Net Zero target by 2050.*

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”.

To achieve this target, these 3 levers of action will be used:

1

AN EXCLUSION POLICY

In accordance with the AMF's recommendations, the LBP AM Group has set investment exclusion thresholds for issuers that have not initiated their energy transition or make use of the resources most damaging to the environment.

Concretely, this means that the LBP AM Group:

- does not invest in companies that earn turnover more than 20% exposed to unconventional energies (shale gas, oil from tar sands and heavy oil, ultra-deep sea drilling, resources from the Arctic zone) and in projects dedicated to these energies;
- excludes new projects in fossil fuels;
- does not refinance any existing project in these energies where the energy mix is not aligned with that recommended by the IEA's Net Zero scenario;
- excludes companies in the sector that have not yet initiated their energy transition.

2

AN ENGAGEMENT POLICY

LBP AM develops stringent shareholder dialogue with oil and gas companies to support them in their energy transition.

We ask them:

- to adopt a transition strategy aligned with a 1.5°C scenario, based on comprehensive, transparent GHG emission reduction targets aligned with the global carbon neutrality target by 2050,
- redirect their business models towards decarbonised energies and services, in particular halting exploration and development of new fields, with a midway review to be held in 2025. From that date on, the cessation of investments in exploration of new oil and gas reserves as well as the approval of the development of new oil and gas fields, will become a criterion for the disposal of portfolios, on a case-by-case basis.

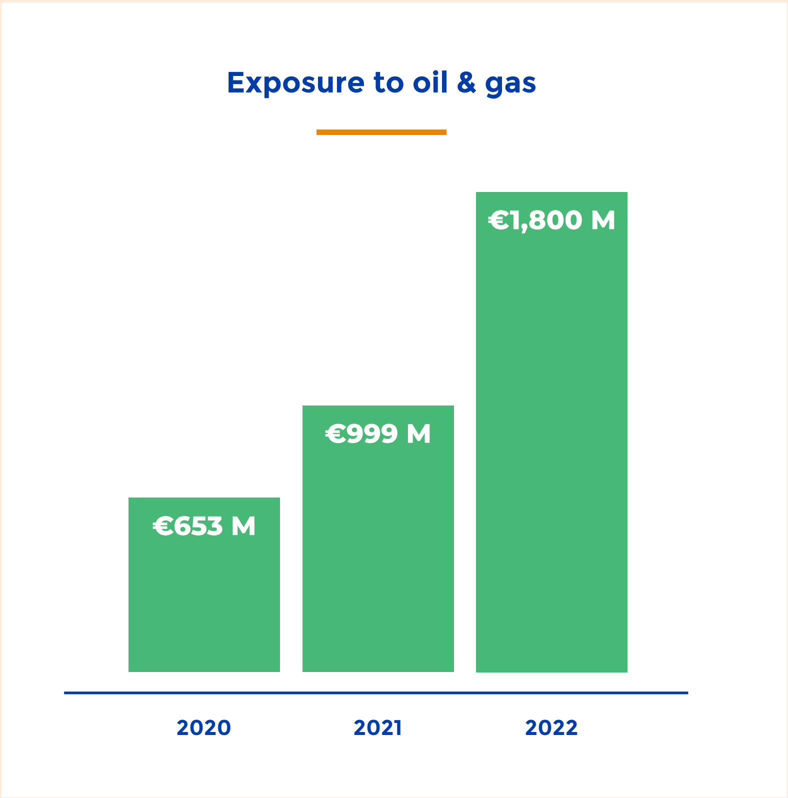
We also require transparency on the company's exposure to climate risks and an energy transition strategy that makes it possible to control them; particular watchfulness with regard to the development of unconventional energies; clear and consistent governance as well as a policy of influence favourable to the energy transition.

3

AN ANALYSIS AND SELECTION POLICY

LBP AM analyses any investment in projects and companies in the sector with regard to its level of alignment with the energy transition.
These analyses, based on our proprietary rating model comprising some thirty criteria, inform the selection of its investments.

To find out more: our oil and gas policy



As at 31 December 2022, our exposure to issuers in the oil and gas sector amounted to €1.8 billion.
As these exposures are largely in equities, we were able to take a proactive stance on shareholder dialogue with players in the sector.

This identification of companies exposed to oil and gas is carried out using data provided by S&P Trucost, to identify companies according to the percentage of turnover generated from the extraction and/or production of non-conventional fossil fuels. Insofar as companies with exposure to unconventional energies are very generally exposed to conventional energies, we can then deduce what our total exposure to oil and gas will be. The S&P Trucost database in question is not open-access and does not any entail redundancy risks to our knowledge.

3.1.3 Optimising 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. In addition, we monitor the exposure of all our portfolios to climate risks and the level of their alignment with the objectives of the Paris Agreement.

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.

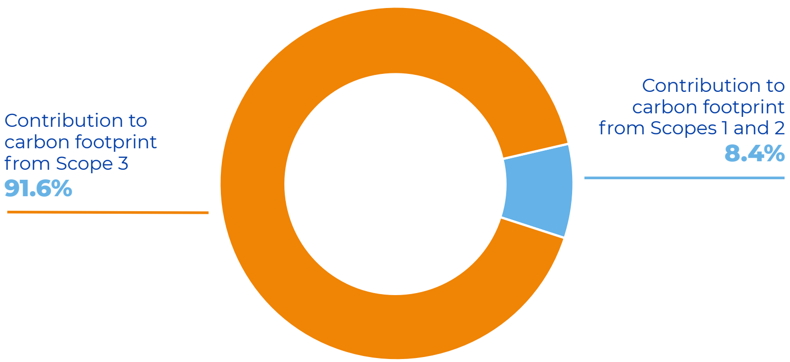
This automatic rating makes it possible to assess the robustness of issuers' climate strategy by taking a critical look at their operations, products and services. This rating is based on some fifteen indicators collected from specialised rating agencies.

MEASURING THE CARBON FOOTPRINT OF INVESTMENTS

This carbon intensity in our investments is defined as the companies' GHG emissions, stated in tonnes of CO_2 equivalent, relative to the amounts invested. It 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 2022, the LBP AM Group's carbon footprint amounted to 739 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 62 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



Methodology applied

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 power generators using the energy mix);
- **modelling** by business sector. This approach is preferred for companies that do not publish any information on their GHG emissions.

Based on the issues of each investee, we calculate the proportion of these issues attributable to our portfolios, in proportion to our level of ownership in the financial structure of these companies. These tonnes of emissions "attributable" to LBP AM or TFSA are then set in a ratio against one million euros invested, in order to enable comparison between portfolios and over time.

Focus

LBP AM partners with Greenly to measure the carbon footprint of its investments in corporate debt and support companies' transition

In order to measure the carbon footprint of its investments in corporate debt, LBP AM has chosen to partner with Greenly, a specialist in the digital management of low-carbon strategies. These data also support financed companies in their transition to a zero-carbon economy.

The Greenly for Finance platform, for instance, dedicated to management companies and investment funds of all sizes, allows LBP AM's corporate private debt management to monitor the carbon footprint of portfolio companies in real time and in an automated manner, based on international carbon accounting standards such as the GHG Protocol, and thus to engage them in their decarbonisation trajectory.

Thanks to this partnership, LBP AM has tools to supplement its proprietary GREaT methodology and thus strengthen the selection process for its LBP AM Mid Cap Senior Debt fund, currently being raised. Classified as Article 9 according to SFDR, this fund is aimed at helping speed up the transition of private sector companies to a more sustainable economy. 100% of financing is thus backed by at least one sustainability indicator and ambitious improvement trajectories co-constructed with company managers, with an impact on the credit margin, depending on whether the target trajectories are achieved.

MONITORING OF PORTFOLIO ALIGNMENT WITH PARIS AGREEMENT OBJECTIVES

LBP AM applies the SBTi market portfolio coverage method. Net Zero analysis comes from external data and valuations, which LBP AM buys from CDP via a database called CDP Temperature Ratings. It contains all SBTi data and aggregates the statements of companies that have responded to its annual climate change questionnaire.

There are methodological limits on the scope of application of SBTi methodology, particularly for asset classes and business sectors that do not have an SBT assessment methodology. In addition, it should be noted that there are a number of difficulties in implementing this objective:

- the still limited availability of data;
- the low predictability of companies' decarbonisation trajectories;
- increased complexity depending on the type, size and geographical area of the issuers;
- limited control over the results of shareholder engagement activity;
- difficulties in anticipating the evolution of strategic asset allocation up to 2030, particularly given the current uncertainties on the financial markets;

All data used in the analysis of the Net Zero alignment rate are data reported by the companies, as part of their SBTi objective or during annual reporting to CDP.

MOBILISING THE RISK FUNCTION

Climate risk is considered by central bankers as a systemic risk that can significantly impact the stability of the financial system at the global level.
Some central banks (e.g. European Central Bank, Banque de France) have launched programmes aimed at developing and improving climate risk assessment approaches. The methodologies for assessing the effects of climate change and the energy transition are still recent but allow us to assess the main portfolio exposures to physical risks, specifically the negative effects of climate change, and transition risks, meaning the political measures and changes in consumer appetite to combat warming.

Assessing physical risks

For the analysis below, we use the supplier MSCI ESG and its Climate Value-at-Risk (CVaR) methodology, for 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, heat waves, 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 are 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 catastrophes.

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.);
- the 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.

Cost of climate risk as % of eligible assets covered

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

This ratio is 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.

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

8.4%

of the net assets under management.

This value is:

7.8%

for the portfolio's benchmark index.

This analysis is based on information provided by MSCI ESG on more than 93% of the assets invested in securities eligible for the measure.

Transition risk assessment

For the analysis below, we use the supplier MSCI ESG and its Climate Value-at-Risk (CVaR) methodology, for the transparency and granularity of this methodology.

ANALYSIS METHODOLOGY

Transition risks are those that might arise, for instance, from any of the policies instituted 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 proportion 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 required GHG reduction is multiplied by an estimated CO2 price to arrive at a final cost.

RESULTS OF THE ANALYSIS

According to scenario P2, transition risks amount to slightly less than

11.8%

of the assets managed in all our portfolios.

This value is:

12%

for the composite benchmark index, a level slightly lower than the transition risks observed.

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 greater than those found in the composite benchmark index (9.3% vs. 6.8%).

These results are based on information available for more than 96% of the assets invested in assets securities for measurement.
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.

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

SUSTAINABLE INVESTMENT THEMATICS

As at 31/12/2022,

€7.4

bn in assets (equity funds) **were exposed to securities and projects providing solutions in favour of the energy transition**, via their product and service offerings, as identified by the taxonomy defined by the Greenfin government label.

In addition, to promote sustainable investment, the Taxonomy Regulation (Regulation (EU) 2020/852) establishes a common classification system for the European Union to identify those business activities considered to be sustainable. A business activity is deemed to be "eligible", in other words, likely to make a substantial contribution to each European environmental objective, if it is included in the evolving list of activities included in the delegated acts of this regulation. An eligible business activity is not necessarily one that meets the technical criteria for deeming that it is aligned with European taxonomy.

Share in total assets of exposures to **economic activities eligible for the taxonomy** (regulatory ratio)	**5.0%**
Share in total assets of exposures to **economic activities not eligible for the taxonomy** (regulatory ratio)	**95.6%**
Share of total assets entailing exposures to **central governments, central banks or supranational issuers**	**14.70%**
Share of total assets entailing exposures to **companies that are not subject to non-financial information** *pursuant to Article 19 bis or article 29 bis of Directive 2013/34/EU*	**75.70 %**
Share of total assets **accounted for by derivatives**	**- 0.5%**

The increase in these assets in line with a sustainable taxonomy 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 renewable energy solutions, green buildings and energy efficiency, waste recovery and the circular economy, sustainable mobility, organic and sustainable agriculture, smart grids and low-carbon information technologies. This effort is reflected in the creation of dedicated, listed and unlisted thematic funds.

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: LBP AM ISR Actions Environnement, LBP AM ISR Global Climate Change and LBP AM Infrastructure Debt Climate Impact Fund.

LBP AM 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:

- **falling within one of the six environmental thematics 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;
- **earning a rating considered positive** with regard to the four axes of our GREaT non-financial analysis methodology.

LBP AM ISR Global Climate Change

This SRI-labelled fund is the global version of the previous one. The companies in which the fund invests must fulfil a dual requirement:
falling within one of the six environmental thematics (sustainable agriculture and food, green buildings, the circular economy, renewable energies, environmental services and solutions, sustainable transport and mobility);
and earning a rating considered positive with regard to the four thrusts of our GREaT non-financial analysis methodology.

LBP AM Infrastructure Debt Climate Impact Fund

This fund, classified Article 9 according to the SFDR regulations, offers institutional investors senior debt financing in continental Europe and aims to contribute to the energy transition, by targeting three sectors:

- **renewable energies** (solar panels, wind turbines and circular economy);
- **electric transport** (public transport, low-impact mobility and rail transport);
- **energy efficiency** (smart grids, smart storage and meters, heat pumps, energy-efficient buildings).

An objective impact measurement is carried out by Carbone 4, at the asset and portfolio level, based on 3 indicators:

- **the "green share"**, i.e. the percentage of alignment of each asset and the portfolio with the new European Taxonomy. The fund has set itself the target of a minimum of 70% green share in its portfolio;
- **the carbon footprint**, calculated in the equivalent of tonnes of CO_2 avoided;
- **temperature alignment**, controlled with the CIARA tool, developed by Carbone 4 and sponsored by LBP AM.

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

3.1.5 Supporting investee companies 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** about an issuer's decarbonisation strategy;
- **influence that issuer 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, to improve the management of our risks** connected with the climate.

It is exercised through a variety of levers:

- **exercising voting rights** at general meetings, for example in support of resolutions that foster the strategic integration of climate issues;
- **individual engagement**, for the definition of a robust transition plan and in particular the implementation of the coal policy and the oil and gas policy of the LBP AM Group;
- **collaborative engagement**, used to achieve the same objectives.

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 sustainability performance document

"SAY ON CLIMATE", A STEP FORWARD FOR SHAREHOLDER DEMOCRACY AND FOR THE CLIMATE

In early 2022, LBP AM and TFSA set out their voting policy on the energy and ecological transition strategies to be put to the vote – so-called *Say on Climate* resolutions – thus specifying their shareholder engagement policy. This policy is actively applied so as to encourage investees to develop transition plans that will help them align themselves with the objectives of the Paris Agreement.

LBP AM and TFSA paid particular attention to the transition plans/climate strategies at general meetings, focusing primarily on:

- **the existence of precise** greenhouse gas emissions reduction targets in the short and long term on a relevant scope;
- **their level of ambition**, in light of 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 institution** of criteria in the variable remuneration of managers that are aligned with the climate and environmental objectives announced by the company.

In 2022, LBP AM and TFSA had the opportunity to formally voice their opinion on 30 *Say on Climate* resolutions, and opposed 13 resolutions, the underlying plans of which did not meet the criteria set out in its voting policy. LBP AM and TFSA opposed all the *Say on Climate* resolutions of oil, gas and mining companies. These votes were consistent with the dialogue initiated with some of these companies to support them in this transition process.

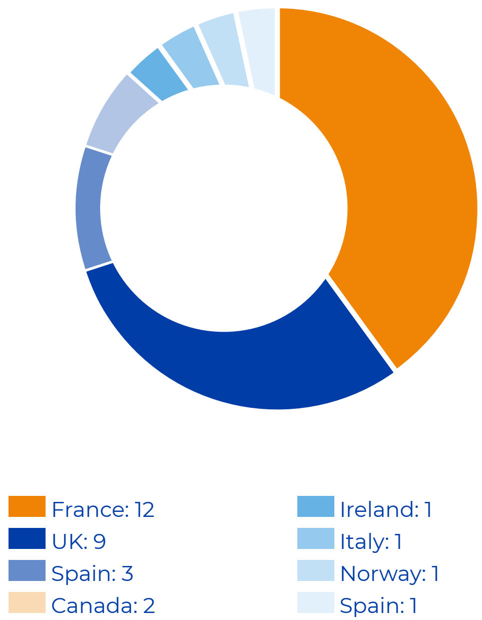
LBP AM's *Say on Climate* votes by sector

6 AGAINST	Oil, gas, fuels
4 IN FAVOUR	Transport infrastructures
4 IN FAVOUR	Real estate investment funds (FPI)
2 AGAINST	Capital Markets
2 AGAINST	Metals and mining
1 AGAINST 1 IN FAVOUR	Road and rail transport
2 IN FAVOUR	Electricity utilities
2 IN FAVOUR	Multiple utilities
1 AGAINST	Banks
1 IN FAVOUR	Food and distribution of consumer products
1 IN FAVOUR	Insurance
1 IN FAVOUR	Commercial services and sourcing
1 IN FAVOUR	Construction and engineering
1 IN FAVOUR	Construction materials
1 AGAINST	Real estate management and development
1 IN FAVOUR	Water services

13

LBP AM **opposed 13 resolutions** due to plans that failed to meet the criteria set out in the voting policy.

LBP AM's *Say on Climate* votes by geography



This vote was consistent with the dialogue initiated with some of these companies to support them in this complex transition process.
Whenever LBP AM opposes a *Say on Climate*, the reasons for this vote are sent to the company with the aim of supporting the implementation of best environmental practices.

In addition to the active exercise of voting rights, the shareholder commitment of LBP AM and TFSA is also reflected in its involvement in bilateral and collaborative initiatives.

For Transition Plans:

45

commitments

have been run with

40

companies

on the climate in 2022.

THE COMMITMENT WITH TOTALENERGIES: FOR AN INCREASE IN THE ENERGY TRANSITION AMBITION

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.

Accordingly, in 2022, LBP AM/TFSA continued its engagement campaign with TotalEnergies, in collaboration with a group of investors, by co-submitting a draft resolution. The aim was to achieve greater transparency on its climate strategy so that investors could objectively assess the company's alignment with a scientific scenario. The resolution was withdrawn following commitments made by the company on climate transparency at a dialogue with LBP AM.

Total Energies has thus undertaken to publish:

- **its absolute and relative reduction targets for greenhouse gas emissions** (GHG) in Scopes 1, 2 and 3 in the short (2025) and medium term (2030), covering all the company's activities;
- **its energy mix and production volume trends** targeted for these deadlines;
- **short- and medium-term investment plans**, broken down by sector and by intention, between maintaining and expanding the company's assets;
- **the potential contribution of the GHG emissions** captured to the achievement of the company's GHG emission reduction targets;
- **the work carried out with third parties** to assess the relevance of these objectives with regard to the implementation of the Paris Agreement.

In addition, Total Energies undertook to submit its climate strategy annually to the General Meeting for an advisory vote. This demanding and constructive dialogue is intended to be anchored for the long term, to ensure that the Group achieves its objectives and steps them up gradually.

ENGAGEMENT WITH ENGIE: FOR GREATER TRANSPARENCY ON THE TRANSITION PLAN

In 2022, LBP AM/TFSA also participated in a collaborative engagement campaign, run by the Responsible Investment Forum, aimed at encouraging Engie to make its transition plan more comprehensive and submit it to shareholders' vote once again. The coalition noted real progress on ENGIE's part in 2022, with in particular the validation of several carbon targets by the SBTi initiative as being in line with a trajectory significantly below 2°C but nevertheless wanted the company to improve the transparency of its transition plan. The coalition of investors thus sent a letter to the Chairman of the Board of Engie and arranged for several meetings with the company in order to discuss multiple topics, many of which are common to those dealt with through the Climate Action 100+ initiative (transition plan, climate lobbying, coal exit strategy, alignment with a 1.5°C scenario, just transition), supplemented by other more specific issues (biodiversity, methane, biomethane). This engagement campaign is still ongoing but is already bearing fruit, as the company has already communicated certain elements requested by the coalition.

PARTICIPATION IN THE CDP'S "TRANSITION PLAN" CAMPAIGN

The "Transition Plan" engagement campaign organised in 2022 by the Carbon Disclosure Project (CDP) aimed at encouraging companies to improve the quality and transparency of their decarbonisation plans, as well as to support the implementation of engagement actions. In this context, LBP AM/TFSA assessed more than 200 business transition plans based on a database provided by the CDP, on topics such as governance, strategy, financial planning, and objectives and actions to reduce greenhouse gas emissions. LBP AM/TFSA engaged with nine companies, through individual letters, to push them to take their transition plans deeper.

As a result of this campaign, 88% of the companies targeted by LBP AM/TFSA have improved their level of transparency on their transition plans and provided more details on how they intend to achieve their Net Zero target. In 2023, LBP AM/TFSA will continue to support this campaign.

LBP AM/TFSA also supported the "Science-Based Targets Campaign", which aims to encourage more than a thousand companies between October 2022 and October 2023 so that they can commit to the Science-Based Targets initiative. By committing to SBTi, companies adopt decarbonisation targets validated by science and aligned with the scenario limiting global warming to 1.5°C.

To find out more: the CDP's "Transition Plan" campaign

"The CDP's "Transition Plan" commitment campaign helps both investors and companies to establish ***a common framework for defining transition plans and monitoring progress****"*

AS REGARDS SECTOR POLICIES ON FOSSIL FUELS: ENGAGEMENT WITH HSBC

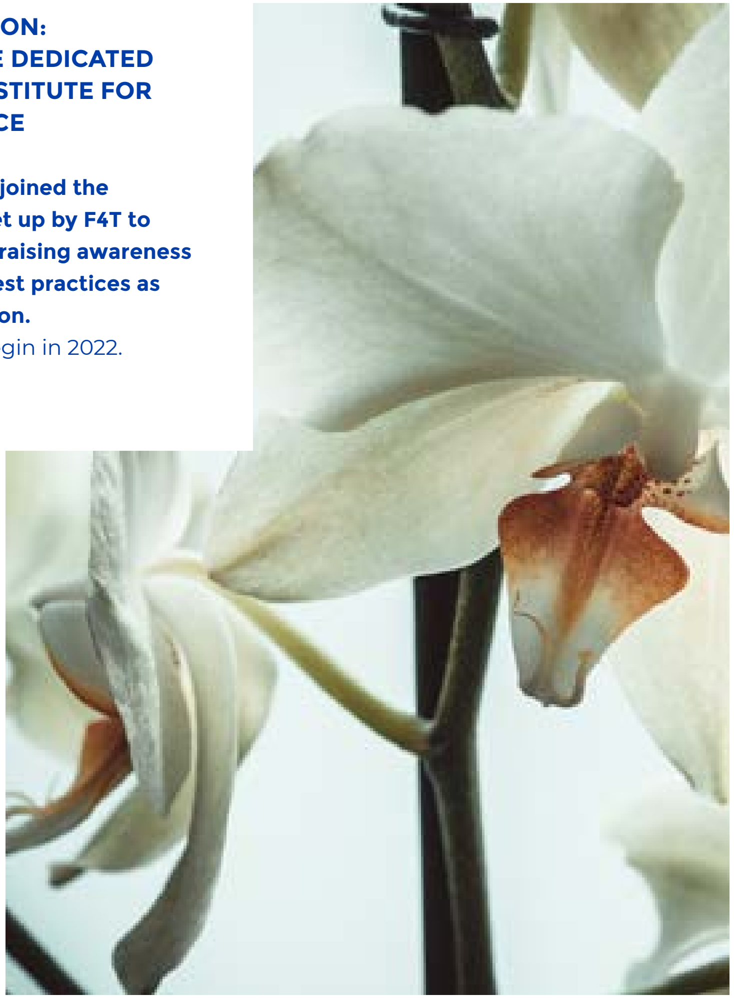
LBP AM and TFSA participated in a collaborative engagement action coordinated by the UK ShareAction initiative since 2021, to urge the company to define a transition plan with 13 short-, medium- and long-term targets, including a clear timetable to reduce its exposure to fossil fuels, starting with the 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.

In 2022, the engagement campaign with the HSBC was continued in order to encourage it to strengthen its transition plan, in particular by defining specific objectives and through a sectoral policy on fossil fuels. Thus, at the end of the collaborative dialogue organised by ShareAction, HSBC made commitments to supplement its coal policy and develop its oil and gas policy, and the resolution was withdrawn.

FOR A JUST TRANSITION: INVOLVEMENT IN THE DEDICATED INITIATIVE OF THE INSTITUTE FOR SUSTAINABLE FINANCE

2021, the LBP AM Group joined the engagement coalition set up by F4T to contribute to analysing, raising awareness about and developing best practices as regards the Just Transition.
This commitment will begin in 2022.



Focus

Climate risk management

Issuers' climate risks are analysed and monitored as follows:

- **The proprietary ESG rating methodology** GREaT incorporates climate risks in its "Energy Transition" pillar based on indicators provided by MSCI ESG and Moody's ESG. For real and private asset funds, the indicator is calculated on the basis of a proprietary analysis grid, the data for which is received directly from companies.
- **The ESG materiality analysis**, integrated into the financial analysis carried out by the research and management teams, qualitatively reviews the physical and transition risks considered material for the issuer.
- **Ad hoc measurement indicators**, applied to all LBP AM-TFSA investments.

Several components of LBP AM/TFSA's investment strategy are designed to contain the physical, transitional and controversial risks associated with climate change:

- **stock selection based on the ESG GREaT** ratings through best-in-class or best-in-universe strategies. The mandatory application of these strategies in fund management tends to underweight the most exposed issuers;
- **in addition, the qualitative analysis** carried out by the research and management teams enables fund managers to identify the most exposed issuers, so that they can make investment decisions accordingly, using an ESG integration approach;
- **the portfolio transition strategy** deployed as part of LBP AM/TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. In 2022, this ambition materialised in a commitment by the company to achieve 'Net Zero' alignment for 80% of assets under management by 2030;

Net Zero Strategy

- **sector-specific exclusion policies** on coal, oil and gas make it possible to control the company's exposure to these sectors highly exposed to transition and reputational risks. The societal objective of this approach is to avoid accentuating the locking-in effects of regional economies and investee companies fossil fuels. The financial objective is, where applicable, to avoid increasing the risk of stranded assets or decline in high-emission commercial activities resulting from a successful energy transition, as recommended by the IPCC, depending on the operating cost of the assets and positioning in the value chain.

Coal policy

Oil and gas policy

- **The engagement and voting policy** includes several items contributing to portfolio climate risk management. In line with its transition ambition, LBP AM pursues a policy of active engagement with companies to encourage them to initiate or speed up the transition of their business model, in particular through the formal institution of robust transition plans.

3.2 Our biodiversity policy

There is an urgent need to reduce the loss of biodiversity, which is one of the United Nations Sustainable Development Goals which we must achieve in order to maintain a viable world as at 2030. This is the subject of the United Nations Convention on Biological Biodiversity and its Conference of the Parties (COP) at the international level, but also of European and national policies.

To meet these challenges, in 2022, LBP AM and TFSA have committed through a cross-cutting biodiversity policy. LBP AM and TFSA wish to draw on all the levers of action available to them to align their action with the Global Biodiversity Framework for the post-2020 period[4], which will guide action in favour of the protection of life at the international level.

1. IBPES Global Assessment Report, 2019. 2. Living Planet Report, WWF, 2022
3. IBPES Global Assessment Report, 2019. 4. https://www.unep.org/resources/kunming-montreal-global-biodiversity-framework

This biodiversity policy makes use of the following levers.

LBP AM and its subsidiary Tocqueville Finance published a cross-cutting biodiversity policy in 2022 aimed at meeting 16 of the 21 targets set out in the first draft of the Global Biodiversity Framework for post-2020. With this policy, LBP AM and Tocqueville Finance confirm their intention to respond to the challenges of preserving life through multiple levers:

1

AN INTEGRATION POLICY: integrating biodiversity into the proprietary investment rating system, GREaT, as a matter of standard procedure. The portfolio biodiversity footprint is calculated using the footprint methodology on the Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM (BIA-GBS) created by CDC Biodiversity and Carbon 4 Finance

2

AN EXCLUSION POLICY: commitment to exclude companies with a significant impact on biodiversity that do not implement remediation plans. The “Biodiversity” exclusion list is compiled once two stages have been completed: a quantitative analysis based on 3 criteria to identify companies with a significant impact on biodiversity, and a qualitative analysis of the policies and practices of these companies (see details of the criteria on page 13 of the “biodiversity policy” document)

3

A SHAREHOLDER ENGAGEMENT POLICY: dialogue with the investee companies to encourage them to reduce their impacts on biodiversity and control their dependence on natural capital. This policy is based on a plurality of collaborative commitments addressing targeted thematics – such as the publication of companies’ action plans – and bilateral commitments with companies whose change of practices may represent a significant issue.

4

A CSR POLICY: integrating employee awareness and training aimed at encouraging eco-friendly actions and reducing the biodiversity footprint of LPB AM and Tocqueville Finance.

5

AN INFLUENCE POLICY: support regulatory initiatives that aim to strengthen the action of companies – including financial companies – in favour of biodiversity, by responding to consultations on frameworks such as the TNFD (Task Force on Nature-Related Financial Disclosures) or the EFRAG (European Financial Reporting Advisory Group) standards on sustainability reporting and on regulations such as that concerning deforestation imported into the European Union. LBP AM/TFSA supported the text drawn up by the PRI, UNEP-FI and La Finance for Biodiversity Foundation ahead of COP 15 highlighting the importance of financial institutions in achieving biodiversity conservation and restoration objectives.

Our measures contribute to 16 of the 21 target actions defined by the Global Biodiversity Framework project, making LBP AM and TFSA, at their level, central to the actions to be implemented by governments, private actors and citizens to conserve nature.

In 2022, when its Biodiversity Policy was publicly unveiled at the beginning of December; LBP AM/TFSA wished to highlight in a mapping the link between the actions undertaken and the targets set by the first draft of the Global Biodiversity Framework which served as the basis for exchanges during the 15th edition of the CBD COP. This shows how the investor can contribute to achieving the targets set out in the text.

These actions include:

- **Shareholder engagement:** which makes it possible to promote good practices and encourage the monitoring of benchmark standards on high-impact topics in connection with the 5 pressures of the IPBES in order to reduce the contribution to these pressures (see p. 18 of the Biodiversity Policy in order to access matches between the different thematics of collaborative commitments and the pressures as defined by the IPBES).

  The aim of the individual commitments is to establish a global strategy on the part of the company with which dialogue is open, ranging from the assessment of its impacts, dependencies and risks, to the setting of objectives and the implementation of an action plan to achieve these objectives. The use of a pilot version of the TNFD to work on this point as well as the approach proposed by SBTn for establishing trajectories is strongly encouraged.

- **Voting at General Meetings and the inclusion of biodiversity in climate objectives** (Say on Climate).
  Say on Nature resolutions are encouraged in order to promote the presentation of biodiversity transition plans to the vote of shareholders.

  Say on Nature resolutions are also studied from the point of view of the actions taken by the company in favour of biodiversity and the way in which the biodiversity/climate nexus is included in its transition plan. This practice makes it possible to reduce the collateral impacts on biodiversity that could be caused by actions considered in silos without taking climate and biodiversity issues together.

Exclusion from the investable scope:
For companies belonging to sectors with a high potential impact on nature (high potential impact and high dependence), as determined by ENCORE using a footprint assessment tool, companies with an impact significantly greater than that of their peers are expected to have implemented policies and actions enabling them to manage and reduce their impact on nature, in order to demonstrate their transition to production methods that have less impact on living organisms.
Where appropriate, the company may be excluded from the investment universe.
The aim of this lever is to reduce the asset manager's exposure to activities that are harmful to the environment, thus making it possible to redirect its financial flows to companies with best practices.

Data steering and integration into investment strategies.
The inclusion of data points relating to nature, through which portfolio managers can be informed of the impact of the companies invested in or analysed on biodiversity criteria, enables an informed decision as to the impact generated by the trades carried out. The biodiversity footprint calculated using the Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM (BIA-GBS) created by CDC Biodiversity and Carbon 4 Finance is a measure that can be viewed and steered across all funds in the LBP AM/TFSA range.
Consequently, within LBP AM/TFSA's proprietary GREaT rating, a "Biodiversity and Water" criterion is included in the "Sustainable Resource Management" pillar consisting of indicators from 2 data providers making it possible to rate a company's practices on its use of land, water and its impact on biodiversity. This criterion is aggregated with other ESG issues within the overall rating, which is stirred at the level of all funds in the AM/TFSA LBP range; which follow the criteria of the French SRI label.

A dedicated product is launched:
In November 2021, and to contribute to the mitigation of biodiversity loss, LBP AM/TFSA launched an international equity fund, Tocqueville Biodiversity SRI, to finance companies that are leaders in their sectors in terms of the sustainability of their practices with regard to biodiversity; and companies that offer products and services to reduce the impacts on biodiversity.

In particular, pressures:
- "land and sea use change" is addressed through investment in the agricultural sector by fostering regenerative agriculture or sustainable aquaculture;
- "overexploitation of resources" is addressed by the promotion of a circular economy that reduces the use of animal and plant resources by moving away from the linear production methods used in our current economy.
- "pollution" by investing in depollution strategies or alternative solutions to polluting activities.

CSR and philanthropy
The CSR component allows LBP AM/TFSA to act on its direct activities in order to be aligned with the expectations addressed to investee companies.
Philanthropic activities carried out through shared stakes or the redistribution of costs such as actions undertaken with the Nature 2050 programme make it possible to participate in the restoration of biodiversity of sites with high environmental value.
In 2023, the mapping will be updated in order to align with the final text of the Kunming-Montréal Framework.

La Banque Postale Asset Management, alongside La Banque Postale, is actively participating in various working groups as part of the signing of the "Finance for Biodiversity Pledge", which is naturally part of La Banque Postale Asset Management's roadmap.
Banque Postale Asset Management, as part of one of these working groups, is looking into establishing quantitative targets associated with 2030 on biodiversity but did not formalise any in 2022.

For more information: our biodiversity strategy

Finance for Biodiversity Pledge

Since 2021, LBP AM has been a signatory to the Finance for Biodiversity Pledge[1] alongside its parent company La Banque Postale.

Through this international initiative, we are committed to:

- **sharing the knowledge** we gain with other investors;
- **measuring our impact** on biodiversity;
- **setting goals for ourselves** to reduce this impact;
- **engaging in dialogue** with investee companies on the subject of biodiversity;
- **reporting publicly** on our actions.

Our biodiversity policy is one of the key drivers in implementing this commitment.

1. www.financeforbiodiversity.org/about-the-pledge

3.2.1 Measuring our biodiversity footprint

LBP AM/TFSA works with the Global Biodiversity Score from the BIA-GBS database of CDC Biodiversity and Carbon4 Finance.
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 (IBPES):

- **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.

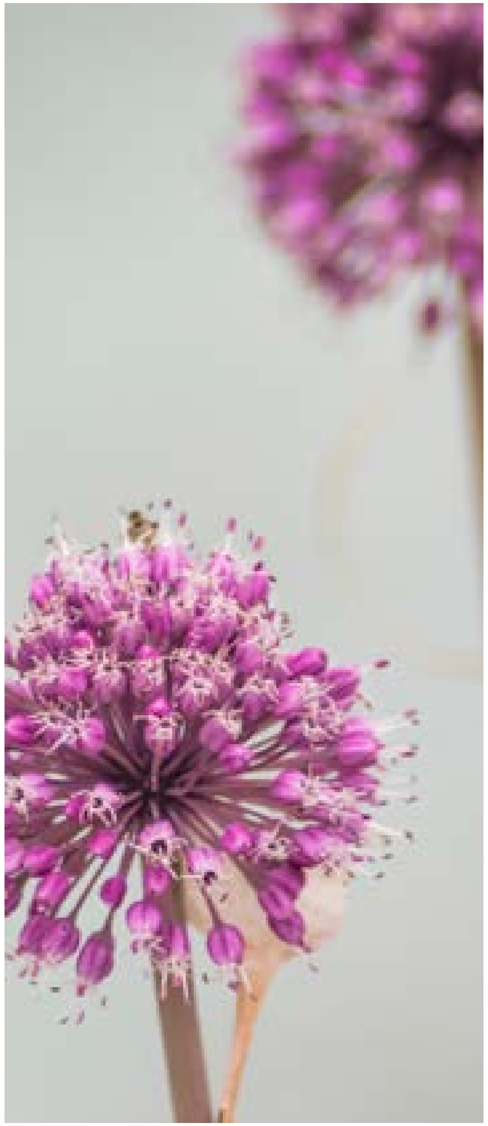
1 MSA.km²
lost
is equivalent to
1 km²
of full concrete overlay on virgin natural land

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.
The model is based on estimates, informed by the GLOBIO model and the EXIOBASE database.

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

56%
of assets covered by the indicator

3.98
MSA.km²/ €K invested in the Dynamic Land Footprint

65
MSA.PPB*
per million euros invested

7.18
MSA.km²/ €K invested in the Static Water Footprint

96.6
MSA.km²/ €K invested in the Static Land Footprint

0.07
MSA.km²/ €K invested in the Dynamic Water Footprint

Scope: all assets in listed equities and corporate bonds.

This footprint measurement makes it possible to report on the impacts of the companies invested by the management company and to take it into account in the investment process, in order to tend towards a reduction in this footprint. It is for instance used to manage the Biodiversity Fund (Tocqueville Biodiversity SRI) to direct the weighting of companies in the portfolio.

3.2.2 Engaging businesses in favour of biodiversity protection

To move beyond the analysis of their footprint, LBP AM and TFSA have instituted their first biodiversity commitment policy.

In 2022, LBP AM made 64 commitments on this thematic.

15 commitments were carried out in particular in the fields of deforestation risk management in sectors exposed to the exploitation of the main commodities at risk (palm oil, soya, cattle and its derivatives, rubber, wood and cocoa). LBP AM and TFSA's policy of commitment to the fight against deforestation 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.

The international network of investors, Farm Animal Investment Risk & Return (FAIRR), encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. The network is carrying out a number of targeted commitment actions, for example to encourage **the reduction of antibiotics in livestock farming or to promote the transition to sustainable protein sources.** LBP AM and TFSA take part in FAIRR's consultations and collaborative engagement campaigns on the following thematics: sustainable aquaculture, sustainable proteins, biodiversity and pollution & antimicrobial and antibiotic resistance. 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. In 2022, LBP AM sent letters requesting improvements in practices on these thematics to 47 companies primarily based in North America and Europe and in the meat and food industry as well as packaging materials.

In 2022, LBP AM also participated in the CERES-coordinated engagement campaign for **sustainable production of agricultural raw materials**. This initiative brings together international investors who wish to contribute to the fight against deforestation, mainly due to the breeding and cultivation of oil and soya palms. Each year since 2020, the LBP AM Group has engaged at least one company producing agricultural commodities on the theme of deforestation in order to encourage it to set a target dated to the end of the use of deforestation and the conversion of agricultural land by implementing an action plan monitored using indicators.

A fund launched in favour of biodiversity conservation

In 2022, LBP AM and TFSA launched the Tocqueville Biodiversity SRI fund, with the support of CNP Assurances, which has committed to investing €120 million.

This new global equity fund, classified "Article 9" under SFDR, is aimed at investing in companies which, through their products or services, contribute to mitigating the pressures on biodiversity; or companies in high-stakes sectors that have begun to transition their activity towards more sustainable processes.

Within this universe, the management team has four implementation levers:

Identifying solutions:
the fund selects companies that market products or services, helping to reduce pressures on biodiversity, particularly on the following four thematics:

- **sustainable agriculture and food** (regenerative agriculture, sustainable food production, reforestation and sustainable forest management),
- **the circular economy** (collection and recycling systems, recyclable or compostable packaging),
- **green buildings** (new building materials)
- **environmental services and solutions** (water, air and soil treatment, depollution technologies).

The selection and commitment of high-stakes companies, in transition on their natural capital management:
we identify companies with a significant footprint affecting biodiversity, and which have initiated a transition to bring it under control by adapting their internal practices and in their value chains, and are engaging them to speed up the implementation of associated objectives and strategies in less advanced areas.

Exclusion:
the fund excludes from its investment universe sectors less directly linked to biodiversity such as telecommunications; and certain activities structurally not aligned with the theme such as fossil energies.

intersecting perspectives

Josselin Kalifa,
Investment Director,
CNP Assurances

Guillaume Lasserre,
Deputy Director of Management,
LBP AM

CNP Assurances, in line with its corporate purpose, which is to act with its partners in favour of an inclusive and sustainable society, deploys an ambitious and demanding socially responsible investment strategy.
It has thus committed to "taking action against global warming and preserving the living world by being a committed player in the ecological transition".
CNP Assurances has thus made strong environmental commitments, such as achieving carbon neutrality in its investment portfolio by 2050.
The Group was also one of the first investors to publish the impacts and risks of its investment portfolio in the area of biodiversity.

For Guillaume Lasserre,
"*CNP Assurances, a key player in the French insurance landscape, is one of the most mature institutions to take into account sustainability issues when managing their investment activities*".

As an investor client, CNP Assurances needs to rely on a manager that is able to offer solutions suited to its socially responsible investment strategy, with the tools needed to respond to shifts in its reporting needs, and which is proactive.

That being, "*on ESG issues, even though we have the solid experience built up by LBP AM, much remains to be defined and built. It is essential to listen, engage in dialogue and co-design*", adds Guillaume Lasserre.

Josselin Kalifa confirms this viewpoint:
"Our aim is to build high-performance, innovative solutions together with our partners. CNP Assurances and LBP AM enjoy a shared belonging to La Banque Postale and Caisse des Dépôts et Consignations. Beyond the asset owner-asset manager relationship, this positioning is unique in itself. It enables us to work together towards a shared goal: contributing to sustainable finance."

In 2022, the partnership approach of CNP Assurances and LBP AM resulted in concrete and emblematic achievements, such as the launch of a joint LBP AM Infrastructures 2030 fund and also by the support of CNP Assurances in the Tocqueville Biodiversity SRI fund, by investing €120 million in this fund.

"CNP Assurances and LBP AM enjoy from a unique positioning and a shared objective: to contribute to sustainable finance."

Focus

The Global Biodiversity Framework adopted at COP15

Every two years, the 196 parties of the Convention on Biological Diversity (CBD) meet at a COP. In December 2022, having had to postpone for more than two years, the COP-15 on biodiversity was held in Montreal.

The LBP AM Group participated in this COP15, alongside 3 delegations (Principles for Responsible Investment, Finance for Biodiversity Foundation and Finance For Tomorrow), in order to support the inclusion of financial institutions as key players in achieving the objectives of reducing biodiversity loss.

Within this framework, a plea was issued by 150 financial institutions, including LBP AM. In it, we appealed to governments to reach a precise agreement at COP-15 that would align the actions of all economic players in order to reverse the trajectory of biodiversity loss, contribute to the fight against climate change through Nature-Based Solutions and enable a just and equitable transition1.

This COP-15 resulted in the adoption of the Kunming-Montréal Global Biodiversity Framework[2], which includes several global targets, to be reached by 2030, and beyond for the protection and sustainable use of biodiversity, including:

- **increasing to 30% the proportion of areas** (marine, coastal, land and freshwater) protected worldwide by 2030 (Target 3);
- **reducing the loss of areas of high importance for biodiversity** to "near zero" by 2030 (Target 1);
- **restoring "at least 30%" of degraded areas** by 2030 (Target 2).

On the economic dimension, the framework provides for a reduction in subsidies that are harmful to biodiversity amounting to $500bn/year by 2030 (Target 18), and mainly concerning conventional agriculture. In addition, a $200 billion/year commitment to biodiversity by 2030 has also been announced (Target 19).

This agreement thus sends a clear signal for international mobilisation in favour of biodiversity. However, its impact will depend on the actual deployment of the stated objectives, i.e. how States and companies manage to cast them into laws, measures and action plans.

Finally, while the Kunming-Montréal Framework discusses the role which companies and financial institutions can play and encourages them to assess and make public their risks, dependencies and impacts on biodiversity (Target 15), it does not make them binding. Asset managers and investors, through dialogue with companies and their investment choices, can seize upon several levers for action to raise awareness and encourage commitment to the preservation of life[3].
It is in this spirit that LBP AM established its biodiversity policy in 2022.

1. www.financeforbiodiversity.org/wp-content/uploads/cop15_statement_from_the_financial_sector_signatories.pdf
2. www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf
3. www.lesechos.fr/idees-debats/cercle/opinion-cop-15-enfin-le-grand-rendez-vous-de-la-biodiversite-1886633

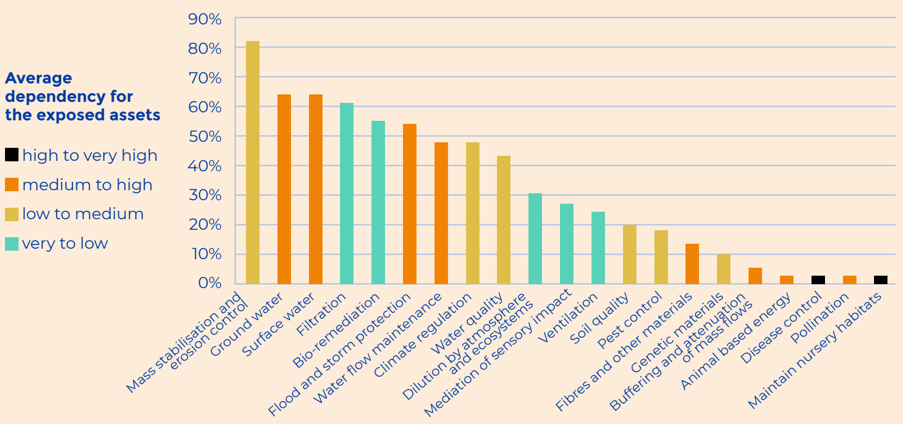
Focus

Biodiversity risk management

Biodiversity risks are analysed and monitored by means of the following:

- **The proprietary ESG rating methodology,** GREaT, includes indicators covering biodiversity issues. These indicators are divided into "Biodiversity and Water" and "Pollution and Waste" criteria, within the "Sustainable Resource Management" pillar, as well as in the "Energy Transition" pillar. For real and private asset funds, the indicator is calculated on the basis of a proprietary analysis grid, the data for which is received directly from companies.
- **The ESG materiality analysis**, integrated into the financial analysis carried out by the research and management teams, qualitatively reviews the physical and transition risks considered material for the issuer.
- **The biodiversity policy** draws on a measurement of the risks and dependencies on biodiversity. The tool used results from the analysis specified below. To analyse and measure the risks and dependencies of its investments on biodiversity, LBP AM/TFSA uses the ENCORE database which measures the ecosystem services necessary for the proper performance of an activity according to 5 different degrees of materiality ranging from Very Low to Very High. These levels of materiality are transposed onto a quantitative scale to calculate an average of the portfolio's materiality for each ecosystem service. LBP AM/TFSA has measured the dependence of its sector exposures on the main ecosystem services at 31 December 2022, and transposed the results in the table below.

Percentage of AUM dependent on ecosystem services



Biodiversity-related risks are controlled by several components of LBP AM/TFSA's investment strategy:

- **Stock selection based on ESG GREaT** ratings through best-in-class or best-in-universe strategies. When these strategies are applied restrictively in fund management, the most exposed issuers tend to be underweighted.
- **The exclusion policy** based on biodiversity criteria and its component dedicated to deforestation, targeting exploitative and/or trading companies directly involved in deforestation and having not implemented a solid risk prevention policy. Particular attention is paid to the trading, agri-food, forestry and extractive/petroleum industries, insofar as they are directly responsible for the reduction in forest land.
- **The engagement and voting policy,** which is aimed at supporting companies on the path to better understanding and taking into account the issues related to biodiversity. LBPAM-TFSA has adopted a sector-specific approach in order to optimise the effectiveness of this action. A sector is selected for a period of 2 to 3 years, during which the company supports businesses deemed high-priority, given their positioning and the amount of assets they represent in LBPAM-TFSA's portfolios.

Chapter 4

Keys for greater understanding

Are you interested in going further?

In this chapter, you will find all the information needed to understand the interconnection between our responsible investment policy and the regulatory reporting frameworks, and to keep up with our latest news.

4.1 Mapping of LEC information

4.1.1 Structure of the sustainability information in the annual report in accordance with the provisions of Article 29 of the Energy and Climate Act and the provisions of Article 4 of Regulation (EU) 2019/2088

INFORMATION	PAGE
The entity's general approach on consideration for environmental, social and governance criteria	07
Internal resources deployed by the entity	17
Approach to taking environmental, social and governance criteria into account at entity governance level	13
Strategy for engagement with issuers or management companies and implementation thereof	54 92 100
European taxonomy and fossil fuels	78 90
Strategy for aligning with the international objectives of Articles 2 and 4 of the Paris Agreement relating to the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are made entirely on French territory, the national low-carbon strategy referred to in Article L. 222-1 B of the Environmental Code.	10 74
Strategy for aligning with long-term biodiversity-related objectives. The entity provides an alignment strategy with long-term biodiversity-related objectives, specifying the scope of the value chain considered, which includes objectives set by 2030, then every five years, on the following items	11 99
Approach for taking into account environmental, social and governance criteria in risk management, particularly physical, transition and liability risks related to climate change and biodiversity	86 - 87 89 - 97 109
List of financial products listed by virtue of Article 8 and Article 9 of the Disclosure Regulation (SFDR)	52 53

4.1.2 Information provided under the provisions of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019

INFORMATION	PAGE
Summary of the main negative impacts on sustainability factors	120
Description of the main negative impacts on sustainability factors and historical comparison	120
Description of policies to identify and prioritise key negative impacts on sustainability factors	120
Engagement policy	54 92 100 120
References to international standards	120

4.2 Quantitative indicators from D. 533-16-1 (KPI)

Regulatory reference: Article 1-III of the implementing decree of Article 29 LEC

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
1. INFORMATION ABOUT THE ENTITY'S GENERAL APPROACH			
→ 1.c. Overall percentage of assets under management taking into account environmental, social and governance quality criteria in the total amount of assets under management by the entity	As % of assets	%	63%
2. INFORMATION ON THE ENTITY'S INTERNAL RESOURCES			
→ 2.a. Description of the financial, human and technical resources dedicated to taking into consideration environmental, social and governance criteria in the investment strategy, in relation to the total assets managed or held by the entity. The description includes all or some of the following indicators: percentage share of the corresponding full-time equivalents; percentage share and amount in euros of the budgets devoted to environmental, social and governance data; amount of investment in research; use of external service providers and data suppliers.	Percentage of FTE concerned out of total FTE	%	16.3 %
	Share of dedicated budgets as % of total financial institution budget	%	LBPAM: 7.7% TFSA: 8 1.47%
	Amounts in € of dedicated budgets	Monetary amount (€)	LBP AM €356,383 TFSA €21,080
	Amount of investment in research [2]	Monetary amount (€)	LBPAM: 841 874* TFSA: 87 080*
	Number of external service providers and data providers contacted	Number	9
4. INFORMATION ON THE ENGAGEMENT STRATEGY WITH ISSUERS OR WITH MANAGEMENT COMPANIES AS WELL AS ON ITS IMPLEMENTATION			
→ 4.c. Appraisal of the engagement strategy implemented, which may include, in particular, the proportion of companies with which the entity has initiated a dialogue, the thematics covered and the actions to monitor this strategy	% share of companies involved in a dialogue out of all companies concerned by the thematic covered	%	16.2%, i.e. 404 ESG discussions with 302 companies, of which: - 252 ESG dialogues with 227 companies - 152 ESG commitments with 116 companies - 64 commitments on biodiversity and 15 commitments on deforestation risk management - 45 commitments on climate and transition plans - 40 commitments on the thematic - 8 commitments on human rights

(*) This information includes ESG data

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
4. INFORMATION ON THE ENGAGEMENT STRATEGY WITH ISSUERS OR VIS-À-VIS MANAGEMENT COMPANIES AS WELL AS ITS IMPLEMENTATION CONTINUED			
→ 4.d. Appraisal of the voting policy, in particular relating to submissions and voting at general meetings on resolutions on environmental, social and governance quality issues	The indicators below are optional. The players obviously have the option to publish others in their 29LEC reports		
	→ Total number of submissions on ESG issues	Number	3
	→ Total number of votes on ESG issues	Number	12,057
	→ Number of submissions on environmental issues	Number	2 (Total Energies and HSBC), which were withdrawn following fruitful engagement processes
	→ Number of votes on environmental issues	Number	74
	→ Number of submissions on social issues	Number	0
	→ Number of votes on social issues	Number	159
	→ Number of submissions on governance quality issues	Number	1, at Ipsos
	→ Number of votes on quality of governance issues	Number	11,746
	→ % of total submissions on ESG issues out of total submissions made	%	100.0%
	→ % of total votes (yes/no) on ESG issues out of total votes cast	%	100.0%
	→ % of submissions on environmental issues out of total submissions made	%	66.7 %
	→ % of votes on environmental issues out of total votes cast	%	0.6%
	→ % of submissions on social issues out of total submissions made	%	0.0 %

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
4. INFORMATION ON THE ENGAGEMENT STRATEGY WITH ISSUERS OR VIS-À-VIS MANAGEMENT COMPANIES AS WELL AS ITS IMPLEMENTATION CONTINUED			
→ 4.d. Report on the voting policy, in particular relating to submissions and voting at general meetings on resolutions on environmental, social and governance quality issues CONTINUED	→ % of votes on social issues out of total votes cast	%	1.3 %
	→ % of submissions on quality of governance issues out of total submissions made	%	33.3 %
	→ % of votes on quality of governance issues out of the total votes cast	%	97.8 %
5. INFORMATION ON THE EUROPEAN TAXONOMY AND FOSSIL FUELS			
→ 5.b. Share of assets in companies operating in the fossil fuel sector, within the meaning of the delegated act pursuant to Article 4 of this regulation. [1]	→ Share of assets in %	%	4.9 %
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT			
→ 6.a. A quantitative target for horizon 2030, reviewed every five years until 2050. This objective must be revised no later than five years before the target year. The objective includes direct and indirect greenhouse gas emissions, in absolute value or intensity value relative to a baseline scenario and a baseline year. It may be stated by measuring the implicit increase in temperature or by the volume of greenhouse gas emissions;	One of the two aspects (t°C or GHG emissions) must be reported in the 29LEC reports of the players, as required by the decree. The players obviously have the option to publish others in their 29LEC reports		
	→ Quantitative target for 2030 stated in GHG emissions volume (if applicable)	Numeric value	80% of assets aligned with Net Zero by 2030 and 90% alignment of assets in the Net Zero eligible scope
	→ Unit of measure of quantitative target by 2030	Text	% of assets aligned with Net Zero
	→ Amount of assets covered by the quantitative alignment objective stated in GHG emissions volume	Monetary amount (€)	€62.9bn at 31/12/2022
	→ Proportion of assets covered by the quantitative alignment objective expressed in terms of volume of GHG emissions to total assets	%	80%
	→ Quantitative target for 2030 expressed in terms of implied temperature increase (if applicable)	Numeric value	–

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT CONTINUED			
→ 6.a. A quantitative target for horizon 2030, reviewed every five years until 2050. This objective must be revised no later than five years before the target year. The objective includes direct and indirect greenhouse gas emissions, in absolute value or intensity value relative to a baseline scenario and a baseline year. It can be stated by measuring the implicit increase in temperature or by the volume of greenhouse gas emissions; CONTINUED	→ Amount of assets covered by the quantitative alignment objective expressed in terms of implied temperature increase	Monetary amount (€)	–
	→ Proportion of assets covered by the quantitative alignment objective expressed in terms of implied temperature increase on total assets	%	–
→ 6.b When the entity uses an internal methodology, information on it to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy:	→ Use of an internal methodology?	Yes/No	NO
→ 6. b. ii. degree of coverage at the portfolio level; (the level of coverage between asset classes must be specified in the report)"	One of the two aspects (t°C or GHG emissions) must be reported in the 29LEC reports of the players, as required by the decree. The players obviously have the option to publish others in their 29LEC reports		
	→ Degree of coverage at portfolio level in %	%	80%
→ 6. b. iii. time horizon used for the assessment;	→ Time horizon of the assessment	Date	2030
→ 6. c. Quantification of results using at least one indicator (if several indicators are used, add as many columns as indicators used)	→ "Free metric (consistent with the stated objective 6.a., if applicable)"	Numeric value	48% of assets aligned
	→ Description of free metric	Text	The methodology currently used is SBT-PC Science-Based Targets – Portfolio Coverage, which is aimed at increasing the proportion of assets placed in issuers committed to decarbonisation and having validated their objective with an independent body, e.g. the SBT initiative. According to this market method, if a company has issued a decarbonisation objective validated by SBTi, any asset invested in this company is considered to be aligned.
	→ Unit of measure for free metric	Text	Hedging: listed asset classes

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT CONTINUED			
→ 6.f. Changes in the investment strategy in line with the strategy for alignment with the Paris Agreement, and in particular the policies instituted with a view to a gradual exit from coal and unconventional hydrocarbons, specifying the exit timetable determined and the proportion of total assets managed or held by the entity covered by these policies	→ Coal: % of total assets managed or held by the entity	%	2.2%
	→ Unconventional hydrocarbons: % of total assets managed or held by the entity	%	2.8%
	→ Have you set out a timetable for phasing out coal?	Yes/No	Yes, since 2019, LBP AM has committed to progressively exclude mining and power generation companies with coal-related expansion plans that are not committed to exiting coal by 2030 for OECD countries and 2040 for the rest of the world. This commitment was stepped up in 2021 to extend to issuers providing upstream and downstream services that generate at least 20% of their revenues from coal. These data come from the Urgewald's Global Coal Exit List and the supplier Trucost.
	→ Indicate the final coal exit date chosen for your policy	Date	2030 for OECD countries and 2040 for the rest of the world.

[2] Any investment in research to combat climate change risk.

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	FORMAT	QUANTIFIED INDICATOR
7. INFORMATION ON THE STRATEGY FOR ALIGNING WITH LONG-TERM BIODIVERSITY-RELATED OBJECTIVES			
→ **7. c. Indicate the use of a biodiversity footprint indicator and, where appropriate, how this indicator measures compliance with international biodiversity-related objectives**	→ **Free metric**	Numeric value	65 msa.ppb*/€bn invested
	→ **Brief description of the metric**	Text	The Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM (BIA-GBS) assesses the impact of a company's operations on biodiversity in light of 4 of the 5 pressures defined by the Intergovernmental Scientific Platform. 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. The metric relates to aquatic and terrestrial biomes; and is stated with respect to two timeframes: the static footprint; the stock and dynamic footprint; the flow. A single measurement calculated by aggregating the 4 aquatic measurements – static aquatic, dynamic aquatic, static terrestrial and dynamic terrestrial – by scaling is expressed in msa.ppb*. This single measurement makes it possible to take into account all the current and past impacts on the 2 biomes considered. This footprint measurement makes it possible to report on the impacts of the management company and to take into account in the investment process the impact of each of the investee companies order to aim to reduce this footprint. It is used as part of an overall approach to analysing the company's profile, and for the specific case of the fund dedicated to Biodiversity (Tocqueville Biodiversity SRI) to guide the weighting of the companies in the portfolio.
	→ **Unit of measure for free metric**	Text	msa.ppb*
	→ **Amount of assets covered by the biodiversity footprint indicator**	Monetary amount (€)	35,279,296,439.38
	→ **Proportion of assets covered by the biodiversity footprint indicator on total assets**	%	56%

4.3 Statement on the main negative impacts of investment decisions on sustainability factors

4.3.1 Financial market player

LBP AM (LEI: 9695005YEKXREPY54B44) and its subsidiary Tocqueville Finance (LEI: 969500LQ9LBGQZMTVX93)

4.3.2 Summary

LBP AM (LEI: 9695005YEKXREPY54B44) takes into account the main negative effects of its investment decisions on sustainability factors. This document is the consolidated statement relating to the main negative impacts on sustainability factors of LBP AM and its subsidiary, namely Tocqueville Finance (LEI: 969500LQ9LBGQZMTVX93)

This statement on the main negative impacts on sustainability factors covers a reference period from 1st January 2022 to 31 December 2022.

The identification, prioritisation and management of the main negative impacts on sustainability factors is carried out based on a set of complementary tools, policies and procedures.

First and foremost, they rely on SGP-wide policies designed to address each issue holistically. These policies specify how each sustainability issue is to be addressed in terms of exclusion, selection, commitment and voting rules, and are translated into management actions. Further information on the development and impact of these cross-cutting policies is available in the section "Description of policies aimed at identifying and prioritising the main negative impacts on sustainability factors" below.

In addition to these policies, the requirements of the French SRI label relating to the selection of securities to all eligible open-ended funds are applied on the basis of the ESG ratings established by the proprietary GREaT methodology, such that the negative impacts of investments on sustainability factors can be taken into account holistically. It should be noted that this approach is not intended to set independent quantitative targets for each sustainability thematic that would be set ex ante. The aim of this aggregate rating is to provide managers with information on the general ESG performance of companies, with a view to complying with the criteria for excluding or improving portfolio ratings set by the French SRI label Consequently, companies that cause significant negative impacts will tend to be excluded or underweighted in labelled portfolios. Further information on the GREaT rating methodology is available in the section "Description of policies to identify and prioritise the main negative impacts on sustainability factors" below.

Lastly, funds that have earned the French SRI label (V2) are gradually assigned two ESG performance indicators that reinforce the consideration of the main negative impacts of investment decisions. Additional information on these indicators can be found in the “Description of policies to identify and prioritise the main negative impacts on sustainability factors” section below.

The “Description of the main negative impacts on sustainability factors” section below provides a quantification of the main negative impacts of the investment decisions of the LBP AM Group based on the indicators defined in the Delegated Regulation to REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on the publication of sustainability information in the financial services sector (“SFDR Regulation”). The table also presents the impact of the various policies and tools referred to above on each of the indicators. Details on the assumptions and choices made for the calculation of the indicators are given in the table header.

DESCRIPTION OF THE MAIN NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

Indicators applicable to investments in companies

LBP AM has chosen to distinguish the listed assets from the real and listed assets given the significantly different nature of the assets considered. Consequently, for each indicator, LBP AM has produced a report on the assets listed on the one hand (in white in the table above) and a report on the real and private assets on the other (in blue in the table below). The assets considered are as follows:

- Listed securities: €63 billion;
- Real and private assets – infrastructure and corporate: €2.7 billion;
  Real and private assets – real estate: €1.4 billion.

With regard to the data relating to the listed assets, LBP AM and TFSA use several suppliers to calculate the negative impact indicators: ISS ESG, London Stock Exchange, Moody's ESG, MSCI. The data provided are in parts made up of estimated data but LBP AM/TFSA was not able to have a breakdown between the data reported by the companies and the estimated data for this financial year. With regard to the missing data, and unless otherwise indicated in the "explanations" column, LBP AM/TFSA has made the methodological choice of replacing the missing values of the eligible asset with the average observed for the hedged assets. Non-eligible securities are considered as having no impact (i.e. 0). This approach may result in an overestimation or underestimation of the indicator's value. Another approach considered would have been to assign zero value to the missing data, which would have involved routinely and potentially significantly underestimating the negative impacts of investment decisions on sustainability factors. The values shown are thus to be considered with caution: their quality should improve with the improved reporting of issuers. For transparency purposes, LBP AM/TFSA provides the portion of the eligible asset as well as the coverage on the eligible asset so that the reader can reconstruct the value within the scope of the available data.

With regard to data relating to private debt assets, LBP AM sought to receive the information directly from counterparties. Over this period, the collection of data for investments already contracted is made difficult by the fact that the counterparties have no contractual obligation to provide the information. LBP AM is making its best efforts to incorporate systematic reporting into its new financing contracts. For this category of assets, LBP AM has chosen to calculate the PAIs solely on the basis of available data and not to make an estimate of the missing data, as the limited amount of data available and the highly specific nature of each allocation do not make it possible to make relevant estimates. The PAIs are thus stated over the hedged asset.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**1. GHG emissions**	**GHG emissions level 1**	**Securities: 1,925,525 TCO_2eq**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 85%***	→ **Net 0 strategy:** deployed under LBP AM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve a "net 0" alignment for 80% of assets under management by 2030. → **Shareholder engagement:** in line with its transition ambition, the LBP AM Group implements a policy of active engagement with companies to encourage them to initiate or accelerate the transition of their business model. In order to achieve its objectives, LBP AM Group encourages companies to: • Formally set out robust transition plans, making it possible to deploy a transparent and credible transition strategy, in order to align their activities and practices over time with a scenario making it possible to cap re-heating at 1.5°C. • Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions put to the vote at a general meeting, commonly referred to as "Say on Climate" resolutions. These enable shareholders to state their opinion specifically on the companies' energy transition strategy and objectives, and on its implementation during a financial year. • Assesses, reduces and reports its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with particular attention and prioritisation on so-called "high-stakes" sectors. They are thus articulated and broken down into two sectoral policies: oil and gas, as well as coal. In application of this policy, LBP AM/TFSA participated in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting over a thousand companies with a view to obtaining their commitment to the transition of their activity to the Science-Based Target Initiative. Furthermore, LBP AM actively encourages companies to submit their climate strategies to shareholders for which it has established specific requirements (political reference to vote say on climate). Where necessary, LBP AM and TFSA may also submit resolutions. In this spirit, LBP AM and TFSA filed and placed on the agenda of the Total Energies GM a "Say on Climate" resolution in 2020, and thereafter, three climate-related resolutions, withdrawn following satisfactory commitments from companies, at the Engie GM in 2021 and HSBC and Total Energies in 2022. Lastly, LBP AM and TFSA submitted a new resolution to the 2023 General Meeting of Total Energies. → **Voting policy:** the support of the AM TFSA Group for the climate plans submitted to the shareholders' vote is conditional on the following elements: • the plan contains specific targets for reducing short- and long-term GHG emissions; • the plan is aligned with the trajectory set out in the Paris Climate Agreement; • the variable compensation for executives includes non-financial criteria aligned with the announced objectives; • the Board of Directors undertakes to consult shareholders on a regular basis (at least every 3 years). → **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their procedures for measuring and reducing their carbon emissions all along their value chain.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREENHOUSE GAS EMISSIONS	**1. GHG emissions**	**Level 1 GHG emissions**	**27,765 TCO_2eq**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 18%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Net 0 strategy:** investments in real and private assets are included in the net 0 strategy referred to above. → **Shareholder engagement:** the commitment policy specified for the listed assets is adapted to take into account the specificities of these asset classes. Private debt management teams engage with counterparties during due diligence to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may find it necessary to negotiate the matching of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM thus negotiates the integration of indicators relating to the measurement and reduction of the carbon footprint covering the three CO_2 resignations scopes. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative impacts related to carbon emissions. → **ESG rating of issuers used to assess investment projects:** the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions.
		Level 2 GHG emissions	**Securities: 525,091 TCO_2eq**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 85%***	→ **Net 0 Strategy:** deployed as part of LBPAM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030. → **Shareholder engagement:** in line with its transition ambition, the LBP AM Group conducts a policy of active engagement with companies to encourage them to initiate or accelerate the transition of their business model. In order to achieve its objectives, LBP AM Group encourages companies to: • Formalise robust transition plans, making it possible to deploy a transparent and credible transition strategy, in order to align their activities and practices over time with a scenario making it possible to keep global warming under 1.5°C. • Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions put to the vote at a general meeting, commonly referred to as "Say on Climate" resolutions. These enable shareholders to state their opinion specifically on the companies' energy transition strategy and objectives, and on its implementation during a financial year. • Assesses, reduces and reports its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with particular attention and prioritisation on so-called "high-stakes" sectors. They are thus articulated and broken down into two sectoral policies: oil and gas, as well as coal. In application of this policy, LBP AM/TFSA participated in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting over a thousand companies with a view to obtaining their commitment to the transition of their activity to the Science-Based Target Initiative.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASURE-MENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**1. GHG emissions**	**Level 2 GHG emissions**	**525,091 TCO_2eq**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 85%***	Furthermore, LBP AM/TFSA actively encourages companies to submit their climate strategies to shareholders' vote for which it has established specific requirements (political avenue, via "say on climate" vote). LBP AM/TFSA may also participate in the submission of resolutions when this appears necessary. In this spirit, LBP AM and TFSA filed and placed on the agenda of the Total Energies GM a "Say on Climate" resolution in 2020, and thereafter, three climate-related resolutions, withdrawn following satisfactory commitments from companies, at the Engie GM in 2021 and HSBC and Total Energies in 2022. Lastly, LBP AM/TFSA submitted a new resolution to the 2023 General Meeting of TotalEnergies. → **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their methods for measuring and reducing their carbon emissions throughout their value chain. → **Measurement indicator – ESG integration:** the fund's carbon footprint across all emissions (Scopes 1, 2 and 3) is calculated for each fund and made available to managers.
			2,772 TCO_2eq	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 18%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Net 0 Strategy:** investments in real and private assets are included in the net strategy 0 mentioned above. → **ESG rating of issuers used to assess investment projects:** the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions. → **Shareholder engagement:** the commitment policy specified for the listed assets is adapted to take into account the specificities of these asset classes. Private debt management teams engage with counterparties during due diligence to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may find it necessary to negotiate the matching of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM negotiates the integration of indicators relating to the measurement and reduction of the carbon footprint covering the three CO_2 emissions scopes. This will enable LBP AM to support data collection and encourage counterclaims to reduce their negative impacts related to carbon emissions.
		Level 3 GHG emissions Total GHG emissions	**Securities: 26,775,184 TCO_2eq**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 74%***	→ **Net 0 Strategy:** deployed as part of LBP AM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030 → **Shareholder engagement:** In line with its transition ambition, the LBP AM Group conducts a policy of active engagement with companies to encourage them to initiate or accelerate the transition of their business model. In order to achieve its objectives, LBP AM Group encourages companies to: • Formalise robust transition plans, making it possible to deploy a transparent and credible transition strategy, in order to align their activities and practices over time with a scenario making it possible to keep global warming under 1.5°C.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**1. GHG emissions**	**Level 3 GHG emissions Total GHG emissions**	**Securities: 26,775,184 TCO_2eq**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 74%***	• Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions put to the vote at a general meeting, commonly referred to as “Say on Climate” resolutions. These enable shareholders to state their opinion specifically on the companies’ energy transition strategy and objectives, and on its implementation during a financial year. • Assesses, reduces and reports its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with particular attention and prioritisation on so-called "high-stakes" sectors. They are thus articulated and broken down into two sectoral policies: oil and gas, as well as coal. In application of this policy, LBP AM-TFSA participated in the “Science-Based Targets Campaign”, organised by the Carbon Disclosure Project (CDP) and targeting over a thousand companies with a view to obtaining their commitment to the transition of their activity to the Science-Based Target Initiative. Furthermore, LBP AM/TFSA actively encourages companies to submit their climate strategies to shareholders’ vote for which it has established specific requirements (political avenue, via “Say on Climate” vote). LBP AM/TFSA may also participate in the submission of resolutions when this appears necessary. In this spirit, LBP AM and TFSA filed and placed on the agenda of the Total Energies GM a “Say on Climate” resolution in 2020, and thereafter, three climate-related resolutions, withdrawn following satisfactory commitments from companies, at the Engie GM in 2021 and HSBC and Total Energies in 2022. Lastly, LBP AM and TFSA submitted a new resolution to the 2023 General Meeting of Total Energies. → **Measurement indicator – ESG integration:** the fund’s carbon footprint across all emissions (Scope 1, 2 and 3) is calculated for each fund and made available to managers
			15,282 TCO_2eq	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 10%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Net 0 strategy:** investments in real and private assets are included in the net 0 strategy referred to above. → **ESG rating of issuers used to assess investment projects:** the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions. → **Shareholder engagement:** the commitment policy specified for the listed assets is adapted to take into account the specificities of these asset classes. Private debt management teams engage with counterparties during due diligence to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may find it necessary to negotiate the matching of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM negotiates the integration of indicators relating to the measurement and reduction of the carbon footprint covering the three CO_2 emissions scopes. This will enable LBP AM to support data collection and encourage counterclaims to reduce their negative impacts related to carbon emissions.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREENHOUSE GAS EMISSIONS	**2. Carbon footprint**	**Carbon footprint**	**Securities: 467 TCO_2eq per € million invested**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 74%***	→ **Net 0 strategy:** deployed as part of LBPAM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030 → **Performance indicator applied to certain funds:** some funds that have earned the French SRI label have a performance indicator that measures the CO_2 emissions attributable to the fund's investments. This indicator is stated in tCO_2 per million euros invested and covers scope 1 and 2 emissions. The fund must earn a score greater than its benchmark index or its defined ESG analysis universe to apply the selectivity criteria of the French SRI label. The use of this indicator is indicated in Appendix SFDR to the prospectus of the funds concerned. → **Measurement indicator – ESG integration:** the fund's carbon footprint across all emissions (Scopes 1, 2 and 3) is calculated for each fund and made available to managers
			88 TCO_2eq per € million invested	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 18%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Net 0 strategy:** investments in real and private assets are included in the net 0 strategy referred to above. → **ESG rating of issuers used to assess investment projects:** The rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions. → **Shareholder engagement:** the commitment policy specified for the listed assets is adapted to take into account the specificities of these asset classes. Private debt management teams engage with counterparties during due diligence to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may find it necessary to negotiate the matching of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM negotiates the integration of indicators relating to the measurement and reduction of the carbon footprint covering the three CO_2 emissions scopes. This will enable LBP AM to support data collection and encourage counterclaims to reduce their negative impacts related to carbon emissions.
	3. GHG intensity of companies benefiting from investments	**GHG intensity of companies benefiting from investments**	**Securities:** ***1,190 TCO_2eq per €m of revenue***	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 77%***	→ **Net 0 Strategy:** deployed as part of LBPAM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030 → **Shareholder engagement:** in line with its transition ambition, the LBP AM Group implements a policy of active engagement with companies to encourage them to initiate or accelerate the transition of their business model.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREENHOUSE GAS EMISSIONS	**3. GHG intensity of companies benefiting from investments**	**GHG intensity of companies benefiting from investments**	**Securities: 1,190 TCO_2eq per €m of revenue**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 77%***	In order to achieve its objectives, LBP AM Group encourages companies to: • Formalise robust transition plans, making it possible to deploy a transparent and credible transition strategy, in order to align their activities and practices over time with a scenario making it possible to keep global warming under 1.5°C. • Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions put to the vote at a general meeting, commonly referred to as "Say on Climate" resolutions. These enable shareholders to state their opinion specifically on the companies' energy transition strategy and objectives, and on its implementation during a financial year. • Assesses, reduces and reports its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with particular attention and prioritisation on so-called "high-stakes" sectors. They are thus articulated and broken down into two sectoral policies: oil and gas, as well as coal. In application of this policy, LBP AM and TFSA participated in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting over a thousand companies with a view to obtaining their commitment to the transition of their activity to the Science-Based Target Initiative. Furthermore, LBP AM/TFSA actively encourages companies to submit their climate strategies to shareholders' vote for which it has established specific requirements (political avenue, via "Say on Climate" vote). LBP AM/TFSA may also participate in the submission of resolutions when this appears necessary. In this spirit, LBP AM and TFSA filed and placed on the agenda of the Total Energies GM a "Say on Climate" resolution in 2020, and thereafter, three climate-related resolutions, withdrawn following satisfactory commitments from companies, at the Engie GM in 2021 and HSBC and Total Energies in 2022. Lastly, LBP AM and TFSA submitted a new resolution to the 2023 General Meeting of Total Energies. ➔ **Measurement indicator – ESG integration:** the fund's carbon intensity across all emissions (Scopes 1, 2 and 3) is calculated for each fund and made available to managers.
GREENHOUSE GAS EMISSIONS	**3. GHG intensity of companies benefiting from investments**	**GHG intensity of companies benefiting from investments**	**293 TCO_2eq per €m of revenue**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 16%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	➔ **Net 0 Strategy**: investments in real and private assets are included in the Net 0 Strategy mentioned above. ➔ **ESG rating of issuers used to evaluate investment projects:** the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**4. Exposure to companies active in the fossil fuels sector**	**Investments in companies active in the fossil fuels sector**	**Securities:** **€3.2bn accounting for 5% of the AuM, of which:** **– €1.4bn from coal activities (i.e. 2.2% of AuM)** **– €1.8bn from non-conventional oil and gas activities (i.e. 2.8% of AuM)**	***Eligible assets: 63% of total AuM***	→ **Exclusion policy – coal:** 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 are excluded. 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. → **Exclusion policy – Oil and gas:** companies in the sector that do not demonstrate a minimum strategic commitment to an energy transition, in light of the emissions trends established by scenario NZ2050, are excluded. LBP AM and TFSA's sector-specific policy also establishes an exclusion list of companies involved in the exploration, production, storage and distribution of oil and gas which are significantly exposed to non-conventional energies (20% of turnover). → **Net 0 strategy:** deployed as part of LBPAM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030, covering in particular the fossil fuels sector. → **Shareholder engagement – Coal:** LBP AM and TFSA engage companies that have formally set out a commitment to exit thermal coal when it is not aligned with scientific recommendations in order to encourage them to review the timeline for their plan. The decision on whether the stock is to be maintained in the portfolio is made at the end of the calendar year. → **Shareholder engagement – Oil & Gas:** in line with its Net 0 Strategy, the LBP AM Group conducts a stringent shareholder engagement policy with companies in the oil sector aimed at establishing and publishing clear, credible strategies for the energy transition towards carbon neutrality, aligned with climate and energy scenarios, allowing warming to be capped at 1.5°C, with priority given to permanent resources, the most quickly available and the least costly. The strategies must cover all emissions scopes and must in particular adapt their investment management (capex, M&A) to the challenge of concentrating investments in existing and least empowering fields. The aim is to avoid accentuating the locking-in effects of regional economies and investee companies fossil fuels, and if necessary, depending on the operating cost of assets and positioning in the value chain, to avoid increasing the risk of stranded assets or decline in high-emission commercial activities resulting from a successful energy transition, as recommended by the IPCC. It must also make it possible to keep under control the related physical risks arising from climate change, the risks to biodiversity arising from their operations and the social risks of their strategy. As part of this strategy, LBP AM and TFSA submitted and placed on the agenda of the Total Energies General Meeting a "Say on Climate" resolution in 2020, and a second at the 2022 General Meeting, withdrawn following satisfactory commitments from the company. Lastly, LBP AM and TSFA submitted a new vote at the 2023 General Meeting of Total Energies. → **Voting policy:** the support of the LBM AM TFSA Group for the climate plans submitted to the shareholders' vote is conditional on the following elements: • the plan contains specific targets for reducing short- and long-term GHG emissions; • the plan is aligned with the trajectory set out in the Paris Climate Agreement; • the variable compensation for executives includes non-financial criteria aligned with the announced objectives; • the Board of Directors undertakes to consult shareholders on a regular basis (at least every 3 years).

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**4. Exposure to companies active in the fossil fuels sector**	**Investments in companies active in the fossil fuels sector**	**Real and private assets (debt): 0%**	***Eligible assets: 15% of AuM*** ***Coverage of eligible assets: 10%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Exclusion policy – coal:** 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 are excluded. 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. → **Exclusion policy – Oil and gas:** for private debt investments, same requirements applied as for listed assets. For infrastructure investments, exclusion since 1 September 2022 of all new greenfield or brownfield projects dedicated to unconventional resources as well as any investment in gas projects (fossil fuels) and greenfield oil companies. → **Net 0 Strategy:** investments in real and private assets are included in the Net 0 Strategy referred to above.
	5. Proportion of non-renewable energy consumption and production	**Proportion of energy consumption and production of companies benefiting from investments from non-renewable sources of energy, compared to that from renewable sources of energy, expressed as a percentage of total energy sources**	**Marketable securities** **Energy consumed: 63.5%**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: Energy consumed: 50% Energy produced: 9%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their strategy relating to energy consumption and emissions due to their energy consumption. The following are considered in particular: • technological choices and developments; • the use of renewable energies; • management of atmospheric emissions related to energy consumption.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
GREEN-HOUSE GAS EMISSIONS	**5. Pro-portion of non-renew-able energy consump-tion and production**	**Proportion of energy consumption and production of companies benefiting from investments from non-renewable sources of energy, compared to that from renewable sources of energy, expressed as a percentage of total energy sources**	**Real and private assets (debt)** **Energy consumed: 53%** **Energy produced: 60%**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets:*** ***Energy consumed: 14%*** ***Energy produced: 13%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** Infrastructure financing: the rating attributed to the project based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, was updated in 2022 to include the indicators opposite.
	6. energy consumption intensity by sector with a strong cli-mate impact	**Energy consumption in GWh per million euros of turnover of companies benefiting from investments, by sector with a strong climate impact**	**Marketable securities** **Sector B: 1.3 GW h per €m of revenue** **Sector C: 0.5 GW h per €m of revenue** **Sector D: 3.8 GW h per €m of revenue** **Sector E: 3.0 GW h per €m of revenue** **Sector F: 0.2 GW h per €m of revenue** **Sector G: 0.2 GW h per €m of revenue** **Sector H: 0.8 GW h per €m of revenue**	**Eligible assets:** **Sector A: 0%** **Sector B: 1% (including 96% green neck)** **Sector C: 26% (97% covered)** **Sector D: 3% (91% covered)** **Sector E: 1% (98% covered)** **Sector F 1% (100% covered)** **Sector G: 2% (87% covered)** **Sector H: 1.2% (96% covered)** **Sector L: 0%**	→ **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their investment policies in low-carbon technologies and the energy efficiency of their infrastructures.
			Real and private assets (debt): 0.1 GW h per €m of revenue	***The information is aggregated, LBP AM has not been able to obtain reports covering the various sectors.*** ***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 18%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	

<table>
<tr><th colspan="2">INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY</th><th>MEASUREMENT ITEM</th><th>2022 IMPACTS</th><th>EXPLANATION</th><th>MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD</th></tr>
<tr><td colspan="6">CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS</td></tr>
<tr><td rowspan="2">BIODIVERSITY</td><td rowspan="2">7. Activities with a negative impact on biodiversity sensitive areas</td><td rowspan="2">Proportion of investments made in companies with sites/ establishments located in or near biodiversity-sensitive areas, if the activities of these companies have a negative impact on these areas</td><td>Securities: 39%</td><td>Eligible assets: 63% of total AuM

Coverage of eligible assets: 90%.

The data used come from Moody's ESG and are entirely composed of estimates.

Non-covered assets are deemed to have no activity with a negative impact on sensitive areas in terms of biodiversity.</td><td>→ Exclusion policy:
• Companies that have a significant negative impact on biodiversity, according to the management company's analysis, and that have not implemented an internal policy or an action plan capable of reducing this negative impact are excluded.
Players that have been the subject of controversies due to a significant impact on deforestation and which have not committed to corrective measures are excluded.

→ Shareholder engagement: LBP AM and TFSA deploy an engagement policy to encourage companies to identify and control their impacts on biodiversity. This engagement strategy focuses primarily on identified high-stakes sectors, and is implemented through individual or collective initiatives alongside NGOs or associations.
These shareholder engagement initiatives encourage companies to
• identify their impacts and dependencies related to biodiversity and ecosystem services and carry out reporting according to the TNFD framework and future CSRD implementation standards;
• implement an effective risk management policy defining objectives and methods for protecting, restoring and limiting the impact of their activities on nature, and in particular implement circularity and reduction plans for single-use plastic;
• follow the Science Based Targets for Nature approach in order to contribute to achieving the objectives of the Global Biodiversity Framework of the Convention for Biological Diversity.
The comprehensive list of collaborative commitments on the thematic in which the LBP AM Group participates is available on the management company's website. LBP AM/TFSA will also join a commitment coordinated by ShareAction on the preservation of biodiversity-sensitive sites and the use of chemicals in agriculture, as well as the Nature Action 100 initiative co-chaired by CERES and IIGCC (Institutional Investors Group on Climate Change) aimed at reducing biodiversity losses.

→ ESG rating of issuers used to select portfolio securities: the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to the impact of their activities on fragile ecosystems. In particular, biodiversity protection and land use policies implemented by companies are considered.</td></tr>
<tr><td>Real and private assets (debt): 59%</td><td>Eligible assets: 100% of AuM

Coverage of eligible assets: 18%

The pre-specified value is calculated only on the eligible assets covered (i.e. no estimate on the asset values)</td><td>→ ESG rating of issuers used to assess investment projects:
• Private debt financing: the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, includes a criterion relating to the initiatives instituted to reduce the impacts on biodiversity.
• Infrastructure financing: the rating attributed to the project based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, includes a criterion relating to the procedures instituted to protect biodiversity. The analysis grid changed in 2022 to include the indicator defined opposite by European regulations as well as a soil artificialisation measurement indicator and a controversy indicator applied to the counterparty.</td></tr>
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INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
WATER	**8. Discharges into the water**	**Tonnes of discharges into the water by companies receiving investments, per million euros invested, as a weighted average**	**Securities: 0.39 tonnes per €million invested**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 74%***	→ **Shareholder engagement:** LBP AM and TFSA deploy an engagement policy to encourage companies to better identify and control the pressures their activities place on freshwater and seawater resources. This policy is cast into individual or collective initiatives alongside NGOs or associations. → **ESG rating of issuers used to select portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to the water consumption stemming from their activities, water stress in their area of operation and their policies for managing water-related risks and opportunities.
			Real and private assets (debt): LBP AM was unable to obtain the information from the companies and projects benefiting from the investments.		→ **ESG rating of issuers used to assess investment projects:** • Private debt financing: the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, includes a criterion relating to the initiatives instituted to reduce water consumption. The analysis grid was updated in 2022 to include an adjusted water volume measurement. • Infrastructure financing: the rating attributed to the project based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, integrates a criterion relating to the procedures instituted to promote good water management. The analysis grid was adjusted in 2022 to include a measure on recycled water use and a controversy indicator applied to the counterparty.
WASTE	**9. Ratio of hazardous waste and radioactive waste**	**Tonnes of hazardous waste and radioactive waste produced by companies receiving investments, per million euros invested, as a weighted average**	**Securities:** ***8.94 tonnes per €million invested***	***Value calculated on the eligible assets covered*** ***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 45%*** ***The data used come from Moody's ESG and consist solely of data reported by companies***	→ **Shareholder engagement:** LBP AM and TFSA deploy an engagement policy to encourage companies to reduce their waste production, promote circularity and control their pollutant emissions. This engagement strategy is cast into individual or collective initiatives alongside NGOs or associations. The individual initiatives focus on sectors identified by the management company and reviewed periodically (2 to 3 years). → **ESG rating of issuers used for the selection of securities for the portfolio:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes criteria relating to: • their policies for managing and preventing pollution generated by their activities. • their procedures for monitoring and reducing toxic emissions and carcinogenic substances. • the management of waste stemming from the goods they produce. In particular, electronic waste recycling policies are assessed.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS					
WASTE	**9. Ratio of hazardous waste and radioactive waste**	**Tonnes of hazardous waste and radioactive waste produced by companies receiving investments, per million euros invested, as a weighted average**	**0.1 tonnes per €million invested**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 12%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** • Private debt financing: the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, includes a criterion relating to the initiatives instituted to reduce waste production. • Infrastructure financing: the rating attributed to the project based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset class in question, includes a criterion relating to the procedures instituted to reduce waste production. The analysis grid was adjusted in 2022 to include a controversy indicator applied to the counterparty.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS RELATED TO SOCIAL AND PERSONNEL ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION					
SOCIAL AND STAFF MATTERS	**10. Violations of the UN Global Compact Principles and OECD Guidelines for Multinational Enterprises**	**Proportion of investments in companies that took part in violations of the United Nations Global Compact or OECD Guidelines for Multi-National Enterprises**	**Securities: 3%**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 92%*** ***The eligible assets not covered are considered "neutral" (i.e. no violation observed)***	→ **Exclusion:** companies guilty of serious and/or repeated violations and without corrective measures of the principles of the UN Global Compact are excluded, when LBP AM and TFSA consider that exclusion is the best lever for reducing the risk of continuous and future violations of standards, in application of the UNGP → **Shareholder engagement:** engagement policy aimed primarily at companies with a serious impact or risk of a serious impact on human rights, taking into account the capital holdings of the LBP AM Group and the proportion for which these companies account in the Group's total investments. The aim of these commitments, which may be bilateral or collective, is to tighten companies' practices in terms of due diligence and respect for human rights. The LBP AM Group's expectations are based on the following principles, which are adapted to the company's specific challenges: • the implementation of due diligence on human rights, in line with the expectations of the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles on Multinational Enterprises; • the identification, prevention, mitigation and remediation of the salient risks specific to the sector in which the company operates; • remediation of negative impacts; and • consultation with stakeholders and persons affected by the company's activities or their legitimate representatives. → **ESG rating of issuers used for the selection of securities in the portfolio:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes criteria relating to: – freedom of association and the right to collective bargaining. – the fight against child labour.
			Securities: 0%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 19%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Exclusion:** companies guilty of serious and/or repeated violations of the UN Global Compact principles, according to LBP AM analysis, are excluded. → **ESG rating of issuers used to assess investment projects:** the rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes criteria on compliance with trade union rights, the fight against discrimination and the promotion of these social criteria in the value chain.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS RELATED TO SOCIAL, PERSONNEL, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION					
SOCIAL AND STAFF MATTERS	**11. Lack of compliance processes and mechanisms for monitoring compliance with the UN Global Compact and OECD Guidelines for Multinational Enterprises**	**Share of investments in companies that do not have a policy for monitoring compliance with the principles of the United Nations Global Compact or the OECD Guidelines for multinational companies, or mechanisms for handling complaints or disputes that make it possible to remedy such violations**	**Securities: 2.60%**	***Eligible assets: 63% of total AuM*** ***Coverage of eligible assets: 78%*** ***Non-covered eligible assets are considered "neutral" (i.e. no absence of processes and mechanisms)***	→ **Shareholder engagement:** a policy of engagement aimed primarily at companies with a serious impact or risk of serious impact on human rights, taking into account the capital holdings of the LBP AM Group and the weight that these companies represent in the Group's total investments. The aim of these commitments, which may be bilateral or collective, is to tighten companies' practices in terms of due diligence and respect for human rights. The LBP AM Group's expectations are based on the following principles, which are adapted to the company's specific challenges: • the implementation of human rights due diligence, in line with the expectations of the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises; • the identification, prevention, mitigation and remediation of the salient risks specific to the sector in which the company operates; • the remediation of negative impacts; and • consultation with stakeholders and persons affected by the company's activities or their legitimate representatives. → **Performance indicator applied to certain funds:** some funds that have obtained the French SRI label have a performance indicator measuring the proportion of investments in companies that are signatories to the United Nations Global Compact. The fund must earn a score greater than its benchmark or its defined ESG analysis universe to apply the selection criteria of the French SRI label. The use of this indicator is indicated in Appendix SFDR to the prospectus of the funds concerned.
			Real and private assets (debt): 31%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 17%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** The rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes criteria relating to the implementation of procedures aimed at ensuring compliance with trade union rights as well as to combat discrimination.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS RELATED TO SOCIAL, PERSONNEL, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION					
SOCIAL AND PER-SONNEL ISSUES	**12. Gender pay gap not corrected**	**Uncorrected average remuneration gap between men and women in companies benefiting from investments**	**Securities: 4.17%**	***Eligible assets: 63%*** ***Coverage: 4% of the eligible scope*** ***Given the very limited coverage of the data, LBP AM did not make estimates on non-covered eligible assets, such that the average stated is that observed on the covered asset.***	→ **ESG rating of issuers used to select portfolio securities:** The rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their policy for preventing discrimination in the workplace. These include policies promoting gender equality, protecting and supporting pregnant women, and integrating vulnerable people.
			Real and private assets (debt): 7%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 12%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** The rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes criteria relating to the implementation of procedures aimed at ensuring compliance with trade union rights as well as to combat discrimination.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS RELATED TO SOCIAL, PERSONNEL, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION					
SOCIAL AND PERSONNEL ISSUES	**13. Diversity within governance bodies**	**Average gender ratio in the governance bodies of the companies concerned, as a percentage of the total number of members**	**Securities: 40.2%**	***Eligible assets: 63%*** ***Coverage of eligible assets: 89%.*** ***Non-covered eligible assets are not considered in the calculation: the value shown is that calculated on the covered eligible asset.***	→ **Shareholder engagement:** The LBP AM Group participates in the collaborative engagement initiative of the 30% Club France Investor Group, created in November 2020 to promote gender diversity within the governing bodies of the SBF 120. The LBP AM Group is a founding member of the French initiative. The aim of the coalition is to encourage companies to promote the inclusion of women in high-responsibility positions. Companies are expected to be transparent about the procedures used to find and appoint new members to the senior management team, and to explain how this process ensures diversity within senior management teams. The companies are also asked to provide information on how diversity is achieved at all levels of responsibility within the company. We also expect to see evidence of a culture of commitment to gender diversity. → **Voting policy:** The LBP AM Group makes its support for the election of male candidates to company boards conditional on women's representation being at least 40%. → **ESG rating of issuers used to select securities for the portfolio:** the rating assigned to issuers on the basis of the GREAT proprietary analysis methodology includes a criterion relating to their remuneration, profit-sharing, training and employee incentive policies.
			Real and private assets (debt): 67%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 19%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** the rating assigned to issuers on the basis of GREAT's proprietary analysis methodology, adapted to the specific features of the asset classes under consideration, was updated in 2022 to include a criterion measuring the ratio of women on the boards of companies benefiting from investments or counterparties. → **Shareholder engagement:** the commitment policy specified for the listed assets is adapted to take into account the specificities of these asset classes. Private debt management teams engage with counterparties during due diligence to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may find it necessary to negotiate the matching of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM negotiates to have indicators that promote gender parity and equality incorporated.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS RELATED TO SOCIAL AND PERSONNEL ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION					
SOCIAL AND STAFF MATTERS	**14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)**	**Investment in companies involved in the manufacture or sale of controversial weapons**	**Securities: 0%**	***Eligible assets: 63%*** ***Coverage of eligible assets: 100%***	→ **Exclusion:** companies that produce, develop, use, store, market and distribute controversial weapons or essential and dedicated components of these weapons are excluded, regardless of the contribution of these controversial weapons to the companies' turnover. The definition of controversial weapons is based on the Oslo Convention (or Convention on Cluster Munitions), the Ottawa Treaty (or Convention on the Prohibition of Anti-Personnel Mines), the Biological Weapons Convention, the Chemical Weapons Convention, the Nuclear Non-Proliferation Treaty, and Protocols II and IV of the Convention on Certain Conventional Weapons for Blinding Laser Weapons and Incendiary Weapons. This policy aims to ensure zero exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons).
			Real and private assets (debt): 0%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 20%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Exclusion:** exclusion policy applied as specified for the listed assets

Indicators applicable to investments in sovereign or supranational issuers

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGN OR SUPRANATIONAL ISSUERS					
ENVIRONMENT	**15. GHG intensity**	**GHG intensity of investment countries in tonnes of CO_2 equivalents per million euros of gross domestic product, investment in tonnes of CO_2 equivalents per million euros of gross domestic product**	**Compared to overall assets: 39.7 tCO_2eq/€m GDP** **Compared to eligible assets: 214.2 tCO_2eq/€m GDP**	***Eligible assets: 18.5% of total assets*** ***Coverage of eligible assets: 100%***	For financial products managed by the LBP AM Group, the ESG rating attributed to each State in the portfolio includes criteria assessing the State's policies and practices, adopted and implemented in order to mitigate global warming. The State's mitigation practices take into account the ability to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, in line with the long-term objective set by the Paris Agreement to limit the rise in temperatures. These criteria include an indicator on the GDP's CO_2 intensity. For financial products the management of which is delegated to Ostrum Asset Management, the delegatee measures the GHG intensity of its investments in sovereign issuers.
SOCIAL	**16. Investment countries experiencing violations of social standards**	**Number of investment steps aware of violations of social standards within the meaning of international treaties and conventions, the United Nations Principles or, where appropriate, national law (numerical value)**	**0**	***Eligible assets: 18.5% of total assets*** ***Coverage of eligible assets: 100%***	For financial products managed by the LBP AM Group, the ESG rating attributed to each State in the portfolio includes criteria assessing the extent to which the laws and practices of a State ensure the respect and protection of fundamental human rights. More specifically, these criteria make it possible to assess whether the laws and practices of countries ensure respect for the right to life, privacy and physical integrity of individuals, civil liberties, fundamental workers' rights, as well as the principles of non-discrimination and combating violence against women and people from LGBTQI+ communities. For financial products the management of which is delegated to Ostrum Asset Management, the delegatee excludes issuers for which there is evidence of serious controversy with regard to the principles defended by commonly established international standards (United Nations, OECD), seriously undermining: • Human Rights, • Labour Rights, • environmental protection • and business ethics. Via a dedicated committee, the identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but placed under surveillance).

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGN OR SUPRANATIONAL ISSUERS CONTINUED					
SOCIAL CONTINUED	**16. Investment countries experiencing violations of social standards** CONTINUED	**Proportion of total number of countries benefiting from investments experiencing violations of social standards within the meaning of international treaties and conventions, the United Nations Principles or, where applicable, national law (expressed as a %)**	**0%**	***Eligible assets: 18.5% of total assets*** ***Eligible outstanding cover: 100%***	For financial products managed by the LBP AM Group, the ESG rating attributed to each State in the portfolio includes criteria assessing the extent to which the laws and practices of a State ensure the respect and protection of fundamental human rights. More specifically, these criteria make it possible to assess whether the laws and practices of countries ensure respect for the right to life, privacy and physical integrity of individuals, civil liberties, fundamental workers' rights, as well as the principles of non-discrimination and combating violence against women and people from LGBTQI+ communities. For financial products the management of which is delegated to Ostrum Asset Management, the delegatee excludes issuers for which there is evidence of serious controversy with regard to the principles defended by commonly established international standards (United Nations, OECD), seriously undermining: • Human Rights, • Labour Rights, • environmental protection • and business ethics. Via a dedicated committee, the identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but placed under surveillance).

Indicators applicable to investments in real estate assets

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS					
FOSSIL FUELS	**17. Exposure to fossil fuels through real estate assets**	**Investment in real estate assets used for the extraction, storage, transport or production of fossil fuels**	**0%**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 100%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	LBP AM is not exposed to fossil fuels on its existing real estate assets, and the oil and gas policy applied will prevent any new investment.
ENERGY EFFICIENCY	**18. Exposure to energy inefficient real estate assets**	**Proportion of investments in energy-inefficient real estate assets**	**59%**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 26%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	An Energy Performance Assessment ("EPD") is produced for investments in France as a matter of standard procedure. With regard to the other investment countries (Europe), LBP AM encourages the conduct of such diagnoses. In addition, LBP AM plans to change its ESG rating grid to improve the collection of information on buildings' energy performance.

Other indicators on the main negative impacts on sustainability factors

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
OTHER INDICATORS ON THE MAIN NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS					
EMISSIONS	**4. Investments in companies that have not taken initiatives to reduce their carbon emissions**	**Proportion of investment in companies that have not taken initiatives to reduce their carbon emissions in line with the Paris Agreement (in %)**	**Securities: 34%**	***Eligible assets: 63%***	→ **Net 0 Strategy:** deployed as part of LBPAM-TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition materialised in 2022 by a commitment by the company to achieve alignment with "Net 0" for 80% of assets under management by 2030. → **Shareholder engagement:** in line with its transition ambition, the LBP AM Group conducts a policy of active engagement with companies to encourage them to initiate or accelerate the transition of their business model. In order to achieve its objectives, LBP AM Group encourages companies to: • Formally set out robust transition plans, making it possible to deploy a transparent and credible transition strategy, in order to align their activities and practices over time with a scenario making it possible to cap re-heating at 1.5°C. • Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions put to the vote at a general meeting, commonly referred to as "Say on Climate" resolutions. These enable shareholders to state their opinion specifically on the companies' energy transition strategy and objectives, and on its implementation during a financial year. • Assesses, reduces and reports its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with particular attention and prioritisation on so-called "high-stakes" sectors. They are thus articulated and broken down into two sectoral policies: oil and gas, as well as coal. In application of this policy, LBP AM and TFSA participated in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting over a thousand companies with a view to obtaining their commitment to the transition of their activity to the Science-Based Target Initiative. Furthermore, LBP AM/TFSA actively encourages companies to submit their climate strategies to shareholders' vote for which it has established specific requirements (political avenue, via "say on climate" vote).

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, MEASURES PLANNED AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
OTHER INDICATORS ON THE MAIN NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS					
EMISSIONS CONTINUED	**4. Investments in companies that have not taken initiatives to reduce their carbon emissions** CONTINUED	**Proportion of investment in companies that have not taken initiatives to reduce their carbon emissions in line with the Paris Agreement (in %)**	**Securities: 34%**	***Eligible assets: 63%***	Where necessary, LBP AM and TFSA may also submit resolutions. In this spirit, LBP AM and TFSA filed and placed on the agenda of the Total Energies GM a "Say on Climate" resolution in 2020, and thereafter, three climate-related resolutions, withdrawn following satisfactory commitments from companies, at the Engie GM in 2021 and HSBC and Total Energies in 2022. Lastly, LBP AM and TFSA submitted a new resolution to Total Energies' 2023 Shareholders' Meeting. → **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their procedures for measuring and reducing their carbon emissions all along their value chain. → **Performance indicator applied to certain funds:** some funds that have received the French SRI label have a performance indicator that measures the proportion of companies invested whose greenhouse gas emission reduction targets are validated by the Science Based Targets Initiative (SBTi). The fund must earn a score greater than its benchmark or its defined ESG analysis universe to apply the selection criteria of the French SRI label. The use of this indicator is indicated in Appendix SFDR to the prospectus of the funds concerned.
			Real and private assets (debt): 64%	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 15%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **Net 0 Strategy:** investments in real and private assets are included in the net strategy 0 mentioned above. → **ESG rating of issuers used to assess investment projects:** The rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the initiatives instituted to measure and reduce their carbon emissions.

INDICATOR OF NEGATIVE IMPACTS ON SUSTAINABILITY		MEASUREMENT ITEM	2022 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
OTHER INDICATORS ON THE MAIN NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS					
SOCIAL AND PER-SONNEL ISSUES	**3. Number of days lost due to injury, accident, death or illness**	**Number of days lost due to injuries, accidents, deaths or illnesses in the companies concerned, as a weighted average**	**Real and private assets (debt): 0.2 days per € million invested**	***Eligible assets: 63%***	→ **ESG rating of issuers used for the selection of portfolio securities:** the rating attributed to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to the risk of health and safety accidents likely to lead to disruptions in the production of disputes and liabilities.
	4. no code of conduct for suppliers	**Proportion of investment in companies without a supplier code of conduct (fight against dangerous working conditions, precarious work, child labour and forced labour) stated in %**	**Real and private assets (debt): 29%**	***Eligible assets: 100% of AuM*** ***Coverage of eligible assets: 13%*** ***The value shown is calculated only on the eligible assets covered (i.e. no estimate on the asset values)***	→ **ESG rating of issuers used to assess investment projects:** The rating attributed to issuers based on the proprietary GREaT analysis methodology, adapted to the specificities of the asset classes in question, includes a criterion relating to the implementation of a policy aimed at promoting good environmental and social practices with their suppliers.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE KEY NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

The identification, prioritisation and management of the main negative impacts on sustainability factors is carried out based on a set of complementary tools, policies and procedures.

It is carried out in particular through cross-cutting policies intended to holistically address each sustainability thematic, by defining the treatment to be provided in terms of rules of exclusion, selection, engagement and voting. These policies are co-constructed by SRI experts and management and research teams. Each policy is formally approved by the Sustainable Finance Committee, which is composed of the Management Board of LBP AM, the managers of the management and analysis teams, SRI Solutions and the Risk Department, as well as others. The GREaT committee, composed of the managers of the management and analysis teams, SRI Solutions and the Risk Department, oversees the proper application by the various teams concerned.
The Group has established policies on the following topics:

- Thermal coal, updated in April 2021,
- Oil and gas, validated in June 2022,
- Biodiversity, also covering the negative impacts due to pollution and waste, approved in December 2022,
- With regard to human rights, the LBP AM Group applies a normative policy updated in May 2023 and aims to publish a global policy during the 2023 financial year.

These policies are available on the websites of LBP AM* Group management companies.

These policies are cast into exclusion, voting and engagement policies applied transversally to the entire LBP AM Group and impact stock selection strategies. A more detailed description of the application of these policies to the management of the negative impacts of investment decisions on sustainability factors is available in the indicators table above, in the column “Measures taken, measures planned and targets defined for the next reference period”.
The policies as well as the voting and shareholder engagement reports are available on the websites of the LBP AM Group’s management companies*.

For certain thematics, such as controversial weapons, tobacco and gambling, the LBP AM Group deems that only exclusion policies can limit the negative impacts of potential investments in these sectors. These policies are available on the websites of the Group’s management companies*.

In addition, the application of the requirements of the French SRI label relating to the selection of securities to all eligible open-ended funds, on the basis of the ESG ratings established by the proprietary GREaT** methodology, enables holistic consideration for the negative impacts of investments 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 on each sustainability thematic might be established ex ante. Rather, it aims to provide managers with information on companies’ general ESG performance, summarised in a score defined according to the AGIR systematic quantitative algorithm, which can be completed qualitatively, with a view to complying with the portfolio exclusion or rating improvement criteria set by the French SRI label. Consequently, companies that cause significant negative impacts will tend to be excluded or underweighted in labelled portfolios.
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.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE KEY NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

Lastly, the funds that have earned the French SRI label are gradually equipped with two ESG performance indicators that reinforce the consideration of the main negative impacts of investment decisions. These indicators are defined on a case-by-case basis by managers and SRI experts. For each indicator, the fund must post performance exceeding its benchmark. To date, around one hundred funds have been assigned such indicators, specified in the pre-contractual appendices to the prospectus provided for by the SFDR Regulation***. Indicators are selected from the following list, which is regularly updated to include new relevant data:

Carbon footprint	Measures the CO_2 emissions attributable to the fund's investments. This indicator is stated in tCO_2 per million euros invested and covers scope 1 and 2 emissions.
Responsible Compensation for executives	This indicator measures the proportion of investments in companies that incorporate ESG criteria into the remuneration of their managers.
Human rights	This indicator measures the proportion of investments in companies that are signatories to the United Nations Global Compact.
Carbon Intensity Scopes 1+2	The Scope 1 intensity is added with the Scope 2 intensity in order to form the issuer's Scopes 1 & 2 intensity. At the level of the portfolio, the intensity is the weighted sum of the intensities of the issuers covered.
Net Zero trajectory	Proportion of companies with greenhouse gas emission reduction targets validated by the Science Based Targets Initiative (SBTi), a partnership created in 2015 between the Carbon Disclosure Project, the United Nations Monetary Compact, the World Resources Institute and the Global Fund for Nature and aimed at ensuring that the greenhouse gas reduction targets set by companies match the climate science data.

To apply these various policies and strategies, the LBP AM Group relies on several data providers: Bloomberg, CDC Biodiversité, Carbon Disclosure Project, Climate Action 100+, Encore developed by the United Nations, Ethifinance, ISS ESG, London Stock Exchange, Moody's ESG, MSCI, SBTi, Transition Pathway Initiative, Trucost, Urgewald.
For real and private assets, LBP AM uses data obtained directly from companies or projects benefiting from investments.

**Access to the various policies listed above:*
LBP AM in the category "News" — "Publications & Reports" –
https://www.LBP AM.com/fr/publications/publications-rapports)
Tocqueville Finance in the category "all our news" — "publications" –
https://www.tocquevillefinance.fr/liste-des-news/?cat=publications

***GREaT rating methodology: The LBP AM Group has developed a proprietary rating methodology aimed at assessing companies and projects in two dimensions: responsibility in their practices and 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 **G**overnance,*
- *Sustainable management of natural and human **R**esources,*
- ***E**nergy transition,*
- ***T**erritorial development.*

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.

**** REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on the publication of sustainability information in the financial services sector.*

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE KEY NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

Engagement policies

The LBP AM Group has made the strategic decision to be actively involved with the companies it supports financially through their investment decisions, to encourage them to adopt a continuous progress approach to managing the challenges of sustainable development.

The LBP AM Group's engagement policy covers a broad spectrum of sustainability issues, enabling it to contribute to efforts to reduce negative impacts on the climate and the environment (including issues relating to biodiversity, pollution and waste), on fundamental human rights and on good corporate governance.
The main objectives, the scope and the usual procedures for conducting engagement procedures are formally stated in the global shareholder engagement policy, supplemented by our thematic SRI policies, which set out the technical expectations for specific issues and sectors. All of these policies are available on the websites of LBP AM* Group companies.

The LBP AM Group's engagement policy is applied on the scale of the management companies LBP AM and TFSA. Therefore, all investee companies in LBP AM Group's portfolios are liable to be engaged on ESG issues. All the shareholder engagement actions are carried out in the name of the LBP AM Group on behalf of its retail and professional customers.

The identification of companies to be engaged takes into account several factors:
- Our share in the company's capital, which partly determines our power of influence;
- The proportion that our investment in the company represents for the LBP AM Group, which determines our level of exposure to the negative impacts of companies;
- The degree of importance and materiality of an ESG controversy;
- The importance of the theme of engagement with respect to the company's business sector (concept of a sector with stakes/risk with regard to a stake);
- The opportunities for engagement that can be presented via market initiatives.

With regard to transferable securities, commitments are made both in respect of holdings in corporate shares and in bonds, for all holdings. The engagement policy may also cover real and private assets, broken down to take into account the specificities of these asset classes. The private debt management teams (corporate, infrastructure and real estate) dialogue with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may be required to negotiate the backing of impact indicators with loan contracts to encourage borrowers to improve their equity on the most material environmental and social issues.
In order to deploy engagement and dialogue practices, the various teams (analysts, managers and SRI experts) regularly interact with the management and/or specialised teams of the companies in which the LBP AM Group invests. These exchanges are carried out in two manners, sometimes in combination, namely dialogue and bilateral engagement or collaborative engagement.
When the dialogue does not yield the desired outcome, the LBP AM Group may use additional tools referred to as "escalation" tools. Our levels for escalation fall into three categories:
- Heightened dialogue: sending letters to the company, working with other investors or industry initiatives, reasoned opposition to resolutions submitted by the Board at a general meeting;
- Public actions at general meetings: Advance declaration of intended vote on a resolution at a general meeting, submission of written or oral questions at the general meeting, tabling of resolutions at the general meeting;
- Internal management levers: downgrading the stock's ESG rating, reducing the position in the portfolio, placing the stock under surveillance, as a result of which no new investments may be made, and divestment when the commitment is deemed to have failed (lack of satisfactory corrective action, lack of openness to dialogue, etc.).

A more detailed description of the application of these commitment policies for managing the negative impacts of investment decisions on sustainability factors is available in the indicators table above, in the "Measures taken, measures planned and targets defined for the next reference period" column.

**Access to the various policies listed above:*
LBP AM in the category "News" — "Publications & Reports" – https://www.LBP AM.com/fr/publications/publications-rapports)
Tocqueville Finance in the category "all our news" — "publications" –

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE KEY NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

References to international standards

https://www.tocquevillefinance.fr/liste-des-news/?cat=publications

The LBP AM Group gives pride of place to international standards when defining its thematic policies, enabling it to take into account the negative impacts of its investment decisions on sustainability factors.

With regard to the impacts on climate change, the LBP AM Group aims for alignment on a 1.5°C trajectory with, as reference point, the P2 scenario of the IPCC established in 2018. It has thus committed to achieving carbon neutrality in its portfolios by 2050, with the intermediate objective of reaching 80% of assets aligned with "Net 0", according to the definition of the Science Based Target initiative ("SBTi"), by 2030, as part of the Net Zero Asset Managers Alliance. This scenario entails to a profound transformation of the company and implies a significant reduction in anthropogenic CO_2 missions over the next few decades. The net global CO_2 emissions will need to fall by approximately 45% in 2030 compared to 2010, and be equal to zero by 2050, through action to limit the use of carbon capture and storage technologies. In order to achieve its ambitions, the LBP AM Group has adopted more specific policies on coal, oil and gas, based on the International Energy Agency's NetZeroby2050 scenario. . All of these items, presented individually in the sections heretofore, jointly enable a direct contribution to managing almost all the negative impacts measured by the indicators relating to GHG emissions mentioned in the table available above, and more indirectly to indicator 5, relating to the proportion of consumption and production of non-renewable energy. In particular, the corporate engagement initiatives are aimed at the publication of a transition plan as recommended by GFANZ based on an analysis of all market methods, the deployment of reporting in accordance with the framework of the Taskforce on Climate Financial Disclosures ("TCFD") and the compliance of these elements with future CSRD standards and the new version of the OECD Guidelines for Multinational Enterprises.

With regard to biodiversity, the biodiversity policy referred to in the previous sections interconnects with the draft Global Biodiversity Framework for the post-2020 period established in July 2021 by the United Nations Convention on Biological Diversity (UN CBD), which culminated in the Kunming-Montreal Global Biodiversity Framework in December 2022. The LBP AM Group's policy is also in line with the Finance For Biodiversity Pledge of which LBP AM is a member, and the engagement actions carried out with companies are aimed in particular at deploying reporting in accordance with the Task Force on Nature-Related Financial Disclosures ("TNFD") and ensuring compliance with future CSRD standards. All of the resulting actions, specified in the previous sections, jointly make it possible to contribute to the management of the negative impacts measured by indicator 7 relating to activities having a negative impact on sensitive areas in terms of biodiversity in the table above.

With regard to Human Rights, the LBP AM Group has defined its policy in conjunction with the OECD Guidelines for Multinational Enterprises ("the Guidelines"), the UN Guiding Principles on Business and Human Rights ("the UNGP") and the ten UN Global Compact Principles ("UNGC"). The integration of all these different standards into the management, voting and engagement policies is detailed in the previous sections and contributes to the management of the negative impacts measured by Indicators 10 and 11 relating to violations of the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises and the absence of compliance processes and mechanisms to monitor compliance with the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises.

Lastly, with regard to the weapons sector, LBP AM has defined its policy of exclusion interconnecting with the Oslo Convention (or Convention on Cluster Munitions), the Ottawa Treaty (or Convention on the Prohibition of Anti-Personnel Mines), the Biological Weapons Convention, the Chemical Weapons Convention, the Nuclear Weapons Non-Proliferation Treaty, as well as Protocols II and IV of the Convention on Certain Conventional Weapons for Blinding Laser Weapons and Incendiary Weapons. This policy aims to ensure zero exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons), as measured by indicator 14 in the table above.

4.4 Taxonomy

Proportion of assets concerning activities eligible for the technical criteria of Regulation (EU) 2020/852

→ **Proportion of total assets with exposures to economic activities eligible under the taxonomy (regulatory ratio)**	5.0%
→ **Proportion of total assets with exposures to economic activities not eligible under the taxonomy (regulatory ratio)**	95.6%
→ **Proportion of total assets with exposures to central governments, central banks or supranational issuers**	14.70%
→ **Proportion of total assets with exposures to companies not subject to non-financial information pursuant to acticle 19 bis or Article 29 bis of Directive 2013/34/EU**	39%
→ **Share of derivatives in total assets**	-0.5%

4.5 Glossary

AFNOR
French Standards Association

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

ARTICLE 29 LEC
Article of the Energy and Climate Act defining the information which market players are required to publish on the inclusion of environmental, social and governance quality criteria in the investment policy and on the resources implemented to contribute to the energy and ecological transition.

BIA-GBS
Biodiversity Impact Analytics database powered by the Global Biodiversity Score created by CDC Biodiversity and Carbon 4 Finance to model a company's footprint on biodiversity.

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

DCCI
French Directorate of Compliance and Internal Control

DNSH
Do No Significant Harm, a principle central to European financial regulation, according to which the 6 European environmental objectives should not be impeded.

EFRAG
European Financial Reporting Advisory Group, mandated by the European Commission to propose sustainability reporting standards.

ESG
Environment, social and governance

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

IEA
International Energy Agency

IPCC
Intergovernmental Panel on Climate Change

LBP AM
La Banque Postale Asset Management

PORTFOLIO COVERAGE
A method for steering the alignment of financial portfolios with the Paris Agreement objective, standardised by the SBTi initiative, whereby financial players define engagement targets with their issuers and counterparties so that 100% of the companies in their portfolios have SBT objectives validated by 2040, in a linear progression.

SBTi
The Science-Based Targets Initiative, an international partnership of specialised players that enable companies to commit to defining clear and transparent objectives to reduce their carbon footprint, according to a framework "underpinned by climate science", and to have their compliance with this framework validated.

SFRD
Sustainable Finance Disclosure Regulation, a European regulation that sets standards for the publication of information on the sustainability of funds, management companies and credit institutions.

SRI
Socially Responsible Investment

Taxonomy
European regulation implementing classification and reporting of economic activities using scientific criteria, in order to help investors recognise sustainable activities, i.e. contributing to one of the 6 environmental objectives of the EU (climate change mitigation, adaptation to climate change, sustainable use and protection of aquatic and marine resources, prevention and reduction of pollution, transition to a circular economy, protection and restoration of biodiversity and ecosystems) without harming any others.

TFSA
Tocqueville Finance SA

TNFD
Task Force on Nature Financial Disclosure, a voluntary initiative developing financial reporting standards associated with biodiversity

UCI
Undertakings for Collective Investment

4.6 Further information

- 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, LBP AM Group preferentially uses its website: https://www.lbpam.com/fr

- The main information is grouped under the heading "SRI commitments": undertaking, core beliefs, regulatory documentation and others, available here: https://www.lbpam.com/fr/notre-identite/notre-expertise-en-gestion-isr

- 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 "SRI Commitments" section of the website: https://www.lbpam.com/fr/notre-expertise/nos-expertises

- 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	FORMAT	QUANTIFIED INDICATOR
Transparency Code	**Tocqueville Finance website, Publications section**	Annual	Public
Transparency Code, Tocqueville ISR Euro MidCap	**Tocqueville Finance website, Publications section**	Annual	Public
Transparency Code, Tocqueville Value Amerique ISR	**Tocqueville Finance website, Publications section**	Annual	Public
Energy Transition Law Report	**LBP AM website, Publications section**	Annual	Public
Voting policy	**LBP AM website, Publications section** **Tocqueville Finance website, Publications section**	Annual	Public
Voting report	**LBP AM website, Publications section** **Tocqueville Finance website, Publications 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, Publications 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, Publications section**	Annual	Public
AGIR brochure for the Energy Transition	**LBP AM website, Publications section**	Ad Hoc	Public
Newsletter "ISR AGIR"	**LBP AM website, News 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


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