



Responsible Investment Report 2021



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- 2021 significant events of the entities
- Summary of the information required by the decree implementing Article 29 of the Energy-Climate Law



ERRATUM

In the report published in June 2022, there were errors in the graphs and in the charts on pages 57 and 60. This November 2022 version is corrected..



COVERAGE: MARIE VOCCIA, ECOLOGIST FROM CDC BIODIVERSITÉ, A SUBSIDIARY OF CAISSE DES DÉPÔTS, COUNTS FALSE RINGLET BUTTERFLIES IN A TEST PLOT IN THE LANDES FOREST, NEAR THE A65 MOTORWAY, AT CAPTIEUX, WHERE PINES WERE PLANTED WITHOUT WEEDING. © Sébastien Ortola / REA - Caisse des Dépôts / 2020.



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Virginie Chapron-du Jeu

GROUP FINANCE DIRECTOR

In an environment that is still affected by the health crisis, 2021 represented a continuation of the recovery plan, with a major challenge: directing its deployment towards a more sustainable economy. From this perspective, responsible investment practices are more essential than ever.

In this context, the Caisse des Dépôts Group has mobilised all of its businesses to actively contribute to this reorientation of financing in favour of the energy and ecological transition. In 2021, €17.3 billion was mobilised at the Group level to finance the ecological transition in all areas (real estate, energy, transport, etc.).

The Covid-19 crisis has revealed the need to address ecological transition issues in a systemic way: by addressing not only climate change mitigation, but also the preservation of ecosystems, the just transition and adaptation issues.

In order to work in this direction, the Caisse des Dépôts Group has integrated all these subjects into its responsible investment strategy and made new commitments: Caisse des Dépôts has adopted a new intermediate reduction target of -55% of the carbon footprint of the asset portfolios by 2030 compared to 2020 established as part of the Net-Zero Asset Owner Alliance (NZAOA); we have strengthened our Group-wide policy on the management of fossil fuels and adopted an action plan in favour of biodiversity.

**In 2021,
€17.3 billion was
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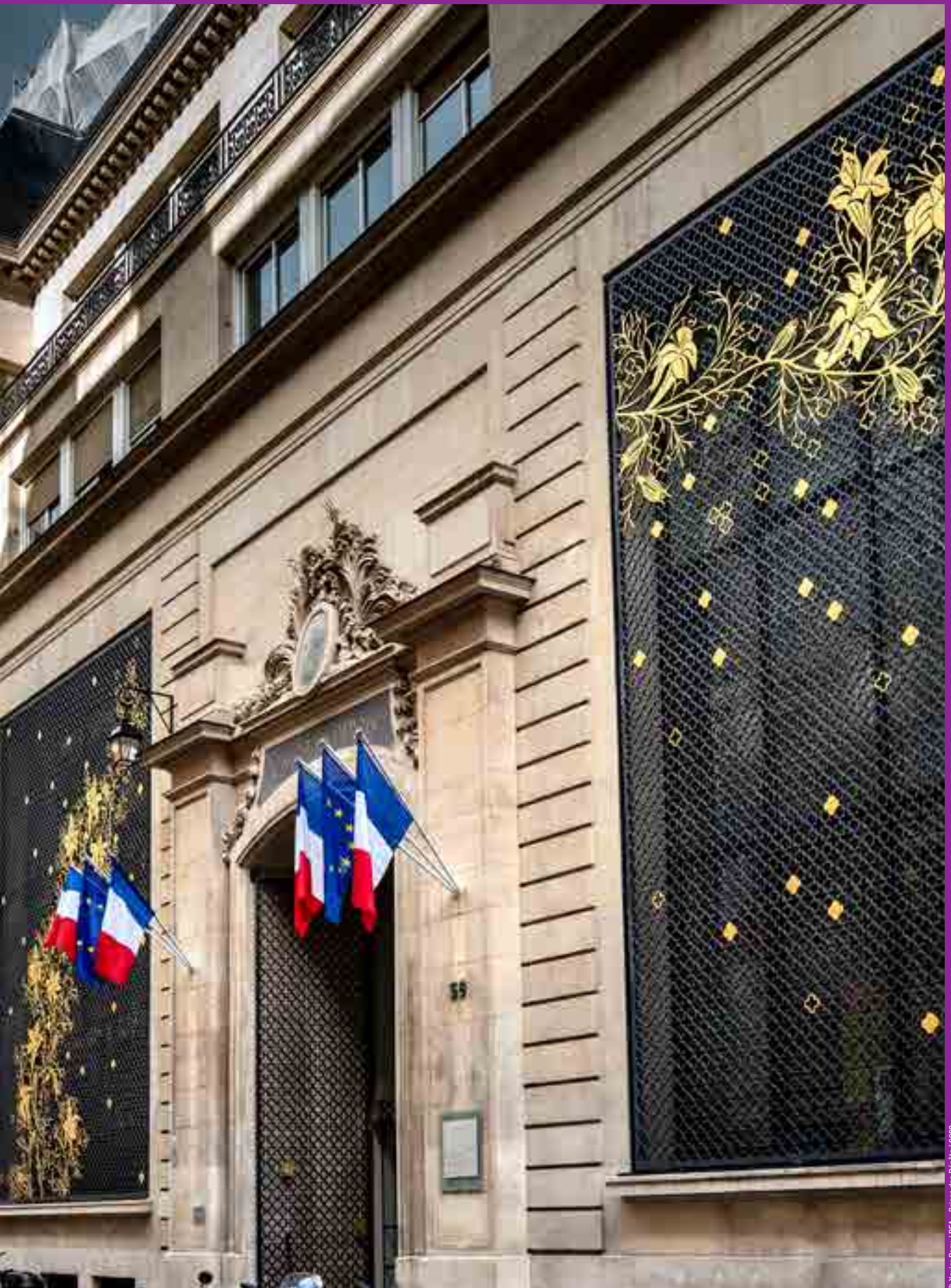
2021 was also characterised by the entry into force of several European and French regulations on responsible investment, which will strengthen the transparency and comparability of responsible investment practices. This report thus presents the Caisse des Dépôts Group's reporting on the requirements of Article 29 of the Energy-Climate Law and the eligibility phase of the European taxonomy. Starting this year, we have chosen to publish climate and biodiversity-related indicators (amount of exposure to fossil fuels, eligibility of investments and biodiversity footprint) and an inventory of our initial work in terms of climate risk management.

The Caisse des Dépôts Group also wishes, through this report, to respond to all the recommendations of the *Task Force on Climate-Related Financial Disclosures* (TCFD); this is why this 2021 report has been structured according to the four areas recommended by the Task Force: governance, strategy, risk management, indicators and results.

The Caisse des Dépôts Group welcomes these new regulations.

They will clarify and strengthen the extra-financial transparency framework for investors. Over time, they will also allow responsible investors to better select the companies in which they invest based on their performance according to environmental, social and governance (ESG) criteria.

I hope that this report meets your expectations, and I hope you enjoy reading it.



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Introduction

This report presents the responsible investment policy of the Caisse des Dépôts Group, its changes and its implementation with full transparency in accordance with the Energy-Climate Law. Annex II provides an overview of the link between the content of this report and the criteria for the application of Article 29 of the Energy-Climate Law.

This balance sheet was constructed according to the four pillars of the *Task Force on Climate-Related Financial Disclosures* in order to meet the recommendations of this standard.

Serving the common good

The responsible investor approach is at the heart of the actions of the Caisse des Dépôts Group. The Group finds itself at the intersection of the public domain and the competitive private sector and is fully committed to serving the common good. A unique alliance of public and private economic players, the Caisse des Dépôts Group is committed, at the heart of the regions, to accelerating ecological transformation and helping provide a better life for all. This raison d'être is reflected in the vision of creating plural long-term value, encompassing in a balanced manner:

- **financial value:** security of entrusted deposits, long-term return on its portfolio, recurring revenues,
- **intangible value:** maintaining the confidence that the Group inspires in its beneficiaries and partners, including at the local level,
- **societal value:** the impact of its activities on society and the environment and fulfilling the needs of the end beneficiaries who influence the strategic priorities.

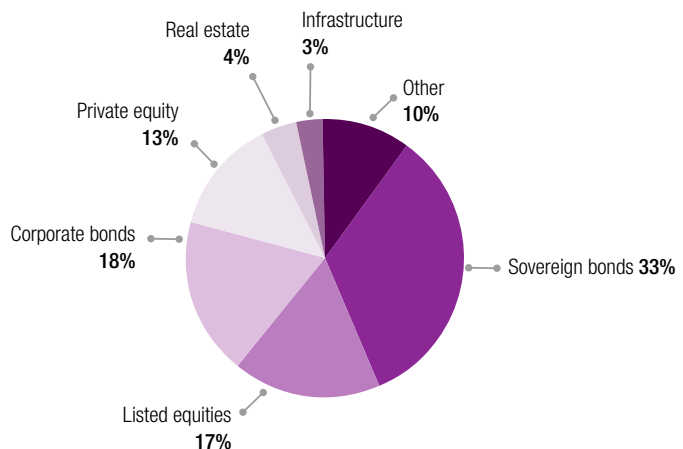
100% responsible ambition

In keeping with this identity, as a long-term investor, the Group carefully examines the opportunities and risks of its potential and actual investments so that 100% of its investments undergo ESG analysis.

This approach is in line with a dynamic of continuous development, shared among its various financial business lines: Asset Management, Banque des Territoires, the financial subsidiaries of the Management of Strategic Investments Division, including the STOA⁽¹⁾, the financing and development of companies through Bpifrance, La Banque Postale Asset Management / CNP Assurances and, finally, the Social Policy Division, **representing more than €690 billion in assets under management⁽²⁾.**

- (1) Investment vehicle subsidiary of Caisse des Dépôts and AFD intended to finance infrastructure in emerging markets.
- (2) Calculation made without share.
- (3) Outstandings recognised by asset class cover those of Caisse des Dépôts, Bpifrance, STOA, and the La Poste Group. The "Other" category mainly represents cash investments.

BREAKDOWN OF INVESTMENT ASSETS OF THE CAISSE DES DÉPÔTS GROUP AT THE END OF 2021⁽³⁾



4 significant events of the year

Enhanced climate commitments

To help limit global warming to 1.5°C by the end of the century, the Group has set itself the objective of aligning its financial business lines on a goal of carbon neutrality by 2050 and follows the guidelines of the National Low-Carbon Strategy (SNBC) for its financing and investments in France.

Acceleration of green financing

As part of the Group's commitment to financing the ecological transition to the tune of €60 billion over the 2020-2024 period, green financing increased by 30% in 2021 compared to 2020: the Group mobilised €30.6 billion for the transition over 2020-2021, thus reaching more than 50% of its 2024 target in two years.

Reinforcement of the framework for brown financing

For Climate Finance Day on 26 October 2021, the Caisse des Dépôts Group announced enhanced oversight for its fossil fuel financing. The Group's financial entities apply increased selectivity in the oil, gas and coal sector, do not invest or finance companies whose exposure to shale oil and gas, oil sands or natural resources from the Arctic region represents more than 10% of their turnover and are also committed to strengthening their shareholder dialogue with companies in these sectors.

Alignment of investment portfolios

Since 2014, the Caisse des Dépôts Group has been committed to reducing the carbon footprint of its portfolios and since 2019 has been a founding member of the Net Zero Asset Owner Alliance. In this context, it is strengthening its commitments in 2022 by acquiring a new decarbonisation target of -55% by 2030 for its equity and corporate bond portfolios.

A climate policy that goes beyond the financial business lines, broken down by sector

In 2021, research work on climate commitments concerned all of the Caisse des Dépôts Group's business lines and entities, beyond just the financial business lines. Climate sector lines for real estate and transport, two key sectors for the low carbon transition, were validated in June 2021 and April 2022.

Adoption of the biodiversity action plan

At the One Planet Summit on 11 January 2021, Caisse des Dépôts unveiled its first biodiversity action plan. Validated in June by the Businesses Committed to Nature initiative led by the French Biodiversity Agency (OFB) and the Ministry for Ecological Transition, this plan is based on 4 areas: measuring the biodiversity footprint of the Group's activities, reducing negative impacts, increasing positive impacts and supporting research and training.

On 7 September 2021, the Group organised its 1st "Nature Day" to publicise the solutions it deploys with local authorities, companies and financial players to help them reduce their biodiversity footprint.

In September 2021, several Group financial entities joined the initiative *Finance for Biodiversity*, of which Caisse des Dépôts has been a signatory since its creation in 2020. La Banque Postale, CNP Assurances and STOA have therefore undertaken to comply with the 5 points of this [charter](#) and contribute to the integration of biodiversity issues into finance.

In this context, Caisse des Dépôts, La Banque Postale, La Banque Postale Asset Management, CNP Assurances and CDC Habitat have signed an appeal addressed to governments encouraging them to be ambitious in the negotiations on the post-

YOU CAN FIND ALL OF THESE COMMITMENTS IN THE "STRATEGY" SECTION.



YOU CAN FIND THE DETAILS OF THIS ACTION PLAN IN THE "STRATEGY" SECTION.



FIND ALL THE CONTENT AT [HTTPS://JOURNEEELANATURE-2021-CDC.FR/](https://journeeelanature-2021-cdc.fr/)



2020 framework ahead of the first part of the biodiversity COP15. In total, 78 financial institutions managing more than \$10 trillion communicated this message.

In December 2021, Caisse des Dépôts joined the FAIRR INITIATIVE, which focuses on ESG issues in livestock farming and, more generally, protein production, where the challenges of biodiversity, pollution and deforestation are particularly serious. This membership will enable Caisse des Dépôts to improve its understanding and integration of these subjects into its activities as well as the quality of its shareholder dialogue with companies in these sectors.

Participation in just transition work

Taking into account the social issues of the ecological transition is absolutely necessary in order to achieve the objectives for climate and biodiversity. This is the whole point of the just transition. However, the relevant information available on the companies and indicators at the intersection of environmental and social issues is currently very insufficient.

As part of *Finance for Tomorrow*, the Paris marketplace initiative for sustainable finance, Caisse des Dépôts is a founding member of the Coalition of Investors for a Just Transition, launched at the end of June 2021 and presented at the COP26 in Glasgow in November 2021.

This coalition has three goals:

- encourage companies to integrate the just transition into their environmental strategy by having regular dialogue with them,
- promote best practices in the business sectors most impacted by the environmental transition,
- facilitate collaboration between investors and companies.

The initiative aims to identify good practices in the area of the just transition, which will lead to collective shareholder engagement in companies in the financial, real estate, agri-food, transport and energy sectors and will be able to be capitalised within a *data hub* on the just transition in partnership with the *World Benchmarking Alliance*.

Ultimately, the initiative also aims to create a “just transition” chair, the design of which has been entrusted to the Louis Bachelier Institute.

<https://www.investorsjusttransition.com/>

Launch of work on climate change adaptation

In 2022 the Group launched climate change adaptation work in order to anticipate the risks of climate change that will affect the regions as well as its activities. The Banque des Territoires is building a support offer for the regions. Based on work to assess the physical risks of its portfolios, the Group is deploying a gradual adaptation plan, by asset class, starting with real estate and infrastructure.

INVESTORS FOR
A JUST
TRANSITION



LINE 2 OF THE NICE TRAMWAY,
THE CONSTRUCTION OF WHICH
WAS PARTLY FINANCED BY
BANQUE DES TERRITOIRES.





© Simon Lambert / Heytham - REA - Caisse des Dépôts / 2020

Governance of sustainability- related issues

The Group's governance bodies - the Executive Committee and the Supervisory Board - supervise and validate the development of the responsible investment policy.

Oversight by the Supervisory Board

Recognised experience in environmental, social and governance issues

The Supervisory Board is chaired by a Sophie Errante, Member of Parliament from Loire-Atlantique.

It is composed of 16 members including 5 parliamentarians, 2 staff representatives, 1 representative of the State and **8 qualified officials appointed for their knowledge of economic, financial and sustainable development issues.**

Three experts in particular have extensive professional experience in the field of sustainable development (chair of the think tank Institute for Climate Economics (I4CE)), former director of sustainable development for a large group in the energy sector, former president of the French Environment and Energy Management Agency (ADEME) and director of the office of the Minister for the Ecological Transition).

In addition to being commissioners at Caisse des Dépôts, **they work regularly to advance knowledge on climate issues, sustainable finance and responsible investment within various committees** (example: one of the supervising commissioners directs the SRI label committee).

Rigorous oversight

The Supervisory Board oversees the proper management of the Group and the implementation of its missions of common good.

In particular, it oversees issues related to responsible investment and successively recommends actions to be implemented to guide the Group towards best market practices, through several committees:

- **the Investment Committee:** any investment decision relating to subsidiaries or merger-acquisition operations having a significant impact on the equilibrium of the Group is subject to a decision by the Group Commitments Committee, as part of which an in-depth analysis of ESG issues is performed prior to decision-making. This analysis makes it possible to formulate an opinion on the impacts in terms of sustainable development, which is taken into consideration in the same way as the financial, legal and risk opinions. Strategic investments or investments of an amount greater than or equal to €150 million, incorporating these analyses, are presented, for opinion, by the Chairman and Chief Executive Officer of Caisse des Dépôts to the Investments Committee of the Supervisory Board,
- **the Audit and Risk Committee:** in particular, it ensures compliance with risk appetite indicators and recommends actions to be implemented in terms of integrating ESG risks,
- **the Strategic Committee:** it aims to monitor the proper implementation of the strategic plan, including the areas of the ecological transition and social cohesion and the Sustainable Development Goals (SDG) action plan. Until 2021, this committee also oversaw sustainable policy commitments,
- **the Ethics and CSR Committee:** this new committee, created in 2022, will focus more specifically on commitments in terms of ethics and sustainable policy.



Three experts work to advance knowledge on climate issues, sustainable finance, and responsible investment on various committees.

Oversight by senior management

Solid commitments on environmental, social and governance issues

Given the public interest mission and the priority given to the ecological transition in the Caisse des Dépôts Group's strategy, the members of the executive committee have all integrated the challenges of sustainable development into their roadmap.

The Chairman and Chief Executive Officer and the members of the Executive Committee take part in the Stakeholders Committee, in which high-level experts in climate, biodiversity and social cohesion issues regularly participate. Members of the Executive Committee also frequently attend conferences dealing with these issues.

The Sustainable Policy Division provides members of the Executive Committee with continuous monitoring of national and international issues relating to climate and biodiversity. As this department is integrated into the Finance Directorate to ensure perfect coordination between strategic and financial management and extra-financial management, the finance director brings sustainable development issues to the Executive Committee and has the implementation of the sustainable policy validated by the committee on a regular basis.

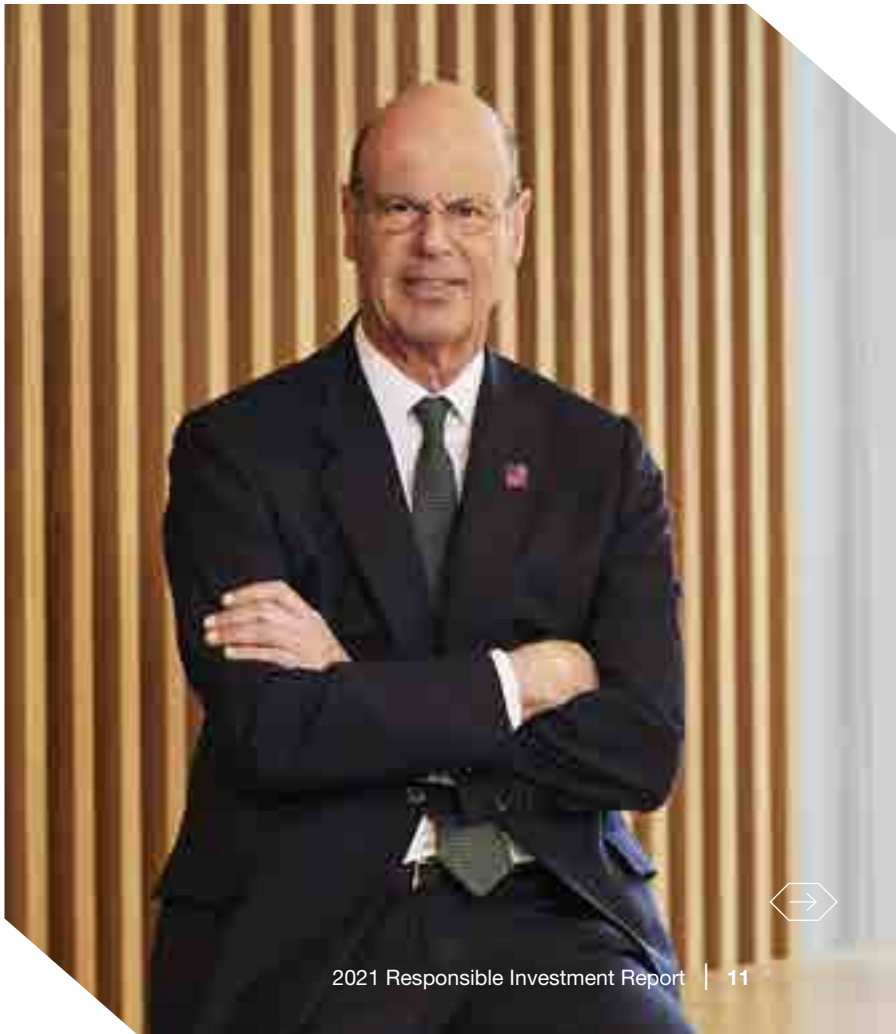
All the members of the Executive Committee (Head of Banque des Territoires, Director of Asset Management, Director of Subsidiaries Management and Strategic Investments, Director of Risks, Director of Corporate Communications, Director of Legal Affairs, Corporate Secretary, Director of Finance and Director of Human Resources) have all integrated ESG issues among the priorities of their divisions and have proven experience in sustainable development.

A model serving the common good

The Chairman and Chief Executive Officer of Caisse des Dépôts is appointed for five years by decree of the President of the French Republic, after hearings before the finance committee of the French Parliament.

The members of the Executive Committee oversee the implementation of the Group's sustainable strategy, validate new commitments, arbitrate on potential strategic impacts and are kept informed of work on climate financial risks.

↓
ÉRIC LOMBARD, CHIEF EXECUTIVE OFFICER OF CAISSE DES DÉPÔTS.



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Role and organisation of the Group Sustainable Policy Division

A dedicated department

The Group's Sustainable Policy Division is headed by the Director of Sustainable Policy and is made up of 7 permanent experts who coordinate the Group's sustainable development policies within the framework of cross-functional working groups bringing together all of the Group's entities. The team from the Sustainable Policy Division oversees the management of ESG issues at the Group level on a daily basis.

In particular, it is responsible for:

- coordinating the Group's activities in terms of climate, biodiversity, SDGs, responsible investment, ESG reporting,
- strengthening the Group's sustainability commitments,
- incorporating the regulatory requirements in terms of extra-financial reporting,
- supporting the business teams in terms of shareholder engagement and the low-carbon trajectory or even adaptation work,
- consolidating and ensuring the mobilisation of green financing,
- ensuring the achievement of the objective of aligning financial investment portfolios with a carbon neutrality objective by 2050.

A sustainable development steering committee

Chaired by the Director of Finance and steered by the Sustainable Policy Division, the Sustainable Development Steering Committee brings together sustainable development managers from all of the Group's entities and meets four times a year to set the Group's ESG guidelines.

It makes it possible to:

- present or reiterate the Group's sustainable development ambitions communicated by governance,
- examine the Group's actions in terms of sustainable development, in particular to combat climate change,
- strengthen the Group's commitments in all areas of sustainable development and call on the subsidiaries and strategic holdings to join various working groups of the Group or of external organisations,
- assess all of the Group's policies and strategies,
- carry out a check on the reporting of collection indicators and perform a regular review of the process of identifying and evaluating ESG risks.

Close coordination with the subsidiaries

The division coordinates **several working groups** on climate, biodiversity, transport, real estate, fossil fuels, the taxonomy or even climate adaptation and participates in several committees / workshops with all the subsidiaries and strategic investments and the support functions (legal, risks, compliance, IT, purchasing, etc.).

When it comes to responsible investing, the **network of responsible investors** brings together managers of investment teams, support functions and ESG expertise, for a total of more than 40 contributors. All of the ESG topics

dealt with in the working groups are addressed in order to strengthen the commitments of the Group's financial entities in terms of responsible investment.

Integrating the department within the Finance Directorate allows it to benefit from strong support in linking sustainability with financial topics. This is evidenced by the integration of SGD-linked indicators into the Group's medium-term strategic outlook since 2019.

Organisation of the ESG risk oversight system

An ESG risk oversight committee at Caisse des Dépôts

An **ESG risk oversight committee** ensures the implementation of the ESG risk roadmap designed to incorporate these risk factors into the conventional risk management framework.

It is **co-managed by the Sustainable Policy Division and the Risk Directorate**.

The ESG risk oversight committee meets once a month and is responsible for:

- strengthening the integration of ESG risks into the Group's practices,
- carrying out a regular review of the process for identifying and assessing ESG risks, in particular climate risks, and the underlying methodological assumptions,
- assessing all significant ESG risks and the management policies to be adopted, in terms of risk management and reduction policy,
- monitoring recovery indicators in connection with risk appetite,
- assessing the policies of the subsidiaries with regard to the integration of ESG risks.

📅 Outlook for 2022

With a strong commitment to transversality in order to integrate ESG risks into the entire conventional risk management framework, four working groups will be mobilised to strengthen the existing ESG risk roadmap.

Close coordination with the subsidiaries

Since 2020, the Risk Directorate has been coordinating an **ESG risk network at the Group level, in co-management with the Sustainable Policy Division**, in order to share the work carried out by each entity, best practices, methodologies and data sources or to find solutions to modelling challenges.

In order to promote exchanges and the sharing of information, the network meets every month with the risk partners concerned around specific themes or asset classes.

Gradual integration into the Risk Directorate

The Group Risk Directorate is responsible for analysing and measuring extra-financial risks in coordination with the Permanent Control Division, which ensures the proper monitoring and management of operational risks, and with the Institution and the subsidiaries. It reports to senior management and the Supervisory Board. In terms of their impact on operational and financial risks, the Group's Risk Directorate integrates extra-financial risks into the Group's overall risk mapping, on the one hand, and the risk appetite mechanism, on the other hand. As part of the Declaration of Extra-Financial Performance (DPEF), extra-financial risks have also been mapped separately and in detail using the same approach as for the Group's risk mapping.



Support teams

A complete and cross-functional representation of the Group

In close coordination with the Sustainable Policy Division, **23.9 full-time equivalents** within the Public Institution are directly responsible for ESG topics. Their positions are 100% devoted to monitoring these topics.

At the Group level, **more than 260 contributors** work to integrate responsible investment topics within the Group. Every support function is now represented there, with ESG issues becoming totally cross-functional (legal, accounting, purchasing, information departments, etc.).

Each of these contact persons is responsible for supporting their business line team to integrate sustainability issues into their activities and coordinate the contribution of their respective structure to the objectives of the Group's sustainable policy.

Diversified business lines in responsible investment

The four business lines and two strategic holdings of the Caisse des Dépôts Group apply this responsible investor policy, as well as its principles, according to their corporate purpose, the portfolio management method and the different asset classes managed.

📌 Asset management

Asset Management (GDA) manages all of Caisse des Dépôts' financial investments.

The biggest public asset manager with €225 billion of outstanding assets under management, GDA invests in many asset

classes (listed and unlisted shares, bonds, real estate, monetary assets, forests), directly or through its subsidiaries:

- CDC Croissance, equity fund manager supporting the growth of small and medium-sized businesses over the long term,
- Société Forestière, manager of private forests that offers its clients sustainable management of their assets,
- CDC Investissement Immobilier, manager of Caisse des Dépôts' real estate investment portfolio.

The investment portfolios are managed with a long-term perspective and mainly through direct and active management. Environmental, social and governance (ESG) issues are integrated into the management process for all of these portfolios, thanks to the analysis carried out by the teams on the basis of documents published by the companies, data from external suppliers or reporting of controversies.

📌 Banque des Territoires

Banque des Territoires invests, mainly as minority shareholder, in projects, assets and companies with the ambition of improving the inclusiveness, sustainability, attractiveness and connectivity of territories through several asset classes: real estate, infrastructure, business equity (*start-ups, corporate ventures*), local public enterprises (EPLs), social and solidarity economy (SSE) companies, as well as dedicated investment funds.

Since 2020, it has relied in particular on an extra-financial rating tool. This decision-making support tool analyses the intrinsic qualities of new projects in relation to their ESG impact.





□ Social policies

The Social Policy Division (DPS) has only one goal: To make Caisse des Dépôts a leading operator for social cohesion. Alongside the historic business line managing public pensions, vocational training and disability have been added in recent years. The areas of old age and health are now included in the strategic challenges of Caisse des Dépôts.

The responsible investment approach of the DPS is based on supporting clients, particularly pension schemes, concerned with integrating ESG criteria into their management. This is particularly the case with the Ircantec supplementary pension scheme. The Social Policy Division selects management companies through a call for tenders based in particular on ESG criteria and the investment strategy (via a questionnaire). For certain unlisted investments, DPS is a co-investor with other Caisse des Dépôts structures, particularly in regional impact funds. As part of each of its management mandates, management verifies the contribution of investments to ESG criteria.

□ Management of the Strategic Investments Division

This business line is responsible for acquisition and disposal projects and the management of Caisse des Dépôts' subsidiaries and strategic holdings. The business line supports their financial and extra-financial development in compliance with the shareholder policy based on three criteria: the long-term interest of companies and their stakeholders, the proprietary interest of Caisse des Dépôts and the common interest.

More specifically, the subsidiary STOA, which is dedicated to sustainable and long-term investment in infrastructure and energy projects in emerging markets, is thus in line the Group's responsible investment policy.

□ Bpifrance

Bpifrance is a public investment bank owned by Caisse des Dépôts and the French State. It finances companies, at each stage of their development, with loans, guarantees and equity. For start-ups, SMEs and ETIs, it offers advice, training, networking and an intensive support program to help them grow in a sustainable manner.

In this mission, via its operational subsidiary Bpifrance Investissement, Bpifrance takes minority stakes, directly and in funds of funds, in companies of all sizes. The primary objective of its responsible investment approach is to encourage companies to develop a corporate social responsibility (CSR) policy suited to their stage of development. As part of the Group's climate policy, Bpifrance has set up a climate committee that directly reports to its Board of Directors.

□ The La Poste Group

Since 2020, the Caisse des Dépôts Group has owned 66% of the La Poste Group, including La Banque Postale (LBP) and its subsidiary, La Banque Postale Asset Management (LBPAM), and CNP Assurances.

La Banque Postale Asset Management is 70% owned by La Banque Postale, 25% by Aegon Asset Management and 5% by Malakoff Humanis. A leader in Socially Responsible Investment (SRI) in multi-specialist conviction management, LBP/AM offers four investment segments: the equity segment, through its subsidiary Tocqueville Finance, the real and private assets segment (with a debt focus), the multi-asset and absolute performance segment and the quantitative solutions segment. To its institutional investors, insurers, mutuals, large companies and external distributors, it provides an offer in open funds, dedicated funds and mandates.

A key player in the French personal insurance market, **CNP Assurances** is present in 19 countries, including 17 countries in Europe. CNP Assurances has more than 36 million policyholders in death & disability/personal protection worldwide and more than 11 million in savings/retirement. In accordance with its business model, its solutions are distributed by multiple partners and are tailored to their distribution method – in-person or online – and to the needs of customers in every country in terms of protection and facilitating their life paths.

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**A CAISSE DES DÉPÔTS
EMPLOYEE**



Stakeholders Committee

Created in June 2020, the Group's Stakeholders Committee aims both to:

- **spur on** the Group in terms of its sustainable development,
- bring high-level **expertise** on topics related to climate, energy transition, biodiversity, the circular economy, as well as social and regional cohesion.

It brings together environmental non-governmental organisations (NGOs), think tanks, research centers (World Wildlife Fund (WWF), I4CE, *Finance Watch*, Novethic), associations of local authorities (Association of Mayors of France, Regions of France), an association of savers (Cercle des épargnants), representatives of companies (Companies for the Environment, SMEs in the Renewable Energy Sector), experts and

academics, as well as public development banks (*Kreditanstalt für Wiederaufbau* (KfW), French Development Agency) and the President of the Responsible Investment Forum. It meets **twice a year in the presence of the Chairman Chief Executive Officer and members of the Group's Executive Committee**, so that its recommendations are **relayed directly to the highest level**.

Since 2020, meetings have focused on:

- the Group's climate policy (18 June 2020),
- the biodiversity policy (2 December 2020),
- the SDGs, just transition and the Group's "raison d'être" (8 September 2021),
- the future French energy-climate strategy and the need for financing to achieve climate objectives (10 February 2022).



Compensation policy

The annual strategic objectives of the entities in terms of responsible investment are reflected in the objectives of the managers and, where applicable, those of the teams.

Caisse des Dépôts thus defines collective and individual objectives for its managers, reflected in the variable portion of their compensation. In light of the public interest mission of Caisse des Dépôts, ESG criteria is included in the variable compensation of the majority of the members of the Executive Committee.

In 2021, to meet the requirements of Article 29 of the Energy-Climate Law, an action plan has been implemented to better integrate ESG criteria into the variable compensation of members of the Executive Committee and senior executives, in particular those who may be considered “risk bearers”.

In addition, since 2020, one of the profit-sharing criteria for all Caisse des Dépôts employees is based on the achievement of the SDG action plan.

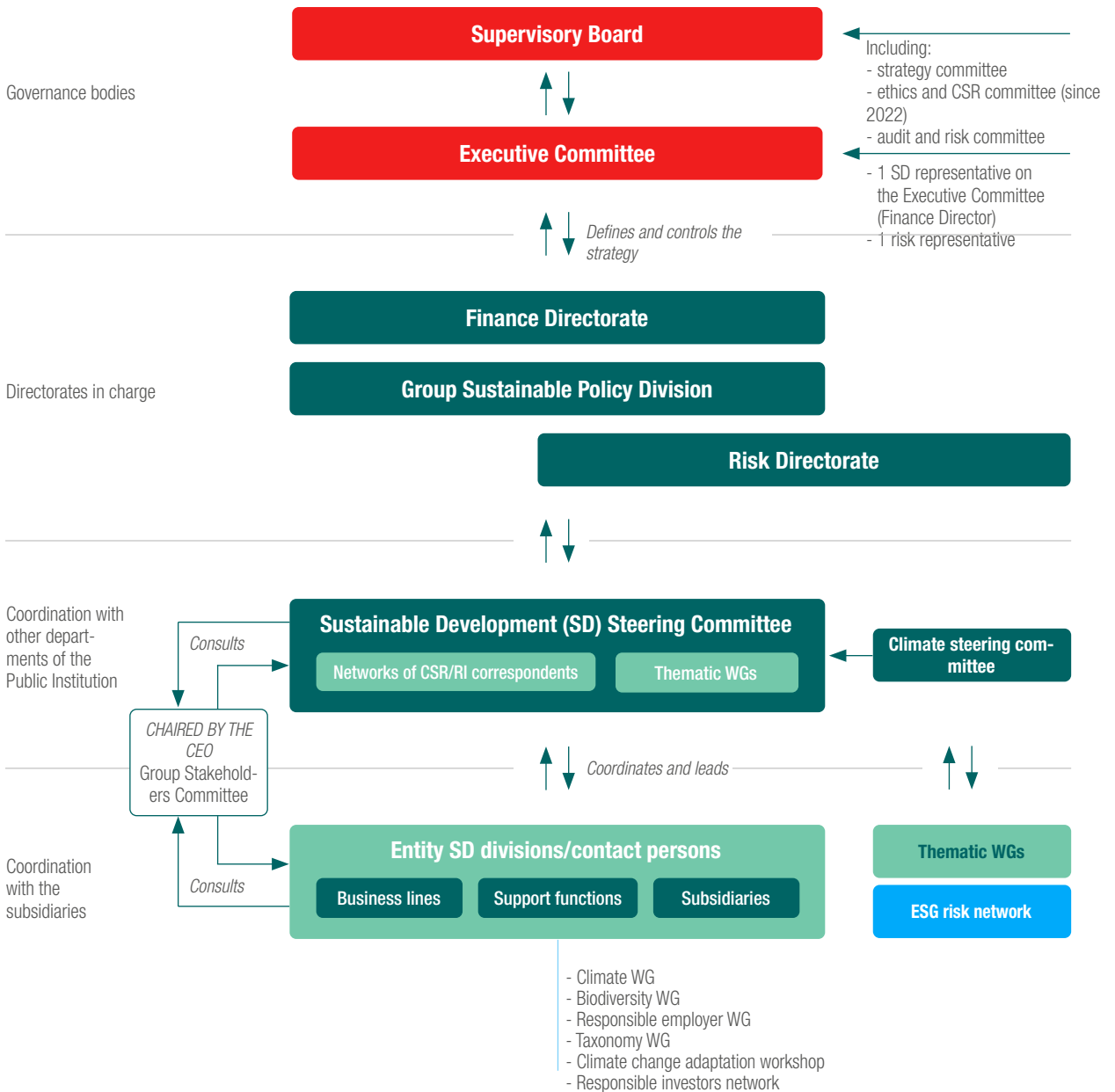


←→
CAISSE DES DÉPÔTS' EMPLOYEES.

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Global governance of the Group's sustainable policy



Governance dedicated to responsible investment

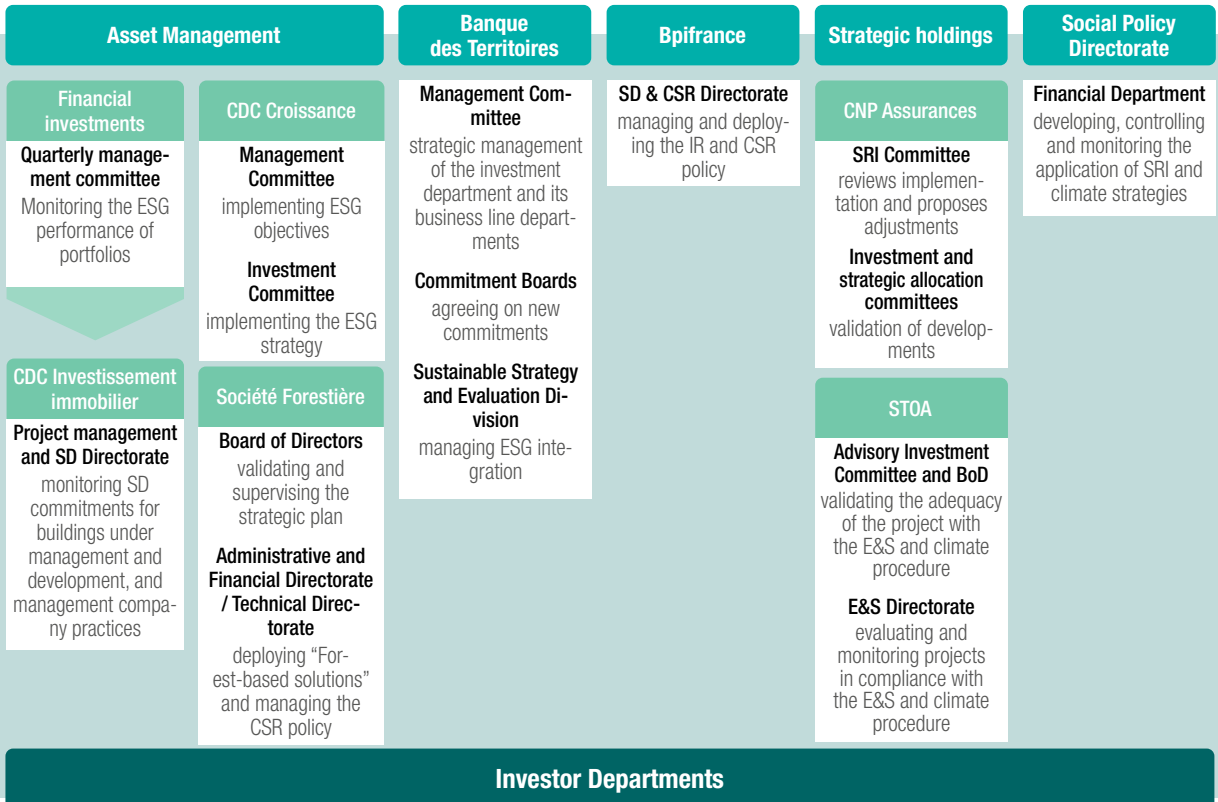
Group Management Committee and Supervisory Board

Defining and controlling the ESG strategy, updating the Group's responsible Investment Charter and related thematic policies

Group Finance Directorate

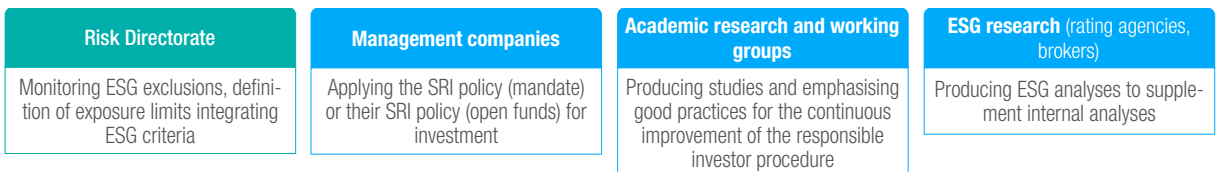
Sustainable Policy Division

coordinates the development, management and monitoring of the Group's RI strategy



Investor Departments

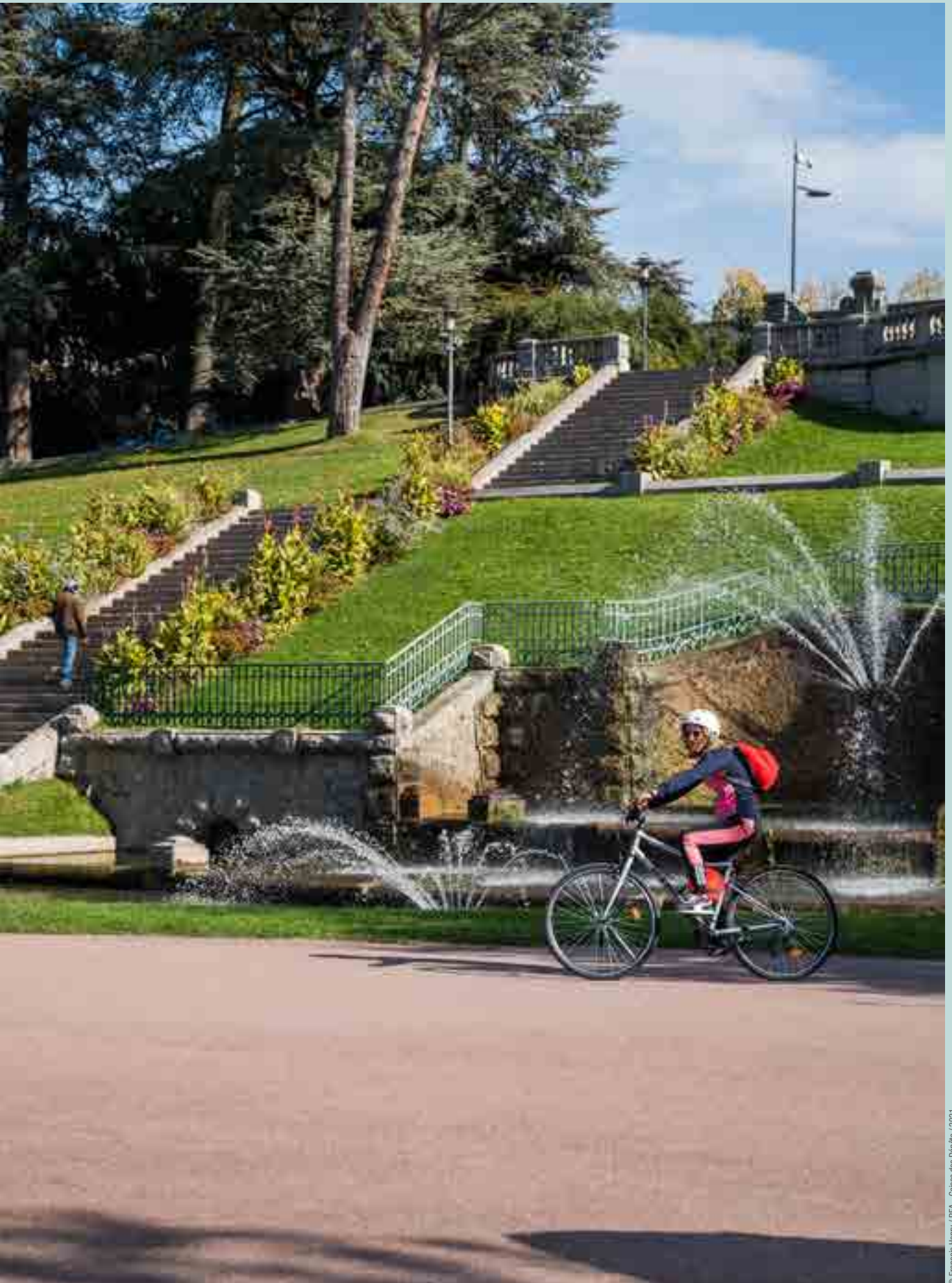
Applying the RI policy to the investment process



■ Internal responsible investors network

■ Consulting and external management

This brief representation excludes the La Poste Group.



Integrating sustainability issues into the strategy

An investment strategy that favours the long term

Caisse des Dépôts has a prudent, long-term and counter-cyclical asset management policy. It is defined through multi-year financial planning (strategic allocation), applied via the annual investment programmes.

It therefore implements:

- long-term holding,
- exclusion of certain types of products and instruments (e.g. *hedge funds*),
- limited use of derivatives solely for hedging purposes,
- non-speculative positions.

The responsible investment policy is incorporated into this long-term approach.

FIND ALL THE RESULTS IN
PART 4
“INDICATORS AND RESULTS
OF SUSTAINABILITY ISSUES”.



VALENCE, IN DRÔME, BENEFICIARY OF THE ACTION CŒUR DE VILLE PROGRAM.



Strengthening the Group's policies

A responsible investment charter since 2012

In 2012, the Caisse des Dépôts Group adopted a Responsible Investment Charter that sets out **the main guiding principles in the management of its financial portfolios and its investments in companies and regions.**

It defines three core principles to translate the Group's vision of sustainable finance operationally throughout the investment process:

- 1. analysis and systematic consideration of environmental, social and governance (ESG) criteria in investment and asset management decisions,**
- 2. engaged monitoring of investments** , in particular through continuous dialogue with company management and voting at general meetings to promote good ESG practices,
- 3. exclusion from portfolios of assets** whose activities or management fail to meet the fundamental principles contained in the treaties and conventions ratified by France or the environmental and social commitments of Caisse des Dépôts.

In 2022, the Group's investment charter will be updated to better address all ESG analysis processes by asset class.

ESG analysis of 100% of our investments

When entering the portfolio or in subsequent management decisions, ESG issues are systematically analysed according to methods appropriate to each asset class.

The Caisse des Dépôts Group includes in the assessment of its investment projects the societal value created for the community in the form of extra-financial benefits, in particular: mitigation of climate change and adaptation to its effects; limiting the loss of biodiversity; development of employment and human capital; promotion of social and intergenerational diversity; sustainable urban and territorial planning; and encouragement of innovation and the knowledge society.

Governance principles

The [governance principles](#) of listed companies form the basis of Caisse des Dépôts' positions when it fulfils its shareholder responsibilities by voting at shareholder meetings.

Voting rights are exercised systematically at general meetings.

These principles also serve as the basis for dialogue with French and foreign listed companies whose securities it holds, and with market authorities and institutions.



FOR MORE INFORMATION, CONSULT THE VOTING POLICY AND THE PRINCIPLES OF GOVERNANCE OF THE LISTED COMPANIES [2022](#).



Principles of exclusion

The Caisse des Dépôts Group strives to prevent the financial, legal and reputational risks that may arise from investments in jurisdictions recognized as poorly regulated, non-transparent or non-cooperative in matters of tax evasion, money laundering and terrorist financing.

Caisse des Dépôts has a list prohibiting it from operating in the countries on the list of Non-Cooperative Countries and Territories (NCCT) drawn up by the French Ministry of Finance, as well as in jurisdictions against which the Financial Action Task Force (FATF) calls for countermeasures to protect the international financial system.

These normative principles of exclusion apply to all managed directly assets and are gradually being extended to indirect management (private equity funds, index funds, etc.). **These are supplemented by certain** sectoral exclusions:

- anti-personnel mines and cluster bombs,
- tobacco,
- fossil fuels (coal, companies in the oil and gas sector that do not have a climate strategy compatible with the 1.5°C, unconventional energy resources), the exclusion of which was strengthened this year.

Gradual total disengagement from coal

In 2015, the Group undertook to apply a policy restricting the financing of assets exposed to thermal coal. This is reviewed regularly with the objective of a **total divestment from coal**.

The Group has undertaken not to invest directly in listed shares and debt securities of companies whose coal mining activity or electricity generation from thermal coal **exceeds 10% of turnover**.

Since 2021, this relative threshold has been supplemented by absolute annual capacity thresholds for mining production of 10 Mt and electricity production of 10 GW, applicable to new investments, which will also be applied to inventory starting in 2023.

With regard to its equity investments and credit activities in territorial projects (real assets, associated project companies and SMEs- mid-caps), the Caisse des Dépôts Group commits not to finance or refinance:

- new coal-based power generation capacity;
- the refurbishment of existing power plants

- leading to the extension of their activities;
- companies to support them in any coal-based electricity generation project beyond the horizons of the Group's coal policy;
- thermal coal transport infrastructure.

Exit from unconventional energy resources

In late 2020-early 2021, the Group adopted **new oil and gas guidelines**.

The Group undertakes not **to finance**:

- companies whose exposure to unconventional resources (shale gas and oil, Arctic and oil sands) **accounts for more than 10% of their turnover**,
- the development of new oil projects,
- unconventional hydrocarbon infrastructure.

The Caisse des Dépôts Group prioritises the use of shareholder engagement to encourage companies to develop targets aligned with the Paris Agreement. In the absence of results from this engagement over time, **it excludes companies that fail to show the will and/or fail to demonstrate concrete efforts to align their strategy with the objectives of the Paris Agreement**.



Certain issues that are priorities for all portfolios have been explored further, resulting in thematic policies.

These principles, in association with the Responsible Investment Charter, constitute Caisse des Dépôts' Responsible Investment Policy.

HEADQUARTERS OF
CAISSE DES DÉPÔTS, QUAI
ANATOLE FRANCE SIDE. 



© Xavier Popy / REA



Deployment indicator

Year after year, the Group assesses the deployment of its responsible investment policy using indicators that track the implementation, via its various teams, of the policy's operational processes.

The deployment of the RI policy is thus assessed by, and for, each team based on 11 separate criteria in 3 dimensions: the ESG commitments made, the implementation of the RI policy and the internal and external mobilisation of the teams.

Each team performs a self-assessment, in coordination with the Sustainable Policy Division, on these three dimensions, resulting in a final score.

A score of 100/100 means that the management teams working on an asset class ensure the full implementation of the Group RI policy.

2021 Results

This year again, the evolution of the rating is positive. The overall score of the Caisse des Dépôts Group in 2021 was 83/100 (compared to 79/100 in 2020).

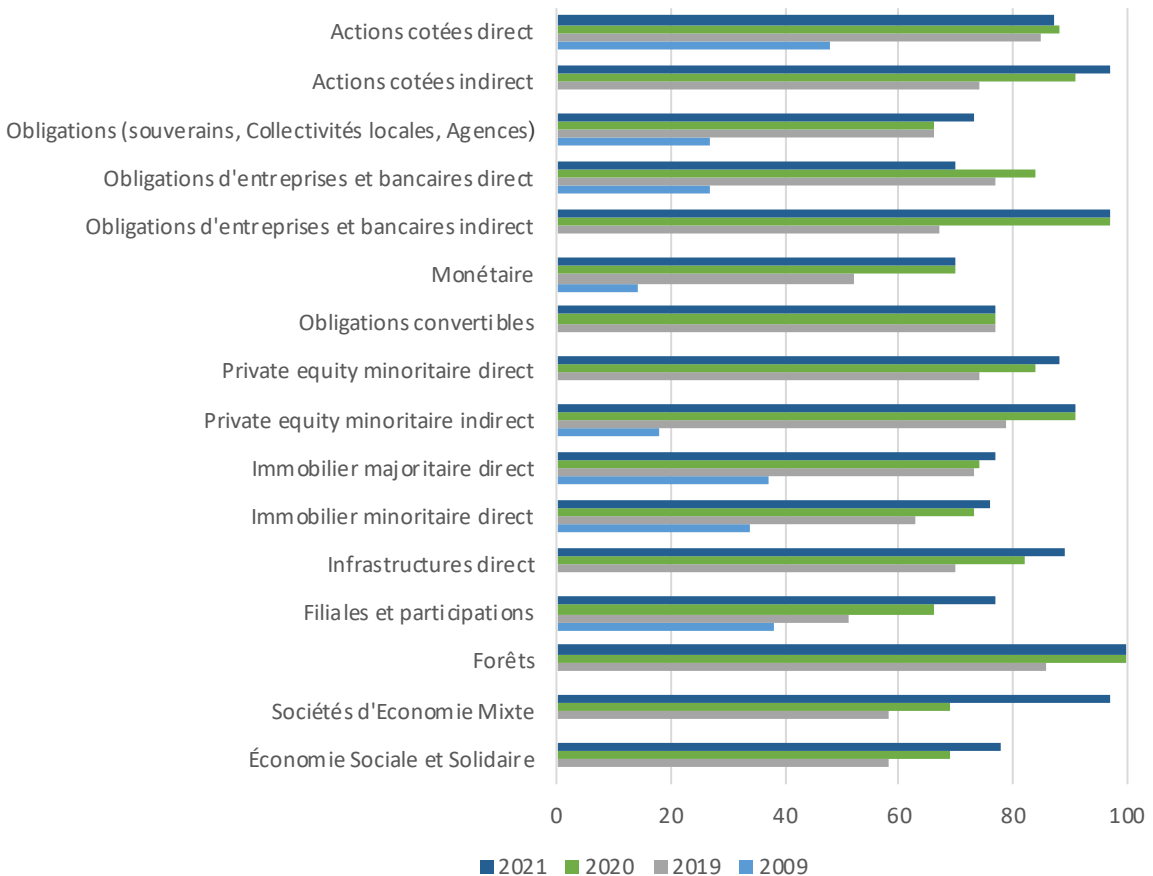
In 2021, the integration of sustainability reached a level of maturity in the processes, in the remuneration objectives but also in terms of team training.

More specifically, the Caisse des Dépôts Group actively participated in several working groups (*France Invest* for Bpifrance, *Net-Zero Asset Owner Alliance* for asset management, or *Net-Zero Asset Manager Alliance* for LBPAM) in order to evolve market positions on climate or biodiversity-related issues.

FIND OUT MORE ABOUT OUR [RESPONSIBLE INVESTMENT PRINCIPLES AND DOCTRINE ON OUR WEBSITE](#)



2009-2021 EVOLUTION OF THE DEPLOYMENT INDICATOR FOR THE GROUP'S RESPONSIBLE INVESTMENT CHARTER



An environmental policy

The environmental policy of the Caisse des Dépôts Group aims to accelerate the ecological transformation and is based on three priorities: the fight against climate change, the preservation of biodiversity and the sustainable management of natural resources.

Thus, the Group is committed to mobilising all of its levers of action and influence in favour of a fair and resilient ecological transformation towards a neutral economy for the climate and biodiversity, including the protection of water resources and the search for a more circular economy.

In 2021, the Caisse des Dépôts Group strengthened this environmental policy.

An ambitious climate policy

The Caisse des Dépôts Group is committed to align all of its activities with the 1.5°C global warming scenarios, thus putting itself at the service of the Paris agreement’s most ambitious objective.

In particular, the Group has set up a climate policy for its financial business lines that is updated annually to guide the alignment of financial portfolios on a 1.5°C trajectory.

It is based on 5 areas: the financing of the green and energy transitions, the management of climate risks, the decarbonisation of portfolios, shareholder engagement and the supervision of fossil fuel financing.

This policy aims to gradually exclude the financing of thermal coal and to regulate the financing of oil and gas, in particular unconventional energy resources. For example, investment in companies for which more than 10% of their turnover depends on thermal coal is excluded, and the Group is committed to the total exit of thermal coal from its investment portfolios by 2030 in the countries of the

Organisation for Economic Co-operation and Development (OECD), and by 2040 in the rest of the world.

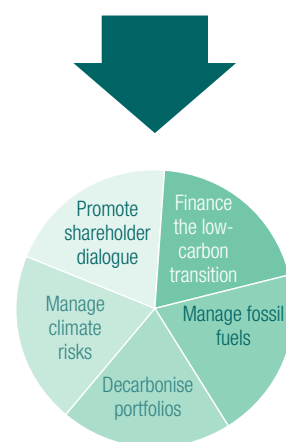
Sectoral variations have also been developed for real estate (May 2021) and transport (April 2022):

- in its **real estate** activities, the Group is mobilising towards the alignment of its real estate portfolio but also for the financing of high-performance assets and the support of third parties in their own exemplary projects. The Group ensures that these actions are not taken to the detriment of the comfort of the occupants and endeavours to reduce the other environmental impacts of its activities (emissions from materials, waste, biodiversity),
- for **transport**, the Group intends to develop and give priority to sustainable transport assets and projects and limit its exposure to transport assets and projects that are potentially inconsistent with the decarbonisation objectives of the sector. For this purpose, it undertakes to mobilise a financing budget in favour of sustainable transport of €3.5 billion by 2024 to develop green and resilient mobility, to deploy fleets of low-emission vehicles and to strengthen shareholder engagement on the climate in the sector, in particular for car manufacturing.

To do this, the Group relies on recognised methodologies, like the “Below 1.5°C & 1.5°C low-OS” international scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the “Net Zero” scenario of the International Energy Agency (IEA), or the Multi-annual Energy Plan (MEP) in France relating to the reduction of oil and gas-related emissions.

In France, the Group’s actions directly contribute to the **National Low-Carbon Strategy** (SNBC). Caisse des Dépôts must, as a long-term investor, support regions and companies in the transition to neutrality and in facing the risks of this transition, including as part of its shareholder dialogue.

THE 5 PILLARS OF THE CLIMATE POLICY OF CAISSE DES DÉPÔTS



During the **Climate Finance Day**, in 2021, the Caisse des Dépôts Group made new commitments. It has thus undertaken for 2022 to accelerate its policy of excluding from its equity and bond portfolios European and non-European listed companies in the oil and gas sector that do not have a credible climate strategy based on the following shared objective criteria: 1.5°C alignment strategy, carbon footprint reduction target, carbon offset share, renewable energy capacity and capital expenditure (Capex), current and future energy mix, new exploration and exploitation projects, employee training, plant closures, integration of climate issues into governance and executive compensation and effective shareholder discussion.

Caisse des Dépôts maintains a minority stake in a limited number of companies in the sector with which it has effective shareholder discussions and which have initiated a reorientation of their activities.

In 2022, Caisse des Dépôts also set a **new 2023 decarbonisation target of -55% compared to 2020**, aligned with a 1.5°C scenario as part of its participation in the NZAOA.

A biodiversity strategy

In January 2021, Caisse des Dépôts presented its **Biodiversity Action Plan** at the *One Planet Summit* devoted to biodiversity.

Acceleration of biodiversity integration

Since 2019, the Group committed to an increasing degree to the preservation of biodiversity, the decline of which is accentuated by global warming. The Group's financial entities participate in market coalitions and initiatives on the subject:

- Caisse des Dépôts, Bpifrance and CNP Assurances continue to support the work of the finance working group of the 'B4B+' club led by CDC Biodiversité,
- support for the appeal of the *Principles for Responsible Investment* (PRIs) to fight against deforestation and forest fires in the Amazon,
- Group energy and ecological survey of portfolio companies to further shareholder dialogue on climate change and biodiversity,
- Caisse des Dépôts signs the *Finance for Biodiversity Pledge*: it **calls on** world leaders to reverse the loss of biodiversity by the end of the decade and **undertakes** to develop shareholder dialogue on these subjects, assess its own impacts on biodiversity, work with other signatories to share data, set targets and report on them by 2024,
- CDC Biodiversité presented a first version of its biodiversity footprinting tool, the *Global Biodiversity Score*.



At the One Planet Summit, Caisse des Dépôts communicated the key points of its biodiversity action plan.

The detailed plan has since been validated by the French Biodiversity Agency. in the framework of the "Companies committed to nature - act4nature France" initiative.

←
[FIND OUT MORE](#)
[2021 CLIMATE POLICY](#)

←
 THE RESULTS OF THE OBJECTIVES CAN BE FOUND IN PART 4 "INDICATORS AND RESULTS OF SUSTAINABILITY ISSUES".

ASSET MANAGEMENT (GDA) PORTFOLIOS

	2020-2025 carbon intensity reduction target	2020-2030 carbon intensity reduction target
Equities	- 20%	- 55%
Corporate bonds	- 20%	- 55%
Investment real estate	- 15%	- 50%

Caisse des Dépôts' Biodiversity Action Plan

Biodiversity footprinting

In line with the signature of the *Finance for Biodiversity Pledge*, Caisse des Dépôts undertakes to measure the biodiversity footprint of its portfolios by 2024, and Banque des Territoires undertakes to incorporate biodiversity criteria into the analysis of its investment projects (in particular, a soil artificialisation indicator).

Reducing negative impacts on biodiversity

Caisse des Dépôts surveys the companies in which it is a shareholder on their biodiversity preservation strategy, at the rate of two sectors per year. It also has a goal of net-zero artificialisation for real estate asset portfolios as of 2021. Banque des Territoires will incorporate the measurement of soil artificialisation in the selection matrices of its investment projects.

Increasing positive impacts on biodiversity

Banque des Territoires will mobilise €3 billion over the 2020-2024 period for biodiversity-friendly projects as part of Caisse des Dépôts' recovery plan. Caisse des Dépôts and its subsidiaries will continue to pursue their pledges under the Nature 2050 programme. In addition, Caisse des Dépôts has set itself the target of maintaining FSC or PEFC eco-certification for 100% of its forestry assets managed by its subsidiary, Société Forestière.

Supporting research and training

As part of the Biodiversity Economy mission entrusted to CDC Biodiversité, Caisse des Dépôts will allocate €8 million (2020-2024 period) to research and innovation for the preservation and restoration of biodiversity. All of its asset managers will be trained in biodiversity issues.

In June 2021, this action plan was validated as part of the Businesses Committed to Nature initiative, led by the French Biodiversity Agency and the Ministry for Ecological Transition.

Caisse des Dépôts has been a signatory of the *Finance for Biodiversity* charter since 2020 and was joined by LBP, LBPAM, CNP Assurances and STOA in 2021, demonstrating the growing integration of the subject of biodiversity by the Group's financial entities through common principles.

In addition, building on the success of the B4B+ club that brings together various companies, CDC Biodiversité launched the C4B+ club in 2021: this club already counts 15 members (8 local authorities, 2 regions and 5 institutions) in order to bring together the stakeholders concerned by the measurement of community footprints. The members support and contribute to the work of CDC Biodiversité in the construction and development phase of GBS communities so that it best meets the needs of these stakeholders.

The biodiversity footprint can be found in Part 4 "Indicators and Results of Sustainability Issues".

←
FIND OUT MORE

- [CLUB B4B+](#)
- [GLOBAL BIODIVERSITY SCORE](#)
- [FINANCE FOR BIODIVERSITY](#)
- [COMMITTED TO NATURE](#)
- [NATURE 2050](#)

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→
FOREST TEST PLOT MOORS, CLOSE TO THE A65 MOTORWAY, NEAR CAPTIEUX, IN WHICH PINES WERE PLANTED WITHOUT WEED REMOVAL.

Biodiversity footprinting



© Jean Marc Peltina / Caisse des Dépôts / 2018

**“Life surrounds us.
We are part of it
and we depend on it.**

We are talking about it more and more because biodiversity is in bad shape: the acceleration of species extinction is 100 to 1,000 times greater since the pre-industrial era. To address this rapid decline in biodiversity, transformative changes must be undertaken - including through economic players whose activities have the most impact. This is the case for companies, via their direct operations and supply chains, but also for financial institutions, whose investment portfolios are not without consequences for biodiversity. ”

↑ ANTOINE CADI, DIRECTOR OF
RESEARCH AND INNOVATION
CDC BIODIVERSITY

What biodiversity footprint measurement solutions have been developed by CDC Biodiversité for financial institutions?

AC → There are two types:

- the *Global Biodiversity Score for Financial Institutions* (GBSFI) for unlisted assets,
- the BIA-GBS database for listed assets, which was co-developed with Carbon4 Finance.

What is the GBS for Financial Institutions?

AC → GBSFI solutions, developed by CDC Biodiversité, apply to the entire unlisted universe, including sectors such as real estate, private equity or infrastructure.

Because these assessments are based on CDC Biodiversité's GBS methodology (*Global Biodiversity Score*), their results are therefore comparable and fungible with other types of assessments based on this same tool (portfolios of listed assets, companies, etc.). So far, the methodology of each assessment has been adapted to take into account different data access conditions and the specificity of the assets covered.

As for a *Biodiversity Footprint Assessment* (BFA, a "biodiversity report" for companies), the duration and budget of these assessments vary according to the size of the scope, the desired granularity (sub-type of assets, geography, etc.) and the complexity of the additional qualitative analysis (analysis of dimensions not covered by the GBS, development of a biodiversity strategy - particularly with regard to international objectives, etc.). Standardised approaches may be developed as these unlisted asset assessments mature.

GBSFI solutions have been adopted by Maif, Mirova and BNP Paribas Asset Management.

What is BIA-GBS?

AC → The BIA-GBS database was launched in July 2021. It covers listed assets, such as stocks and bonds: 100,000 assets involving 8,000 issuers are currently covered. The database thus covers the main indices, such as MSCI World, S&P 500 or Stoxx 600.

In this first version, the BIA-GBS is created by combining GBS impact factors with Carbon4 Finance data:

- on the distribution of turnover in terms of sector and country, provided by the Climate Risk Impact Screening (CRIS) database,
- on greenhouse gas (GHG) emissions for scopes 1, 2 and 3, taken from their *Climate Impact Analytics* (CIA) database.

The current coverage of the BIA-GBS database makes it possible to assess a large number of portfolios and compare the biodiversity footprint of a portfolio to a benchmark.

The BIA-GBS database has been used in particular by researchers from Banque de France and other partner institutions (including CDC Biodiversité) to assess the biodiversity-related risks associated with the French financial system.

BIA-GBS also makes it possible to meet the biodiversity requirements of Article 29 of the Energy-Climate Law.

Many improvements are being developed and will aim to best respond to changes in the reporting framework, and particularly those in the French regulatory framework.

BIA-GBS is notably used by CDC Asset Management, Maif, La Financière de l'Échiquier, La Banque Postale Asset Management, Vontobel, Harmonie Mutuelle, Edmond de Rothschild Asset Management and Rift.

BIODIVERSITY FOOTPRINT MEASUREMENT SOLUTIONS, BASED ON THE GLOBAL BIODIVERSITY SCORE FOR COMPANIES AND FINANCIAL INSTITUTIONS

CDC BIODIVERSITÉ

HOW IS THE BIODIVERSITY FOOTPRINT MEASURED?

Providing businesses and financial institutions a common language with the

↓

GBS GLOBAL BIODIVERSITY SCORE

For financial institutions

For companies

Unlisted assets

GBSFI

Launched in 2020
Among the 1st assessments: Mirova, BNP AM, CDC, Maif, etc.

Listed assets

BIA-GBS with

Launched in 2021
Among the 1st clients: Rift, Caisse des Dépôts, La Banque Postale Asset Management, etc.

BFA

Among the 1st assessments: Schneider Electric, Hermès International, Nestlé Waters France



Increased funding for the transition

€60 billion in climate finance

Group financing

Massive financing of the ecological transition, and more particularly the National Low Carbon Strategy (SNBC), is at the heart of the Caisse des Dépôts Group's strategic missions and its *raison d'être*, adopted in early 2022.

In 2020, the Group **again committed to financing the ecological transition to the tune of €60 billion between 2020 and 2024, corresponding to approximately 15% of the SNBC's needs.**

Climate Plan

To contribute to this, as part of the **common climate plan between Bpifrance and the Banque des Territoires, €40 billion will be mobilised over 2020-2024** in favour of the priority sectors of the ecological transition.

In addition to financing, Caisse des Dépôts hopes to contribute to creating a veritable trigger effect at the local level on investment decisions in terms of the energy and ecological transition (EET).

This climate plan is based on 3 pillars:

- accelerating the transition of companies and territories with financial and support solutions,
- supporting the development of renewable energies and contributing to the growth of international champions,
- extensively financing and supporting innovation in *greentechs* and in sustainable and resilient networks to find technological solutions for the EET.

Investment eligibility

Introduced by European regulation in June 2020, the taxonomy is a harmonised classification of activities that can be considered sustainable.

The Group welcomes this taxonomy, which is intended to become the cornerstone of sustainable finance regulations.

For the first year, the Group publishes the portion of its activities that are eligible under the taxonomy for climate change mitigation and adaptation.

This share of eligibility covers high-stakes activities in the decarbonisation of the economy, and these activities will be used to calculate the share of activities that are sustainable for the purposes of alignment with the taxonomy.

100% green use of the LDDS

Concerning the uses of the sustainable and inclusive development account (LDDS), the commitment was made in 2017 that one euro collected and centralized at Caisse des Dépôts corresponds to one euro financing the EET.

Savings are 100% socially useful and also contribute to the energy and ecological transition, with €5.75 billion in new loans, including €4.29 billion from regulated savings accounts alone.

The entire financial portfolio of the Savings Fund is managed responsibly, according to the Responsible Investment Charter of the Caisse des Dépôts Group, broken down through sectoral policies (particularly on fossil fuels), shareholder engagement policies and targets for massive reduction of its carbon footprint.

Over the entire 2017-2021 period, there were €19.44 billion in EET loans and more than €2.55 billion in *green bonds* granted on regulated savings, exceeding the ambitious target set.

SDG 13 TARGET

€60 billion

for the **ECOLOGICAL TRANSFORMATION** between 2020 and 2024 representing:

19%

of the Group financing/ investment flows over the period

14%

of the needs of the National Low Carbon Strategy

(according to the needs quantified by I4CE)

Between 2017 and 2021

€1 collected on the LDDS = €1 for a green project

← FIND OUT MORE ABOUT THE [SUSTAINABLE AND INCLUSIVE DEVELOPMENT ACCOUNT](#)

Rigorous shareholder dialogue in support of the transition

The Caisse des Dépôts Group incorporates climate and energy performance issues into its shareholder dialogue in order to encourage companies to achieve greater transparency and better environmental performance.

As such, in 2021 it raised its expectations regarding its portfolio companies.

Listed companies

The Group expects companies in the oil and gas sector to make public a clear, credible transition plan towards neutrality, aligned with climate and energy scenarios, allowing global warming to be limited to 1.5°C..

This strategy covers the following elements:

- the Caisse des Dépôts Group expects companies in the oil and gas sector (including production, transformation and sales activities) to publish a **strategy for reducing their**

absolute GHG emissions, carbon and methane, including **short, medium and long term objectives on all 3 scopes** in order to achieve the objective of net zero emissions by 2050. **In line with the recommendations developed by the Science Based Target initiative (SBTi)** for companies in all sectors, it recommends that these objectives cover at least 95% of scopes 1 and 2 and at least two thirds of scope 3 if it represents at least 40% of the total of scopes 1, 2 and 3,

- it asks them to **disclose the different means planned to achieve this** in terms of the quantity of emission reductions and as a share of Capex, in the short, medium and long term, and to update these objectives regularly,
- in particular it expects the **implementation of a structured strategy to reduce methane emissions** for a value chain that is close to zero net methane emissions,
- **the Caisse des Dépôts Group expects companies to make their best effort to reduce scope 2 carbon and methane emissions through the use of renewable energy**, potentially decentralised, in production operations, in

SDG 13 TARGET

28%

of counterparties have been the subject of EET dialogue by 2024.

A target exceeded in 2021

CAISSE DES DÉPÔTS' ACTION LEVERS

FOCUS

As a long-term shareholder, Caisse des Dépôts maintains its investments in companies for between 7 and 10 years on average, and often longer, and benefits from solid credibility on ESG issues, which are studied, addressed and monitored every year. Asset Management promotes a bilateral approach to shareholder dialogue with companies, that is to say it engages directly, not through an intermediary.

To support companies and ensure that their requests are followed up on over the duration of the investment, Asset Management relies on two main levers:

- direct bilateral dialogue with management and board members on ESG topics,
- systematic voting at general meetings, according to a public voting policy.

In addition, GDA uses collaborative engagement with other institutional investors to a lesser extent, in particular to encourage companies located outside the European Union, in which its holdings are smaller.

This collaborative engagement is reflected in the participation of Caisse des Dépôts in international collaborative initiatives, such as *Climate Action 100+*, the Just Transition Coalition of *Finance for Tomorrow*, or within the framework of the *Net-Zero Asset Owner Alliance*.

Finally, regarding indirect management, annual ESG surveys are sent to management companies for all listed and unlisted funds. The ESG questionnaires are reviewed annually to reinforce our level of requirements and incorporate new issues.

Thus, the Asset Management of Caisse des Dépôts has defined several objectives:

THEMATIC	OBJECTIVES
EET/climate	60 issuers by 2024 including the 20 companies in the portfolio with the most emissions (including the energy sector)
Biodiversity	2 sectors of activity per year by 2024 (multi-sector)
Social cohesion	30 issuers by 2024 (multi-sector)



particular for the production of gas and the liquefaction of liquefied natural gas (LNG),

- the expected strategy for reducing absolute GHG emissions, carbon and methane, will apply the **avoid-reduce-offset** sequence, noting that the strategy must specify how the company's decarbonisation objectives will be achieved on each of the 3 scopes in 5-year increments and that in case of offsetting, the 5 principles recommended by the [Ademe](#) must be respected,
- in particular, the Caisse des Dépôts Group asks businesses and project companies operating in the **oil and gas sector to plan to bring their activities and projects in line with a 1.5°C scenario and, in France, with the MEP**, in particular by diversifying their activities and by increasing their low-carbon activities in order to contribute to the low-carbon transition and diversify their risks and revenues,
- the Group wants companies to integrate the main objectives, methods and **monitoring indicators for this strategy** as part of their annual financial or business reporting, complying as far as possible with the **TCFD recommendations**,
- the Group also expects companies to put in place **associated governance**, promoting constructive dialogue with their stakeholders.

Unlisted companies

The Group expects SMEs and mid-cap companies to **commit to an emissions path that contributes to achievement of the global carbon neutrality objective and to communicate an action plan to reduce their impacts and increase the green portion of their activities.**

These thresholds will be defined by the investor entities, with regard to the composition of their portfolio.

Investment via funds

Regarding equity funds - open and closed - managed by external companies, Caisse des Dépôts is tightening its requirements in terms of the voting policies applied.

Prior to and during the investment, it engages in dialogue with the management companies in order to encourage them to align their voting policies and practices with a transition approach that limits global warming to 1.5 °C. When permitted by the fund's investment strategy, it also encourages the management companies to strengthen the incorporation of climate change issues into their analyses and management decisions.



[SEE THE CLIMATE POLICY FOR THE FINANCIAL PROFESSIONS 2021](#)

A TECHNICIAN FROM THE LHYFE COMPANY, WHICH GENERATES HYDROGEN FROM HYDROLYZED SEAWATER WITH ELECTRICITY PRODUCED BY WIND TURBINES.



© Jean Claude Moschetti / REA - Caisse des Dépôts / 2021

Commitment to stakeholders

Being transparency

At the Group level

The Group adopts a transparent approach in relation to subscribers and partners .

The Group reports on its Responsible Investment Policy in its [Activity and Sustainable Development Report](#) and annexes, as well as through its [website](#).

The Activity and Sustainable Development Report also includes the Declaration of Extra-Financial Performance (DPEF), which Caisse des Dépôts provides voluntarily. Within this framework, there are 15 significant identified risks that are subject to reporting, including 3 specific to responsible investment and 1 to the energy and ecological transition supported by the Responsible Investment Policy. These risks are monitored by 9 indicators⁽¹⁾.

In addition, the annual report of the Savings Fund managed by Caisse des Dépôts offers particular transparency on the management of regulated savings.

At the subsidiary level

The investing subsidiaries publish their Responsible Investment Policy on their websites and in their respective reports.

As asset managers, CDC Croissance and Société Forestière also provide their investors with ESG reporting at least once a year and on request. For Société Forestière, the disclosure is supplemented by a Sustainable Management Charter, an integral part of the agreement with its clients, and by a letter sent to the associates of the forestry groups.

(1) These nine indicators make it possible to monitor the following families of risks: “ESG integration”, “Shareholder engagement”, “Management of subsidiaries and holdings” and “EET”. The indicators are audited before publication and include: the cumulative amount promoting the EET; reduction of the carbon footprint on three portfolios (listed shares, corporate bonds, investment property); the rate of deployment of the RI Charter on three items (documented consideration of ESG data in the investment decision, level and quality of the collection and analysis of ESG information, level and quality of shareholder dialogue on ESG issues), the share of portfolio companies that have been the subject of shareholder dialogue on climate issues and the rate of participation of Caisse des Dépôts representatives on the boards of directors of listed and non-listed subsidiaries and strategic investments.

ANNUAL REPORTS

Caisse des Depots Group	Bpifrance	STOA	La Poste Group	SFIL	Société Forestière
<ul style="list-style-type: none"> - Annual and Sustainable Development Report and supplement - Responsible Investment Report (Article 173.6 of the TECV Law) - Annual Savings Fund Report - PRI Transparency Report 	<ul style="list-style-type: none"> - Bpifrance Investment - Bpifrance Participations - Bpifrance SA - PRI Transparency Report 	ESG and Impact Report	<ul style="list-style-type: none"> - Universal registration document / La Banque Postale - Sustainable Development Goals / La Banque Postale - La Banque Postale Asset Management Policies and reports - Publications CNP Assurances 	- CSR Annual Report	- Publication of information with regard to Regulation 2019/2088
www.caissedesdepots.fr	www.bpifrance.com	www.stoainfraenergy.com	www.labanquepostale.com www.labanquepostale-am.fr www.cnp.fr	www.sfil.fr	www.forestiere-cdc.fr



Being an active market player

Caisse des Dépôts is one of the founding members of the Principles for Responsible Investment (PRI), a United Nations initiative whose signatories commit to integrating ESG issues in their investment decisions.

It encourages its subsidiaries and holdings to comply with them and produces, along with each of its financial subsidiaries, a detailed annual report on the implementation of these principles. Caisse des Dépôts and its subsidiaries are also members of or support many other collaborative national or international initiatives promoting more sustainable finance:



* Initiatives in which a member of the Group participates in its governance.

Promoting responsible practices

The diversity of the Group's business lines allows it to act from local to international scale, with market initiatives but also with major institutions and local authorities.

On the international stage

The Group is very active within the international network of the Principles for Responsible Investment (PRIs) with, in 2021:

- a response to the reporting review consultation,
- systematic encouragement of management companies to become signatories of the PRIs,
- participation of STOA in the SDG-Infrastructure working group (PRIs).

Caisse des Dépôts also actively participates in working groups of the NZAOA, of which it is a founding member:

- co-leader of the working group on shareholder engagement in order to develop paths towards carbon neutrality,
- participation in numerous working groups, including the working group on developing the incorporation of sovereign debt into the paths.

The Group, which already applies the recommendations of the TCFD, will take part in the work of the *TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES* (TNFD), which it supports.

In Europe

At the European level, the Caisse des Dépôts Group promotes its know-how and points of view on sustainable and long-term investment in its multiple components (financial regulation, financial instruments, greening and digitisation of the economy, social support of transitions, etc.).

The Group, registered on the EU Transparency Register, maintains a close relationship with the French authorities in charge of European issues and with the entire community ecosystem, both European institutions (European Commission, Council, Parliament, European Committee of Regions, etc.) and more generally players in European public debate. It takes part in the debate of ideas on its own behalf but also via the European Association of Long-Term Investors (www.eltia.eu), which it chairs and which

carries the voice of *national promotional banks and institutions*.

In France, the Group promotes the coordination of its own financial intervention capacities with European financing, in the service of national and European public policies. This is how Caisse des Dépôts and Bpifrance are preparing, as implementation partners of the European Commission, to deploy the new European investment programme, 'InvestEU' in France, in whose development they participated. Caisse des Dépôts is also involved in the deployment in France of an innovative component of the interconnection mechanism in Europe, which contributes to the greening of transport infrastructures. The Group is also working to disseminate the information closest to the territories on European action in terms of sustainable investment.

In terms of sustainable finance, in 2021, the Group took part in public consultations, in particular on the new European strategy for sustainable finance, the taxonomy of sustainable assets, the future European standard for green bonds and the revision of the European directive on extra-financial reporting.

In France

In 2021, Caisse des Dépôts continued its active participation in market initiatives as:

- chair of the LPs Club of France Invest,
- chair of the Responsible Investment Commission of Af2i, the French Association of Institutional Investors,
- vice-chair of the Forum for Responsible Investment (FIR) and co-leadership of an FIR working group on the incorporation of ESG issues in asset allocation.

It has also participated in new ambitious projects:

- launch of the 'Climate Objective' market funds coordinated by Caisse des Dépôts, with the support of the FFA, Af2i, AFG and Finance For Tomorrow in order to enable the development of **innovative methods of factoring global warming into asset management** in line with the Paris Agreement,
- **co-construction and experimentation of the *Global Biodiversity Score***, measuring the biodiversity footprint of companies, with CDC Biodiversité via the club B4B+.



For the territories

The Banque des Territoires investment department is committed to reflecting on issues that affect all French people and to making the territories more inclusive, more sustainable, more attractive and more connected.

For example, in 2021:

- participation in a working group on the subject of digital technology and the environment in partnership with the think tank *Idate DigiWorld* within the 'Digital and Ecological Transition' commission bringing together major players involved in digital tech (BNP Paribas, Engie, SNCF, etc.) and drafting of a [report to present the work](#),
- study on the quantification of the

investment needs of local authorities with Ademe and SFIL,

- participation in the drafting of the Report on [massive, simple and inclusive energy refurbishment of private housing](#).

In addition, I4CE published a [methodology](#) for evaluating the budgets of local authorities through the prism of climate. Developed with many partners and tested by several towns and cities, the methodology is made available free of charge to all local authorities.

SAINT-BRIEUC STATION, IN CÔTES-D'ARMOR, A CITY THAT BENEFITED FROM THE ACTION CŒUR DE VILLE PROGRAM.



Flagship publications

Novethic - a subsidiary of the Caisse des Dépôts Group and leading media source in the field of sustainable development - and I4CE - an association supported by the Group - actively participate in the promotion of responsible practices, in particular through the publication of studies, with, in 2021:



Several studies on sustainable funds using its Market data fund analysis tool.

Publication Title	Date	Link
PHENOMÈNE DES LABELS EUROPÉENS DE FINANCE DURABLE - MAI 2022	Novembre 2021	Lire plus >
MARKET DATA LABELS DURABLES EUROPE - DÉCEMBRE 2021	Novembre 2021	Lire plus >
MARKET DATA FONDOS DURABLES EUROPE - DÉCEMBRE 2021	Novembre 2021	Lire plus >
LES LIMITES DES FONDOS VERTS EN EUROPE	Novembre 2021	Lire plus >
MARKET DATA FONDOS DURABLES FRANCE - DÉCEMBRE 2021	Novembre 2021	Lire plus >
MARKET DATA LABELS DURABLES EUROPE - SEPTEMBRE 2021	Novembre 2021	Lire plus >
MARKET DATA FONDOS DURABLES EUROPE - SEPTEMBRE 2021	Novembre 2021	Lire plus >
MARKET DATA LABELS DURABLES EUROPE - JUIN 2021	Septembre 2021	Lire plus >
MARKET DATA FONDOS DURABLES FRANCE - JUIN 2021	Septembre 2021	Lire plus >
FONDOS VERTS EUROPÉENS - QUELLE STRATÉGIE DE PROTECTION DE LA BIODIVERSITÉ ?	Septembre 2021	Lire plus >
EXCLUSION DES ÉNERGIES FOSSILES - LES INVESTISSEURS PRÊTS À CHANGER DE MOTEUR?	Juin 2021	Lire plus >
LA MONIÈRE EN PUISSANCE DES INVESTISSEURS À VOCATION SOCIALE	Juin 2021	Lire plus >
MARKET DATA FONDOS DURABLES EUROPE - MARS 2021	Mars 2021	Lire plus >
MARKET DATA LABELS DURABLES EUROPE - MARS 2021	Mars 2021	Lire plus >
MARKET DATA FONDOS DURABLES FRANCE - MARS 2021	Mars 2021	Lire plus >
MARKET DATA LABELS DURABLES EUROPE - DÉCEMBRE 2020	Mars 2021	Lire plus >
MARKET DATA FONDOS DURABLES FRANCE - DÉCEMBRE 2020	Mars 2021	Lire plus >
LES FONDS D'INFRASTRUCTURES FACE À LA RELANCE VERTE EUROPÉENNE	Mars 2021	Lire plus >



Adaptation: public financial institutions (also) have a role to play study of the focus areas of public financial institutions in terms of adaptation and their levers of action.



Indexing prudential requirements to climate: what impacts can we expect? study and results of the use of climate factors to calculate capital requirements.



Meeting the challenges of analysing physical climate risk in finance study of the practical lessons of the ClimInvest project.

Fossil fuel exclusion: are investors ready to make the switch?

Overview of the main exclusion strategies, which highlights their limits in terms of effective reduction of greenhouse gas emissions.

Infrastructure funds face the European green recovery

study on the environmental characteristics of infrastructure funds available on the European market, with the support of Ademe.



Management of sustainability risks

ESG risk management is a priority issue for the Caisse des Dépôts Group.

In 2021, an ESG risk identification review was carried out, and a cross-functional steering committee was set up to develop methodologies and tools for measuring and monitoring risk, which resulted in the adoption of an ESG risk roadmap in early 2022. In line with Caisse des Dépôts' missions to support public policy and the economy for sustainable economic development, the roadmap will make it possible to better identify, measure and manage ESG risks.



THE LE SIGNAL BUILDING IN SOULAC-SUR-MER, WHICH HAS BECOME THE SYMBOL OF EROSION IN AQUITAINE. ONCE 200 METERS FROM THE SEA IN 1967, IT IS NOW LESS THAN 20 METERS FROM THE WAVES, AND ITS INHABITANTS WERE EVACUATED IN JANUARY 2014 WHEN THE AQUITAINE COAST WAS HIT BY VIOLENT STORMS.



A roadmap of ESG risks

TESTIMONY

Jean-Baptiste Olivier,
Head of the Cross-Functional
Risk Management Department



© Stéphanie Marsil / LS Photo

“As a long-term investor serving the common good, the Caisse des Dépôts Group is exposed to physical and transition risks. These risks can take different forms and are still complicated to measure. There is as yet no market practice for their modelling. Access to data is a major issue, and monitoring these risks involves cross-referencing geolocation and sector data, as well as vulnerabilities and mitigation measures put in place by companies. Traditional tools are mainly based on past data and project the financial situation of counterparties over time periods corresponding to economic cycles, while climate risks invite us to project ourselves over a longer horizon. The roadmap that we have built aims to develop new analysis tools, support activities and allow Caisse des Dépôts to stay one step ahead on this strategic theme.”

Since 2019, the identification and measurement of climate risks have formed the fourth pillar of the climate policy of the financial business lines.

In 2021, the teams in charge of risks and development at Caisse des Dépôts undertook a review of the work carried out within the Group on these issues with a view to strengthening the climate risk management system and extending it to all ESG issues.

This review led to the implementation of a roadmap that aims to identify and assess ESG risks in order to manage them by integrating them into the conventional risk management framework. Ambitious and rooted in a long-term vision, this roadmap aims to respond to the best recommendations in terms of risk management. This is why it is structured around the four pillars of the TCFD. It was also established pursuant to Article 29 of the Energy-Climate Law, which applies directly to Caisse des Dépôts⁽¹⁾.

With regard to climate risk, the following are defined within the Group, in accordance with the terminology proposed by the TCFD:

- **physical risks** resulting from damage caused directly to economic actors by climate change through (i) extreme meteorological and climatic phenomena (storms, heat waves, coastal flooding, etc.) and (ii) gradual,

long-term changes of the climate system (changes in precipitation, rise in sea level, rise in average temperatures, etc.),

- **transition risks** resulting from the impacts of a transition - induced by political measures, technological developments or behavioural changes, for example - towards a low-carbon economy on economic actors, in particular when these adjustments are insufficiently anticipated.

The objective of managing climate risks will ultimately make it possible to redirect financing flows towards transitioning counterparties and infrastructures aligned with 1.5°C scenarios and to propose financing solutions that facilitate the adaptation of infrastructures and counterparties to future climatic conditions. It is for this reason that climate risk management is an integral part of the Group's climate policy.

Caisse des Dépôts has undertaken work on climate risks structured around 4 areas:

- risk mapping by asset class,
- integration into internal credit ratings,
- integration into risk governance tools,
- voluntary participation in *stress test* exercises.

(1) It should be noted that Caisse des Dépôts is not under the supervision of the European Supervisory Authorities of the European System of Financial Supervision but that some of its subsidiaries are. Caisse des Dépôts is under the supervision of the French Prudential Control and Resolution Authority (ACPR).

Mapping of climate risks

Caisse des Dépôts worked on the scoring of “climate risks” for its main asset classes to identify the riskiest exposures and better understand the methodologies and the various risk transmission channels by type of counterparty.

These mapping exercises cover more than 60% of the balance sheet of the Public Institution and contribute to the Group’s climate policy to support players in the low-carbon transition and develop adaptation to climate change.

Identification of climate risk for sovereign bonds

For **sovereign bonds**, Carbone 4 offers physical risk scores integrating the following contingencies: rise in temperature, heat wave, drought, rainfall, flooding, rise in sea level, storm.

For transition risk, the score takes into account the carbon intensity based on consumption, the projected intensity based on alignment with the 2°C scenario of the International Energy Agency (IEA) and the commitment of the country to a process of alignment with the 2°C scenario of the IEA. For transition risk, the overall score of the sovereign bond portfolio held by Caisse des Dépôts is less than 2 (moderate risk), on a scale ranging from 1 to 5, which is explained by the high exposure to French sovereign bonds (with relatively low carbon intensity and fossil fuel subsidies and a relatively ambitious national contribution compared to other countries). For physical risk, the score is slightly above 2 (average risk).

Measurement of transition risk for listed portfolios



The risk indicators are established based on companies’ greenhouse gas emission rates and the percentage of ownership relative to the value of the balance sheet or the total size of assets, based on Bloomberg data.

These indicators are then converted into scores and aggregated at the portfolio level. The energy, consumer staples, utilities and materials sectors stand out as the riskiest.

Identification of transition risk for local authorities⁽²⁾

The Cit’ergie label established by the French Environment and Energy Management Agency (Ademe) assigns a score of 1 to 5 to local authorities that undertake to carry out regular analysis of the climate/air/energy situation for its region, quantitatively and qualitatively, all sectors combined.

(2) Local authorities have been included in the reporting to provide an exhaustive view of the climate risk mapping exercises.

IDENTIFICATION OF CLIMATE RISKS			
Asset classes	Physical risks	Transition risks	Data sources
Sovereign bonds	✓	✓	
Corporate bonds	✗	✓	Indicators based on GHG emission rates / Bloomberg data
Listed portfolios	✗	✓	Indicators based on GHG emission rates / Bloomberg data
Local authorities	✗	✓	Ademe data 
Social Housing Organizations and real estate	✓	✓	Indicators based on BRGM and DPE data





Identification of climate risk for Social Housing Organizations and real estate

Physical risk

A tool to capture soil risk (shrinkage / swelling of clay on a scale of 1 to 3) and flood risk (absence / presence of risk) has been developed internally. This tool is based on the digital geological maps posted online by the Geological and Mining Research Bureau (BRGM). The GPS coordinates of the accommodation are entered, and the data is then aggregated by the Social Housing Organization (OLS).

Transition risk

The approach is based on data from the Public Repository for Social Housing (RPLS), which indicates the risk ratings for energy performance and greenhouse gas emissions for each social housing unit. The scores aggregated by OLS can thus be obtained by consolidation, taking the total area of the dwellings as a weighting coefficient. For other real estate assets, the risk scores consolidated by portfolio are obtained according to the type of property and by taking the total surface area as a weighting coefficient. **The overall score of the OLS portfolio is moderate risk.**

In 2022, the risk mapping exercise will continue, focusing on the physical risks of real estate assets and infrastructure to lead to adaptation measures.

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RISE IN THE WATER TABLE FOLLOWING HEAVY RAINS IN THE PARK OF A RESIDENTIAL BUILDING IN SAINT-ÉGRÈVE.

RISKS IN METROPOLITAN FRANCE

Clay swelling risks



Flood risks



Main climate risk transmission channels by asset class

The various climate risk mapping exercises have made it possible to identify contagion chains by asset class. They are presented in the table below.

CONTAGION CHAINS BY ASSET CLASS		
Asset class	Transition risks	Physical risks
Local authorities	<ul style="list-style-type: none"> - Increase in community operating expenses due to rising energy costs - Increase in community operating expenses to support the low-carbon transition in the region (vocational training, social assistance, etc.) - Deterioration in the profitability of companies in the emitting sectors present in the region, degrading tax revenue - Increase in investments to implement the National Low-Carbon Strategy (public buildings, transport, waste management, energy, water and sanitation), with a potential negative impact on financial ratios (savings ratios and debt reduction capacity) of local authorities 	<ul style="list-style-type: none"> - Lower operating revenue for local authorities whose economic activities are linked to climate conditions (tourism, ski resorts) or who experience extreme climate events - Increase in operating expenses to support citizens impacted by the decline in activity or extreme climate event (social assistance) and maintain infrastructure - Increased risks for communities located in particularly exposed areas (overseas, coastal areas, mountainous areas), increased investment expenditure to adapt assets or rebuild them - Increase in insurance costs and decrease in allocations for non-insurable community property
Companies	<ul style="list-style-type: none"> - Increase in the operating expenses of companies whose <i>business model</i> is based on high-emission inputs or whose activity is highly energy-intensive - Decreased demand for high-emission products or services impacting the company's profitability and its ability to generate cash flow - Depreciation of assets, particularly in the most emitting sectors - Increase in the cost of financing for companies with high emissions - Increase in investments to adapt the production process so that it emits less 	<ul style="list-style-type: none"> - Destruction of key assets of the company or its value chain leading to production interruption, lower revenues and higher costs, impacting its profitability and its ability to generate cash flows - Need to make new investments to replace damaged assets, generating additional debt, or adapt them to new climate conditions - Increase in insurance costs - Increase in financing costs for companies or the elements of their value chain located in areas that are exposed to extreme climate hazards
Sovereigns	<ul style="list-style-type: none"> - Decrease in tax revenue and inflow of foreign currency linked to the decline of emitting industries - Increased capital expenditure to bring infrastructure into line with a low-carbon trajectory - Increased spending to support industries in their transition to low-carbon technologies (R&D) - Increase in spending to support populations made vulnerable by the low-carbon transition (social assistance, vocational training, etc.) 	<ul style="list-style-type: none"> - Decreased tax revenue due to disruption of supply chains and economic activity and sectors particularly exposed to contingencies (agriculture, tourism) - Increase in expenditure to cover damage (function of insurer of last resort) and to ensure the investments necessary to rebuild destroyed assets or adapt them to new climate conditions - Increased spending to ensure energy and food supply to avoid social risks - Increase in maintenance and operating costs of public infrastructure
Real estate assets	<ul style="list-style-type: none"> - Increase in capital expenditure to bring real estate assets up to standard - Decline in income linked to the difficulty of renting real estate assets with poor energy performance - Decline in value of assets with poor energy performance 	<ul style="list-style-type: none"> - Stranded assets due to climate disasters / destruction of value - Increased maintenance costs following damage - Increased costs to adapt assets
Infrastructure assets	<ul style="list-style-type: none"> - Decreased profitability due to higher energy prices - Increase in investments to adapt the production process so that it emits less - Increase in financing costs - Increase in R&D expenditure to support the transition - Increase in expenditure to support employees in the transition (training) - Decline in market share in favour of infrastructure with less emissions 	<ul style="list-style-type: none"> - Stranded assets due to climate disasters / destruction of value - Increased maintenance costs following damage - Increased costs to adapt assets - Decreased profitability due to changes in climate conditions (hydroelectricity, for example)



Integrating climate risks into internal credit ratings

The Risk Directorate has developed an analytical tool using different temperature trajectory scenarios specifically for companies in the energy and oil & gas sectors.

In addition to the future carbon price, which is estimated, bond issuers are assessed on 4 complementary areas: sensitivity to political and regulatory issues, market issues (impacts on supply and demand), innovation issues and reputational issues. The positioning of an issuer in all of these areas provides an overall transition risk sensitivity score. This analytical tool may lead to a change in the internal rating

of the issuer.

With regard to corporate bonds, the risk analysis incorporates data from external providers.

For sovereign bonds, climate risks are integrated into the analysis when they are deemed relevant and are integrated into the credit rating.

(1) Files for which the amount exceeds €50 million for the Public Institution. For subsidiaries, the amount of files depends on the size of the subsidiary.

In 2022, the Group will work on updating the ESG grid to analyse the investment files presented to the Group Commitments Committee from a dual materiality perspective⁽¹⁾ by integrating climate risk analysis.

BOUIN, IN VENDÉE, BANQUE DES TERRITOIRES INVESTED IN THE FIRST INDUSTRIAL PRODUCTION SITE FOR RENEWABLE HYDROGEN IN THE WORLD



© Jean-Claude Moschetti / FEA - Caisse des Dépôts / 2021.

Integration of management indicators in governance tools

Several risk management indicators are now included in the Group’s risk appetite framework, allowing them to be monitored and managed by the governance bodies of the Group:

- an objective in terms of financing volume for projects in favour of the energy transition expressed in billions of euros and as a percentage of the financing granted by Banque des Territoires and Bpifrance; in particular, these projects aim to finance renewable energy, the thermal renovation of buildings and soft mobility and therefore involve very low transition risk,
- an indicator of compliance with coal, oil and gas policy thresholds. The Group’s financial business lines have set thresholds that exclude companies whose share of turnover depends more than 10% on oil sands, shale oil and gas, and oil and gas from the Arctic zone. Also excluded are mining companies whose coal extraction exceeds 10 million tons per year, electricity companies whose coal-based production exceeds 10 GW and companies developing new coal

capacities (more than 300 MW). This exclusion policy makes it possible to reduce the Group’s exposure to transition risk insofar as the Group no longer invests in the energy sector in counterparties whose activity would be based on coal and unconventional oil,

- a carbon footprint reduction indicator for scopes 1 and 2 of the market securities portfolios of the Public Institution,
- an indicator of the energy consumption of the investment property portfolio, since the targeted reduction in consumption makes it possible to mitigate the transition risk of the property portfolio,
- an energy performance indicator for the Group’s real estate aimed at gradually reducing the number of “thermal sieves”, which carry a transition risk (increase in Capex to improve the Energy Performance Diagnosis, or increase in Opex to maintain a certain degree of thermal comfort in the absence of renovation).

In 2022, the Group will review its risk appetite indicators to better integrate climate risks.

INDICATOR OF CAISSE DES DÉPÔTS’ RISK APPETITE MECHANISM

Indicator	Financing projects promoting the energy and ecological transition		Portfolio carbon footprint indicators		Real estate climate risk indicators	
Description	Volume of financing dedicated to the transition	Share of financing dedicated to the transition / total financing granted	Reduction of the carbon footprint of listed shares on scopes 1 and 2 compared to 2019	Reduction of the carbon footprint of obligations undertaken on scopes 1 and 2 compared to 2019	Reduction of primary energy consumption per m² of the real estate portfolio	Sum of the surface areas of the worst-rated properties (F and G according to the DPE) over the total surface area of the properties
Scope	Banque des Territoires GDA Bpifrance LBP / CNP SFIL		GDA		GDA real estate portfolio	Group real estate portfolio
Objectives	€60bn by 2024	40%	-20% by 2024	-20% by 2024	-38% by 2030	No target
Status	✓	✓	✓	✓	✓	✓
Alert threshold	Alert if the linearized target is not respected		Alert if the linearized target is not respected or the trend degrades by > 10%			10% for residential, 20% for tertiary and 0% for OLS
2021 achieved	17.3	36%	-21%	-18%	-15%	<ul style="list-style-type: none"> • 1.5% of the total area of residential properties rated F or G • 11% of the area of tertiary properties rated F or G • 0% (no OLS is rated F or G)



Performance of a climate stress test

In 2020, the Caisse des Dépôts Group took part in the first pilot climate exercise (stress test) by the French Prudential Supervision and Resolution Body, ACPR aimed at measuring the exposure and resilience of French banking institutions to transition risks.

The central scenario was built on the National Low-Carbon Strategy (SNBC) and was then broken down into three degraded scenarios. These scenarios were translated into economic and financial variables using two macroeconomic models. The exercise covered up to 2050, with a static balance sheet assumption until 2025 and a dynamic balance sheet assumption beyond that (possibility for institutions to reallocate their exposures taking climate factors into account). The exercise focused on credit risk with a segmentation of assets by geography (France, European Union, United States) and by sector (Nace level 2 classification).

For Caisse des Dépôts, the *stress test* focused on a limited sample of the balance sheet. Corporate exposures generated the majority of credit rating downgrades.

The exercise made the risk and finance teams aware of the processes and models to better understand the specificities of transition risks and to consider methodological developments.

In 2022, Caisse des Dépôts will work to quantitatively estimate the transition risks on the equity portfolio and develop sector scenarios.

CAISSE DES DÉPÔTS
EMPLOYEES. ↓

SFIL (1)

- Independent expert mapping to identify the chains of contagion of physical risks and transition risks in the short/medium and long term on the main categories of risks of SFIL, namely credit risk, liquidity risk and operational risk, including the risk of non-compliance, and other risks (regulatory, strategic, business).
- Study on the transition risk for local authorities, based on 3 transition scenarios (orderly, accelerated, delayed) based on the National Low-Carbon Strategy, which made it possible to quantify the investment needs of local authorities and their impact on operating sections and debt levels and, by extension, on risk metrics (*risk-weighted assets* (RWA) and *expected credit loss* (ECL) of SFIL).
- Study on physical risk aimed at quantifying the impact of acute physical risks on the main financial ratios of French local authorities. Based on the Climada model, five contingencies were taken into account to assign a physical risk score at the department level.
- Integration of climate risks into the risk management system with fossil fuel exclusion policies in accordance with the commitments made by the Caisse des Dépôts Group, the integration of ESG criteria into SFIL's investment policies and indicators reflecting green lending commitments within the risk appetite framework.
- Participation in ACPR *stress test* exercises.

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(1) SFIL is under the supervision of the ECB.

Bpifrance (2)

- Quantification of the exposure of Bpifrance's portfolio to physical risks via maps combining the location of relevant climate hazards and the geolocation and sectorisation of outstandings and a physical risk scoring system for a geographical area subject to climate hazards with a future-oriented dimension.
- Quantification of exposure to transition risks via risk pocket mapping and a series of sector-specific *Key Risk Indicators* (KRI).
- Development of management indicators for the Group risk reporting system.
- Participation in the ACPR's *stress testing*.

CDC Habitat

- Measurement of the exposure of the assets to physical risks on the basis of 8 hazards, taking into account the characteristics of the buildings (vulnerability).
- Resilience performance diagnosis performed for the most at-risk assets for which rehabilitation work is scheduled with proposals for actions to reduce the risk.
- Identification of the transition risk linked to the cost of energy.

Icade

- Measurement of the exposure of assets to physical risks via the Batadapt tool.
- Setting energy intensity and carbon intensity reduction targets for commercial real estate to reduce exposure to transition risk.
- Implementation of energy performance monitoring for at least 75% of healthcare operators starting in 2019 and proposal of energy performance improvement solutions for 100% of expansions and significant work (renovation of façades and sealing) starting in 2019.

(2) BPI is under the supervision of the ECB and is subject to Article 29 of the Energy-Climate Law.

(3) LBP is under the supervision of the ECB.

LBP (3)

- Measurement of the exposure of real estate financing to flood risk.
- Measurement of transition risk through: (i) net exposure to the coal, oil and gas sectors, (ii) measurement of the carbon intensity of the portfolios and (iii) commitment to decarbonisation trajectories validated by the SBTi.
- Quantification of LBPAM's exposure to physical and transition risks (political and technological risks) based on the Carbon Delta methodology.
- Participation in the ACPR's *stress testing*.

↓ SAINT-EUSÈBE SOLAR POWER PLANT IN SAÔNE-ET-LOIRE

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ESG and climate risks

integrated into investment decisions

The challenge: to identify, avoid and reduce the most material environmental, social and governance risks. To do this, the risks are assessed via policies on cross-cutting issues and specific processes to address the risks specific to each asset class. When a risk is detected, the objective is to encourage counterparties to remedy it, in accordance with the OECD principles of Responsible Business Conduct, by adapting accordingly the best management practices, the spirit of which is summarised in the Global Compact.

Asset Management

Direct management

Listed shares

Investment Management Department

For listed shares, the managers carry out an ESG analysis of each stock based on the most material issues identified for each company. The criteria cover the management of greenhouse gas emissions but also the governance structure, executive compensation, gender parity, workplace accidents and social relations. The management team relies in particular on data from extra-financial rating agencies. The ESG rating resulting from this assessment is incorporated into the valuation of the securities through the use of an “ESG beta score”, with a weighting in the valuation of 15%.

Regarding systematic management, provider data results in an ESG rating, which is incorporated into the portfolio optimisation process with the dual objective of improving the average rating of the portfolios and excluding consistently poorly rated or highly controversial companies.

CDC Croissance

The managers incorporate the extra-financial component as well as the financial component in their investment decisions. To perform its analysis, CDC Croissance relies on the Ethifinance database and on the ESG reports and integrated reports of the companies, when these are available. Since 2020, an ESG score (based on a model of 65 extra-financial criteria) has been calculated for each French stock. An ESG sheet is presented in the investment file produced for the integration of a new stock in the portfolio. On several occasions, the management has abandoned investments or sold a position following the extra-financial examination of the company (nature of the activity, serious controversy).

Corporate bonds

With regard to corporate bonds, the analysis of issuers is based on different data sources (provided by the companies, MSCI, Bloomberg, Trucost), giving rise to a rating calculated using around fifty indicators.

This rating will then influence the managers' investment decisions.

Sovereign bonds

For sovereign bonds, Caisse des Dépôts incorporates ESG criteria into the analysis and selection of its direct investments in sovereign and public bonds. It establishes an internal score for each issuing country, based on 40 weighted ESG criteria from different sources: UNESCO, United Nations, NGOs.

Examples of the criteria integrated in the sovereign SRI rating are as follows: for governance, the quality of the regulation and freedom of opinion; for social criteria, the ratio of medical equipment and the Gini index, which measures inequality; and in terms of the environment, the use of pesticides and average levels of air pollution. The results of the ESG analysis are taken into account in the risk assessment and in the determination of the allocation, in the same way as the other financial parameters. On a case-by-case basis, the Investment Committee excludes countries with high ESG risks or sets limits. It carries out regular ESG monitoring of the portfolio.

Investment real estate

For investment real estate, the ESG information gathered during *due diligence* is mainly provided by the seller. It is analysed by the Caisse des Dépôts team and by external experts.

The acquisition criteria are as follows: proximity to public transport, environmental certifications and labels (construction and operation), energy consumption, greenhouse gas emissions in operation, certifications

and labels relating to the well-being of users for office buildings.

Since 2019, a social clause on working conditions has been included in off-plan sales contracts (Vefa) or real estate development contracts (CPI) with developers (employment and subcontracting). This clause will be gradually supplemented by a share of jobs targeting personnel who qualify for integration schemes.

An environmental annex is included in all commercial leases entered into between tenants and Caisse des Dépôts. Since 2020, it has been strengthening its environmental approach by systematically requiring the BiodiverCity label when investing in new or restructured buildings (VEFA or CPI) in the tertiary and residential sectors or the seller's best efforts to obtain it; an approach to the ecological management of green spaces that does not use synthetic pesticides, already in place for all "historic" residential buildings; the commitment to net zero artificialisation with 100% of developments of the managed portfolio carried out in already urbanised sectors (local town planning zones - PLU - buildable).

Forests

Société Forestière is a responsible and committed manager of the natural forest heritage. Its practices evolve in the light of lessons learned from the consequences of climate change, which have a major impact on the forestry sector. All of its technical guidelines are continually reviewed in order to obtain the most resilient forest stand possible. Société Forestière assists Caisse des Dépôts and CNP Assurances in the selection of quality forests or forests of potential future value through sustainable management. The analyses are thus carried out on a case-by-case basis for both financial and extra-financial criteria:

- **environmental** (impact of climate change and biodiversity with site studies, adaptability of species with regard to physical risks, for example the systematic analysis and special management of areas classified as being of high conservation value),
- **social** (direct health and safety risks related to forest management),
- **governance** (multi-stakeholder materiality analysis in order to best determine current expectations).

In 2021, the Société Forestière investment committee decided not to pursue several acquisition projects after identifying excessively high risks for the maintenance of forest production in a context of climate change (hydromorphic soils, presence of limestone, vulnerability to fires, etc.).

Indirect management

Multi-management of diversification

In 2019, the selection grid for all funds was revised to incorporate ESG criteria giving rise to a formal rating. These criteria include: PRI rating, voting guide, engagement policy, formalised carbon emission measurements, publication of ESG reporting, exclusion policy, MSCI rating, measurement of the contribution of the fund's portfolio activities to the SDGs expressed as a percentage of turnover. An exclusion threshold has also been set for ESG ratings that are too low.

Unlisted funds

An analysis grid is used to rate each fund on extra-financial criteria. The rating criteria are company governance (independent board members, code of ethics, etc.), employee training, practices in support of the environment, integration of ESG criteria in management, environmental due diligence procedures on underlying companies, assessment of compliance with human rights, social impacts and the quality of the company's ESG reporting.

Other assets

Convertible bonds

Convertible bond managers (who manage one direct portfolio and one external fund portfolio) at Caisse des Dépôts perform an ESG analysis of each stock, based on the most material issues identified for each company with regard to the long-term valuation risk of the enterprises and consideration of the general interest mission of Caisse des Dépôts.

The MSCI ESG score (relative sector score) is analysed for each investment file, allowing the ESG opinion to be incorporated into the manager's choices and major ESG controversies to be monitored. The score is thus incorporated into the financial analysis of the companies and a weighted average of the scores is established by the management.

Monetary assets

Each issuer is assigned an ESG score based on around forty indicators (human rights, corruption, etc.) and is assessed with regard to its CO₂ trajectory. For company securities, the analysis is based on around fifty indicators, including the environmental indicators provided by MSCI (resource productivity, share of renewable energies, GHG emissions). SRI investment objectives are defined in parallel.



Banque des Territoires

ESG risk management is in line with the global vision of long-term investors who support the transformation of territories, seeking the maximum positive social and environmental impacts.

It is implemented by the entry into force of the extra-financial rating tool for new investments, operational since 2020. This tool systematically supports and informs the internal decision-making process by adopting a comprehensive view of the issues, quality and externalities of new investment projects presented to the commitment board.

Real estate

The environmental ambition and the energy performance must be incorporated and detailed as early as the project study. The extra-financial rating tool supplements the analysis with specific indicators (greenhouse gas emissions, energy consumption, etc.). If the entity decides to continue investing in the project, commitments with environmental prerequisites are gradually incorporated into most off-plan contracts (certifications, labels, green leases). In the event of failure to meet a prerequisite, financial penalties may be applied in certain cases, calculated according to the size of the project.

Private equity

The action of the Banque des Territoires is guided by its extra-financial rating tool, which complements the analysis of innovative projects. Before presentation to the commitment committee, each investment project must be analysed by the appraisal teams according to the three pillars of sustainable development and the SDG action plan of Banque des Territoires, which are applicable regardless of the nature of the project: environment and climate, social and regional, and governance.

Infrastructure

New investments are only approved for projects that have all the necessary authorisations and permits, are not involved in any controversies and are not subject to any administrative or regulatory claims. The analysis is supplemented by the extra-financial rating tool.

Local public enterprise (EPL)

Investment files, either in capital increases in existing EPLs, or in the creation of a subsidiary, are based on the extra-financial rating tool of Banque des Territoires.

The criteria for this rating defined for EPLs/semi-public companies (SEMs) are, for example: the percentage of the total investment devoted to the EET, the number of square meters of surface areas treated/cleaned up/redeveloped (for land operations), or the number of real estate assets built/refurbished/renovated for real estate operations. Some shareholders' agreements also include extra-financial commitments relating, for example, to the proper use of natural resources or the adoption of appropriate practices that comply with management or human resources regulations.

Social and solidarity economy

Since 2020, the analysis has used the extra-financial rating tool, which makes it possible to analyse more systematically indicators such as: targeting of beneficiaries, (number of people supported/targeted/trained/reintegrated during the whole project), measurement of the environmental impact (area converted to organic farming; number of consumers/clients targeted in short supply chains), as well as good governance practices.



← SAINT-EUSÈBE SOLAR POWER PLANT, IN SAÔNE-ET-LOIRE, WHERE, THROUGH ECO-GRAZING, A HERD OF 60 SHEEP MAINTAINS THE SPACE IN AN ECOLOGICALLY-FRIENDLY AND ECONOMICAL WAY.

Bpifrance

A long-term investor, Bpifrance pays the same attention as the Caisse des Dépôts Group to ESG issues and seeks to foster the highest standards in responsible investment. To this end, it supports companies with a view to continuous improvement.

◊ Listed and unlisted direct investments

Pre-investment ESG assessment is carried out using an analysis support tool that determines the most relevant issues to examine. This tool covers 14 areas that are organised into 4 themes and weighted according to the size and sector of the company's activity:

- **governance:** transparency and balance; anticipation,
- **human capital:** employment and social policy; management of jobs and skills; diversity and equal opportunity; well-being at work; climate and social dialogue,
- **stakeholders:** long-lasting and ethical relationships with suppliers; quality and customer satisfaction; relations with other external stakeholders,
- **environmental policy and management system:** energy and greenhouse gases; inputs and waste; control of other environmental impacts.

This inventory enables the identification of certain ESG issues and the initiation of a process of progress according to the material issues. The analysis is incorporated into the rating presented to the investment committee for decision and may lead to refusal if the ESG risks are sufficiently high or, on the basis of a shared diagnosis, encourage a process of progress by determining actions for improvement in consultation with the business owner.

◊ Unlisted indirect capital investment

As part of its investments in funds of funds, taking into account the ESG dimensions of investments is one of the selection criteria for Bpifrance Investissement's partner management teams. In addition, Bpifrance Investissement ensures that these partner management teams undertake to make arrangements for the companies in which they invest and adopt a policy of progress in their consideration of environmental, social and corporate governance elements. Bpifrance's policy with regard to funds is incentive-based and therefore does not a priori exclude those that have not yet implemented a responsible investment policy but ensures through contractualisation in the legal documentation (*side letters*) that the management companies commit the businesses in which they invest to a CSR approach of progress.

Management of the Strategic Investments Division

When examining development files, the teams respect sectoral exclusions (coal, tobacco, anti-personnel mines, etc.) and ensure strict compliance with the anti-money laundering and terrorist financing policy (LCB-FT) implemented by the Permanent Controls & Compliance Department.

Caisse des Dépôts has also defined, in a framework procedure, the general LCB-FT principles to be applied by all of its subsidiaries, subject to the additions and adaptations necessary for their activities. The Investment Management business line also takes into account the Group's main ESG guidelines, in particular via, where relevant:

- governance structure,
- a right of scrutiny over social policy in order to oversee the impacts of a transaction – a qualitative approach to environmental risks,
- a systematized anti-money laundering (LAB) procedure.

Finally, each investment is subject to an ESG analysis. When it comes to a sensitive sector (energy, transport), an opinion is systematically requested from the Caisse des Dépôts Sustainable Policy Division, which has expertise on these subjects.

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STOA

In addition to compliance with the regulatory and sectoral exclusions of the Caisse des Dépôts Group and AFD, STOA has adopted a solid procedure for the assessment and monitoring of E&S (environmental and social) risks.

This is in accordance with the sustainability performance standards of the *International Finance Corporation (IFC)* and based on a number of the reference documents of the French Development Agency. The procedure foresees the assessment of resilience to physical risks induced by climate change. Projects are analysed from the identification phase, with an assessment both of vulnerability to climate change and of the measures introduced to enhance the resilience of facilities to these vulnerabilities. The resilience of projects is assessed qualitatively during the appraisal phase on the basis of regional projections by the *WORLD BANK* (temperature increase) and the *IPCC* (rise in sea level). The time horizon is generally based on the lifetime of the infrastructures (around 25 years).

🔗 The project identification phase

The ESG criteria that influence the investment process, and which may justify discarding a project, are:

- the potential GHG emissivity of the project (beyond 1 MtCO₂/year, the project is discarded depending on the project country),
- the incompatibility of the project with the country's low-carbon/resilience trajectory *carbon lock-in*, project vulnerability assessment).

🔗 The evaluation and decision phase

A major and irreconcilable incompatibility with the IFC performance standards (major and forced displacement of populations, irreversible impact on a protected species, etc.) - in the event that no mitigation measure is envisaged - would preclude entering into any relationship. A second opinion formalizing an opinion on compliance risks is mandatory before entering into a business relationship. Finally, the STOA system foresees negotiation, governance rules for project companies and a standard reporting clause in contracts in terms of monitoring.

Social Policy Directorate

In line with the responsible investor strategy of the Caisse des Dépôts Group, the SRI commitments aim to promote the sustainable and responsible management of pension plan reserves, which come from contributions from active workers.

These extra-financial objectives contribute to the long-term performance of the assets managed, as evidenced by the average annual performance of + 4.05% of Ircantec's assets (2016-2021), which reached +11.5% in 2021. The DPS supports Ircantec in particular in its commitment to the fight against climate change: after the exclusion of coal stocks above a certain turnover threshold (20% then 10% in 2019) since 2016, it assisted the Board of Directors to achieve its goal of defining a targeted and gradual divestment strategy from the fossil fuel sector. This strategy, initiated in 2018, was reinforced in 2021 by the exclusion of companies with unconventional hydrocarbon production of more than 10 million barrels of oil equivalent or that are launching new unconventional projects. Ircantec has thus made numerous commitments to support the fight against climate change and support the Energy and Ecological Transition (EET). Ircantec also supports the energy transition of the regions by financing local authorities, public institutions and small infrastructure projects, mainly French, in the fields of renewable energies, the energy transition and the environment.

In 2021, investments dedicated to the energy and ecological transition continued to grow in Ircantec's portfolio, reaching 17.9% (compared to 15% in 2020). Ircantec has set itself a target EET financing objective of at least 20% of its reserves by 2024, corresponding to additional financing of more than €1 billion to support the transition.

LBP AM

LBP AM selects companies to invest in using a proprietary SRI analysis methodology called Great: G - Responsible Governance, R - Sustainable management of natural and human Resources, E - Energy and economic transition, - T Development of the regions (Territoires).

This method is suitable for all asset classes and makes it possible to rate the sustainable development practices of 9,000 companies. It incorporates the impact on the regions of a company's activity.

LBP AM excludes companies that present a reputational risk linked to poor sustainable development practices either because they are exposed to major controversies or because they operate in sensitive sectors (controversial weapons, tobacco, gambling, thermal coal). The policies are demanding and regularly updated. For example, in terms of coal, where in 2019, LBP AM committed to phasing out mining and power generation companies with coal-related expansion plans that have not committed to phasing them out by 2030-2040. This commitment was strengthened in 2021 to extend to issuers providing upstream and downstream services, which generate at least 20% of their turnover from coal.

© Valentine Vermeil / REA - Caisse des Dépôts / 2021.



MANOSQUE, IN ALPES-DE-HAUTE-PROVENCE, BENEFICIARY OF THE ACTION CŒUR DE VILLE PROGRAM.



© Jean Marc Pettina / Caisse des Dépôts / 2018

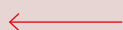
Indicators and results

of sustainability issues

The commitments of the Caisse des Dépôts Group in the fight against climate change and the erosion of biodiversity as well as the support of its counterparties towards a just transition are reflected in particular by the establishment of measurement indicators for climate impacts, risks and opportunities.

In accordance with the Energy-Climate Law, Caisse des Dépôts publishes climate and biodiversity-related indicators (carbon footprint, amount of exposure to fossil fuels, investment eligibility, biodiversity footprint).

The balance sheets of the subsidiaries can be found on their respective websites.



FRICHE KODAK, IN SEVRAN, WHERE MAJOR SOIL AND WATER DECONTAMINATION WORK WAS CARRIED OUT. SINCE REPLANTED, IT NOW HAS RARE AND PROTECTED PLANT AND ANIMAL SPECIES.



Decarbonise the portfolios

Listed portfolios

In line with the commitment made as part of the Net-Zero Asset Owner Alliance (NZAOA), the objective is now to achieve carbon neutral investment portfolios by 2050, with a new target of -55% reduction in listed portfolios between 2020 and 2030.

Information used in the analysis

The carbon footprint is estimated each year by Caisse des Dépôts' Asset Management. The data needed to produce the carbon footprint is the scope 1 and scope 2 emissions data published by the companies.

Caisse des Dépôts' Asset Management uses the most up-to-date published information. Thus, at 31 December 2021, the carbon footprint is calculated on the greenhouse gas (GHG) emissions of companies for 2020. In the event that CO₂ data is not available for one or more companies, the results obtained are recalculated in order to arrive at a carbon footprint covering 100% of the portfolio (in balance sheet value). The carbon footprint at 31 December 2021 is calculated on the basis of the securities held directly on this date.

Calculation methodology

For shares, the carbon footprint of a portfolio holding is equal to the company's CO₂ emissions at the end of year N-1 multiplied by the capital holding at the end of year N. For bonds, the emissions are multiplied by the holding in the company's total debt. For this portfolio, the sum of these weighted emissions is divided by the amounts invested, at balance sheet value.

METHODOLOGY FOR CALCULATING THE CARBON FOOTPRINT OF THE PORTFOLIO

EQUITIES

Absolute (in tCO₂e)

∑ Absolute carbon footprint of securities held in the portfolio

$$\text{Carbon footprint of a stock in absolute terms (in tCO}_2\text{e)} = \text{company carbon emissions} \times \text{\% ownership of the CDC in the company's capital}$$

The percentage of ownership takes into account the different listing venues and classes of shares in circulation and is calculated as follows:

$$\frac{\text{Number of shares held}}{\text{Total number of shares in circulation}}$$

Relative (tCO₂e / €1M invested)

$$\sum \frac{\text{Absolute carbon footprint of securities held in the portfolio}}{\text{Portfolio balance sheet value}} \times 1,000,000$$

BONDS

Absolute (in tCO₂e)

∑ Absolute carbon footprint of securities held in the portfolio

$$\text{Carbon footprint of a stock in absolute terms (in tCO}_2\text{e)} = \text{company carbon emissions} \times \text{\% of debt held by the CDC in the total debt of the company}$$

The percentage of debt held is calculated as follows:

$$\frac{\text{Debt held by CDC}}{\text{Total debt issued by the company}}$$

Relative (tCO₂e / €1M invested)

$$\sum \frac{\text{Absolute carbon footprint of securities held in the portfolio}}{\text{Portfolio balance sheet value}} \times 1,000,000$$

An analysis of the evolution of the carbon footprint of the various portfolios is carried out quarterly and integrated into the monthly investment management committee meeting. It is used to identify, for example, the reasons for monthly variations, such as an increase/decrease in CO emissions₂ of companies or an increase/decrease in exposure to one or more companies (non-exhaustive list).

SDG 13 TARGETS

55%

Reduction of the carbon footprint of Asset Management portfolios by 2030 compared to 2020

38%

Reduction of energy consumption of the Asset Management real estate portfolio by 2030 compared to 2020

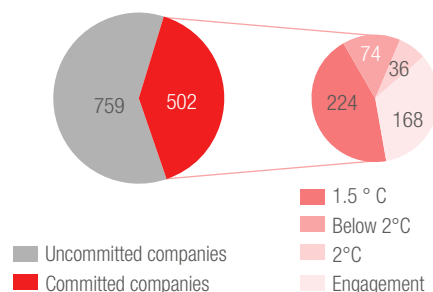
Results

The carbon footprint of Asset Management’s equity and corporate bond portfolios decreased significantly between 2020 and 2021, in line with the trajectory defined under the NZAOA protocol.

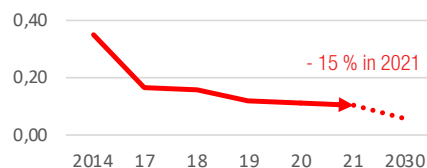
Caisse des Dépôts and Bpifrance also encourage unlisted companies to use the *Assessing Low Carbon Transition (ACT)* method, which provides them with a framework for operational alignment with the 1.5 °C target.

In this regard, Asset Management notes that **listed portfolios are effectively aligned with a low-carbon trajectory**, thanks in particular to demanding shareholder dialogue and the implementation of strict exclusion policies. In 2021, out of the 1,261 companies in the portfolio, **40% have initiated a process of alignment with a science-based low carbon trajectory**.

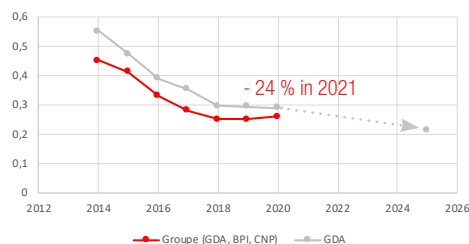
ALIGNMENT OF EQUITY AND BOND PORTFOLIOS WITH SBTi TRAJECTORIES



CARBON FOOTPRINT OF CORPORATE BOND PORTFOLIOS - GDA (in $teqCO_2/€k$)



CARBON FOOTPRINT OF LISTED EQUITY PORTFOLIOS HELD DIRECTLY (in $teqCO_2/€k$)



APPROPRIATION OF PROFIT (LOSS)⁽¹⁾

GDA portfolios	Absolute emissions at end of 2021	Carbon intensity at end of 2021	2020-2025 carbon intensity reduction target (scopes 1 and 2)	2020-2030 carbon intensity reduction target (scopes 1 and 2)	Reduction achieved between 2014 and 2021	Reduction achieved between 2020 and end-2021
Direct listed shares	6.19 MtCO ₂	0.22 tCO ₂ /€k	- 20%	- 55%	- 61%	- 24%
Corporate bonds	1.404 MtCO ₂	0.10 tCO ₂ /€k	- 20%	- 55%	- 62%	- 15%

In the report published in June 2022, there were errors in the graphs and in the charts on this page. This November 2022 version is corrected.

(1) As of December 31, N - 1: the 2020 starting point is as of 31 December 2019.



The Net-Zero Asset Owner Alliance, a major issue for Caisse des Dépôts



© PETTIMA Jean marc, Caisse des Dépôts / 2015.

“Because Caisse des Dépôts is at the leading edge on the subject, our institution was selected to spearhead the AOA in France and was therefore a founding member in 2019.

We then approached other major French investors, and France now has 10 signatories, making it the number one country in terms of number of members. This is something we are very proud of! ”

↑ **JOEL PROHIN,**
DIRECTOR OF INVESTMENT MANAGEMENT,
MANAGEMENT DIRECTORATE

Can you explain to us the genesis of the Net-Zero Asset Owner Alliance (AOA)?

JP → In 2019, a handful of major investors, in collaboration with the *Principles for Responsible Investing* (PRIs) and the *United Nations Environment Program Finance Initiative* (Unep-Fi), decided to launch a major initiative aimed at institutional investors with a view to aligning asset portfolios with the Paris climate agreement.

As the CDC is at the leading edge on the subject, our institution was selected to spearhead the AOA in France and was therefore a founding member in 2019.

We then approached other major French investors, and France now has 10 signatories, making it the number one country in terms of number of members. This is something we are very proud of!

What are the objectives of the AOA?

JP → Becoming a member of the AOA is demanding: you have to set a long-term objective (net zero greenhouse gas portfolios by 2050) and short-term objectives (2025 or 2030). Added to this is the requirement to engage with companies and *asset managers* and allocate an amount of financing for climate solutions.

What is the current role of the CDC in the AOA?

JP → As a founding member, we participated until December 2021 in the *steering group*, formed of signatories who lead the AOA. As the AOA expanded, space had to be made for non-European signatories. I remain the CDC representative on the umbrella committee, which brings together representatives of all the signatories.

We are active in many working groups (sovereign, real estate, engagement, etc.). The contribution of Asset Management is all the more relevant as our immediate contact with the markets and companies makes our contribution more concrete and more relevant. In addition, we also coordinate the French signatories for informal discussions from time to time.

What new commitments have been made?

JP → The CDC had set itself a target of reducing its greenhouse gas emissions by -20% between 2020 and 2025 on its portfolios of listed shares and credit bonds. Given the sharp decline already achieved over the 2014-2020 period, this objective was already demanding.

The new report from IPCC led the AOA to tighten its intermediate objectives. In this context, the CDC has decided to opt for new objectives for 2030: - 55% between 2020 and 2030 on listed shares and credit bonds and - 50% on direct real estate.

In line with the philosophy of the AOA, the idea is to do the minimum through portfolio reallocation and the maximum by getting the companies in which we are invested to commit to reducing their carbon footprint. We therefore continuously maintain a demanding dialogue with all the companies in which the CDC is invested, in particular the companies with the highest emissions.

The objectives that the CDC sets itself within the framework of the AOA are one of the major axes of Asset Management's investment policy. The involvement of management in the AOA is one of the indicators used for the calculation of Asset Management's incentives. From now on, all managers keep it in mind and take it into account in their day-to-day decisions.



Real estate

The Group intends to contribute to limiting global warming to 1.5°C on all of its real estate investments by defining a new target under the NZAOA protocol of -50% by 2030 compared to 2020 for the directly held real estate portfolio.

For its new investments, the expanded Group refers in particular to the EU taxonomy and aims to invest in new real estate assets with high energy performance (at least RT2012 - 20%) and, in the event of the acquisition of existing inefficient assets, undertakes to carry out work, included in the business plan of the purchase, to improve their energy performance significantly as soon as the occupants release the assets.

For new investments:

- 100% of new offices > 5,000 m² certified and/or labelled as of 2021, 100% in RT2012, 20% as of 2022,
- 100% of new healthcare establishments > 5,000 m² certified and/or labelled as of 2021,
- 50% of new residential operations certified and/or labelled as of 2022.

In addition to the target of reducing the carbon footprint of the investment property portfolio, Asset Management is committed to reducing the energy consumption of its portfolio by 38% (consumption of primary energy for all uses) between 2014 and 2030.

For real estate assets over which the Group does not have operational control, its entities undertake to dialogue with the stakeholders concerned (managers, co-owners, occupants, etc.) to find out about the energy performance of the assets and encourage the achievement of reduction targets in line with the 1.5 °C goal.

Information used in the analysis

The scope of monitoring covers more than 99% of the portfolio in value. Normative values are used in the absence of data on the uses of

energy other than those regulated. Data reliability is ranked, in ascending order: Regulatory DPEs, design calculations, energy audits and, as a last resort, theoretical values from Ademe to fill in missing data.

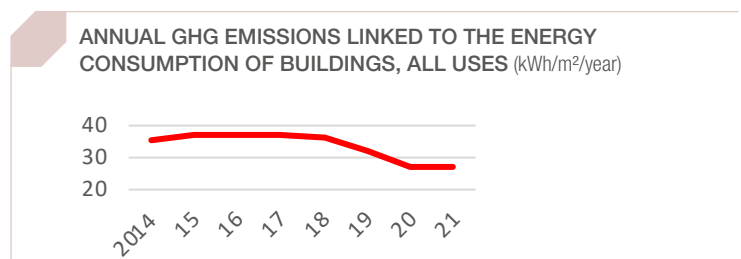
Calculation methodology

In 2021, a tool was developed to report all GHG emissions from the directly managed portfolio, also integrating the usage of lessees. For 2021, not all the data could be collected because of certain tenants' refusal to communicate their consumption data. In these specific cases, the theoretical data was used. The data is then integrated manually.

The recorded energy consumption is used to calculate the carbon footprint of Asset Management's investment property portfolio.

Results

In 2021, the reduction achieved in absolute terms since 2014 reached 29%. During the 2021 financial year, emissions increased in absolute terms compared to 2020, which is consistent with the increase in volume of outstandings of the real estate portfolio, the 2021 objective of which was to acquire thermal sieves in order to renovate them.



APPROPRIATION OF PROFIT (LOSS)⁽¹⁾

GDA portfolios	Absolute emissions at end of 2021	Carbon intensity at end of 2021	2020-2030 carbon intensity reduction target (scopes 1 and 2)	2020-2030 carbon intensity reduction target (scopes 1 and 2)	Reduction achieved between 2014 and 2021	Reduction achieved between 2020 and end-2021
Investment real estate	27,500 tCO ₂	28 keqCO ₂ /m ² /year	- 50%	- 28%	- 21%	- 12,5%

In the report published in June 2022, there were errors in the graphs and in the charts on this page. This November 2022 version is corrected.

(1) As of December 31, N-1: the 2020 starting point is 31 December 2019.

Other assets

Real assets

Work was begun in autumn 2020 to assess the extra-financial quality of the existing portfolios of the Banque des Territoires, including in relation to the climate target of the EU taxonomy (1.5 °C trajectory). This will make it possible to establish an exhaustive diagnosis of the assets in terms of extra-financial performance and to inform management decisions.

Sovereign bonds

Caisse des Dépôts has also implemented monitoring of the States' commitment to reducing greenhouse gas emissions, and monitors the evolution of the total emissions of those in which it holds debt securities.

In the event of proven deviation from the objectives, it may modify its allocations.

THE BUILDING GREEN OFFICE ENJOY, IN PARIS, OWNED BY CAISSE DES DÉPÔTS, IS A POSITIVE ENERGY BUILDING: IT PRODUCES MORE ENERGY THAN IT CONSUMES.



© Arnaud Février / Caisse des Dépôts / 2020



Manage fossil fuels

Coal

Exclusion

Effective 1 January 2022, Caisse des Dépôts, La Banque Postale, La Banque Postale AM and Bpifrance **no longer hold securities in companies whose turnover is exposed to thermal coal (above a 10% threshold) if they have not announced a plan to withdraw from thermal carbon with a planned exit between now and 2030 in OECD countries and 2040 for the rest of the world.**

As of 31 December 2021, with regard to its coal exclusion commitments, Asset Management of Caisse des Dépôts **excluded 7 companies exposed to thermal coal that had not announced an exit plan in line with the Group's commitments.**

Exposure

Ahead of the regulatory schedule of the decree implementing Article 29 of the Energy-Climate Law , Caisse des Dépôts' Asset Management has decided to publish its share of exposure to coal.

Oil and gas

Exclusion

As of 31 December 2021, with regard to the application of the climate policy, Caisse des Dépôts' Asset Management **excluded 12 companies exposed to the oil and gas sector after internal analysis of the adequacy with the climate policy.**

Exposure

Ahead of the schedule of the decree implementing Article 29 of the Energy-Climate Law, Caisse des Dépôts' Asset Management has decided to publish its share of exposure to companies that are active in fossil fuels.

This share of equity and debt investments was calculated by integrating a large number of sectors including utilities, as well as related network, transportation and equipment services, in addition to integrated oil and gas companies.

We note that the "green share" of outstandings or outstandings that are aligned with the taxonomy have not been restated.

The displayed share thus includes exposure to renewable energies.

SHARE OF THERMAL COAL EXPOSURE FOR CAISSE DES DÉPÔTS' ASSET MANAGEMENT (as of 31/12/2021)

On equity and corporate bond portfolios at balance sheet value	0.06%
On all CDC Asset Management portfolios in balance sheet value	0.02%

SHARE OF EXPOSURE TO COMPANIES ACTIVE IN FOSSIL FUELS FOR CDC ASSET MANAGEMENT (as of 31/12/2021)

On equity and corporate bond portfolios at balance sheet value	12.26%
On all CDC Asset Management portfolios in balance sheet value	3.23%

Measuring the biodiversity footprint

CDC Asset Management is committed to measuring the biodiversity footprint of its portfolios.

To do this, Asset Management uses a metric based on the **BIA-GBS score developed by CDC Biodiversité and Carbon4 Finance⁽¹⁾**. The MSA_{appb} metric of this score makes it possible to assess and manage the biodiversity footprint of Asset Management, while providing material for shareholder engagement.

SEGMENT	INTENSITY PER €K OF TURNOVER (in MSA.m ² /€k ⁽²⁾)
Dynamic terrestrial	26
Static terrestrial	268

To generate €1,000 in revenue, the activities of companies held by Asset Management maintain a (static) impact on terrestrial biodiversity of 268 MSA.m² and create a new (dynamic) impact of 26 MSA.m².

In **artificialisation equivalent**, this could result in the use of an existing parking lot of 268 m² and its extension by 26 m² during the year per thousand euros of turnover generated by the companies in which Asset Management invests.

© Arnaud Férier / Caisse des Dépôts



ENJOY BUILDING, ZAC CLICHY BATIGNOLLES, POSITIVE ENERGY OFFICES. DESIGNED BY FIRMS BAUMSCHLAGER-EBERLE AND SCAPE. HELD BY CAISSE DES DÉPÔTS.

(1) <https://www.carbon4finance.com/product/biodiversity-impacts>
 (2) In balance sheet value, on the scope of listed shares and bonds.



Dialoguing with portfolio companies

By commitment

At the Group level

The teams of ESG analysts and managers of listed asset portfolios address ESG issues systematically during their meetings with company managers in order to encourage them to make progress in this area. For unlisted companies, supported in particular by Bpifrance, these exchanges are based on the results of annual ESG surveys conducted by the companies, directly or through management companies.

If the dialogue initiated informally or through the formalised voting procedure proves unsuccessful, the decision may be made to divest.

PROPORTION OF COMPANIES INVOLVED AT THE GROUP LEVEL ON ISSUES RELATED...

... to the energy and ecological transition	33%
... to the efficient use of natural resources, pollution issues or supply quality issues	6%
... to human or social resources in the supply chain	20%

At the Caisse des Dépôts level

Within Caisse des Dépôts' Asset Management, the teams are still mobilised to ensure that responsible investment remains a strategic focus of the Asset Management Directorate and adopts demanding practices in its investment universe.

And concretely? Four examples of results

Employee shareholding

In the spring of 2021, after an in-depth analysis of its practices, a company in the portfolio was questioned about the lack of a shareholding plan for its employees. This

observation was very positively received, and the company announced the creation of an employee share ownership plan in the fall.

Executive compensation

Two companies challenged on the inclusion of ESG criteria in executive compensation for several years specified the nature of the criteria in 2021, which gives us greater transparency on the extra-financial performance criteria within variable compensation.

Decarbonisation targets

Three companies engaged in the 1st half of 2021 have since strengthened their climate goals and improved their CO₂ emissions reduction targets with an extension of the scopes concerned and an external certification of the target.

Biodiversity issues

In 2021, Caisse des Dépôts' Asset Management set itself the goal of **engaging companies from 2 sectors each year** on biodiversity issues. Convinced that shareholder engagement is a key lever for sending strong messages to the companies in the portfolio, in 2021 the teams engaged agrifood and chemical companies. Asset Management has also made other companies aware of biodiversity issues by presenting them as a major area of development in Caisse des Dépôts' policy and for companies outside France by explaining the new French regulatory requirements. The companies were questioned on the publication of the necessary data (water, land use, pollutants) and, more generally, on their approach, the identification of priority or sensitive areas, their work and their R&D budgets, and their requirements for their suppliers.

In total, **37 companies were questioned on the subject of biodiversity in 2021, including 18 from the agri-food or**

128

interviews in 2021 in which ESG themes were discussed and

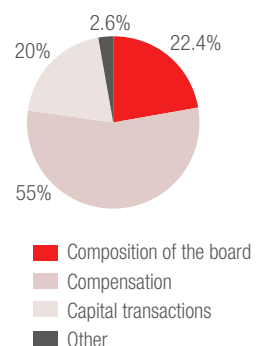
57

interviews entirely devoted to ESG

88%

of Asset Management's portfolio companies were the subject of direct shareholder dialogue on an ESG issue (climate trajectory, social challenges of supply chains, etc.)

BREAKDOWN OF CAISSE DES DÉPÔTS' NEGATIVE VOTES in 2021



chemical sectors. During the year, 9% of the companies involved began their work on the subject following our dialogue or partially addressed requests related to biodiversity. Asset Management is committed to closely monitoring the progress made by companies following these interviews. For some companies, shareholder dialogue interviews dedicated to biodiversity issues and footprint measurement data were a first. This major awareness campaign with French and European companies will allow us to continue discussions over the years and to make progress in measuring the biodiversity footprint of portfolios.

By vote

▣ Voting policy

In addition to this dialogue with companies governance bodies, **the Group systematically exercises its right to vote at general meetings of all of its portfolio companies** and opposes resolutions that run counter to its principles of governance. **It can thus vote in favour of external resolutions, not supported by the board of directors of the companies, if these resolutions are in accordance with its voting principles and strategic priorities.** To facilitate this dialogue, a document clarifying to stakeholders the [main lines of voting applied by Caisse des Dépôts](#) was published in 2019 and translated into English in 2021.

▣ Application of voting rights

In 2021, Caisse des Dépôts voted at 1,306 general meetings, i.e. 20,696 resolutions, and opposed or abstained for at least one resolution at 80% of all general meetings. Asset Management at Caisse des Dépôts **opposed 24.3% of resolutions for which it had to exercise its right to vote.** Caisse des Dépôts voted 270 on external resolutions in 2021. Almost a third (29%) of these resolutions had a social theme, 7% had an environmental theme, 53% dealt with governance and 3 resolutions had a biodiversity theme.

External ESG resolutions were largely supported by Caisse des Dépôts, in particular social (91%), environmental (84%) and biodiversity (100%) resolutions.

In 2021, the **approval rate** for all resolutions on these themes by Caisse des Dépôts

is **very positive.** The Asset Management Directorate is committed through its voting rights to positively impacting social and environmental aspects within portfolio companies.

THEMATIC	CDC APPROVAL RATE
Biodiversity	100%
Social	91%
Environment	84%
Governance	79%
Other	31%

The demanding dialogue between Caisse des Dépôts' Asset Management teams stood out very clearly in 2021. The average approval of the CDC's external ESG resolutions is, almost systematically, two to three times higher than the global average.

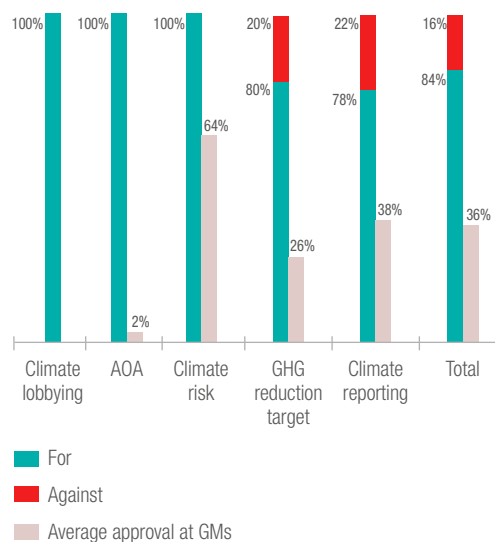
Goal to engage
2
sectors per year
on biodiversity issues

37
companies were
questioned on the subject
of biodiversity in 2021,
including 18 from the agri-
food or chemical sectors

9%
have addressed or
partially addressed
biodiversity-related
requests during
dedicated interviews

←
FIND ALL THE RESULTS IN THE
REPORT ON THE EXERCISE OF
VOTING RIGHTS.

POSITIONING OF THE CDC ON EXTERNAL CLIMATE RESOLUTIONS, IN 2021



2021 was the 1st year during which shareholders were called upon to vote on the companies' climate policies. By their innovative nature, these resolutions, called **say on climate** made a lot of the news this past season.

Asset Management wanted to encourage issuers in their approach. An analysis grid specific to these climate votes was created to be able to judge and compare the ambitions of companies. This grid includes:

- data transparency,
- alignment to a 1.5°C trajectory,
- quantitative targets,
- monitoring of commitments and indicators or
- integrating ESG risks in executive compensation.

Caisse des Dépôts strives to ensure best market practices, in particular the recommendations of the Responsible Investment Forum.

Of the 25 *say on climate* resolutions presented around the world in 2021, GDA voted on 14 resolutions and, after in-depth analysis, supported 10.

In addition to shareholder dialogue, during annual general meetings, **Caisse des Dépôts supported all external shareholder resolutions related to biodiversity** (risk for nature, exploration of resources, plastic packaging).

This work will continue in 2022, when biodiversity issues will be addressed with companies in the fashion, distribution, construction and personal household goods sectors.

Depending on changes in market methods and the results of COP15 on biodiversity, work on aligning portfolios with international objectives will also be undertaken.

In addition, for investment property, **CDC Investissement Immobilier is committed to respecting zero net artificialisation in its real estate portfolio by ensuring that 100% of new projects are BiodiverCity labelled.**

CDC Investissement Immobilier also participates in the Nature 2050 program, deploying concrete solutions to preserve and increase biodiversity in France.

↓ CLOSE UP OF A DRAGONFLY IN CAPTIEUX FOREST.



Issuing green and sustainable bonds

With one green bond and three sustainable bonds issued respectively in 2017 and every year since 2019, Caisse des Dépôts is a recurring issuer on the sustainable debt market.

Our vocation: to support the structuring of the sustainable finance market and promote its best practices. Our commitment is to maintain a regular presence on this market by issuing at least one public issue in euros in the *green, social or sustainability bond format* per year.

Caisse des Dépôts' green and sustainable bonds are consistent with the United Nations' sustainable development goals by contributing to a just transition towards carbon neutrality, the development of human capital and the fight against societal inequalities. They therefore respond to the 5 pillars of the Group's sustainable development policy: ecological transition, inclusive economic development, territorial cohesion and housing, social cohesion and internal exemplarity.

The funds raised through these issues make it possible to finance green and social projects in fundamental sectors such as renewable energies, sustainable real estate, sustainable mobility, digital transition, education and professional integration, the food transition and support for the ageing of the population. Eligible projects meet the following criteria: equity or quasi-equity financing that is not likely to be the subject of major controversy and generates a balanced distribution between financing and refinancing and future projects and assets in operation, highlighting the know-how of Caisse des Dépôts in focus areas with an environmental or social aspect.

In line with the transparency and exemplarity commitments it has set itself in its green, social and sustainable bond framework document, Caisse des Dépôts provides

investors with an exhaustive list of eligible projects by name prior to the execution of each bond transaction and annually publishes an aggregate report presenting: (i) the assurance of proper allocation of flows, (ii) the certificate of compliance of the projects with the eligibility criteria and (iii) the performance indicators and environmental and social impact relating to the projects.

Caisse des Dépôts is part of an institutional player approach in terms of sustainable development thanks in particular to the issuance of sustainable bonds. Indeed, the 2021 issue has made it possible to finance no less than 125 green and social projects that have a significant impact on the planet and society. These are deployed throughout France, from rural areas to the largest urban areas of our country. With 72 investors involved in the 2021 issue alone, Caisse des Dépôts plays an influential role on financial market players.

BREAKDOWN BY AMOUNTS ALLOCATED BY ASSET TYPE (since 2017)

Green energy production infrastructures	16%
Green real estate	63%
Site remediation	5%
Access to digital	10%
Education and professional insertion	0%
Social and solidarity economy	1%
Social real estate	0%
Health and social-healthcare	3%
Eco-efficient data centre	0%
Infrastructure and services for sustainable mobility	2%

ISSUE DATE	ISSUE TYPE	FIXED INCOME	MATURITY DATE	AMOUNT (in €m)
22 February 2017	Green bond	0.2	1 March 2022	500
12 June 2019	Sustainability bond	0	19 June 2024	500
8 September 2020	Sustainability bond	0.01	15 September 2025	500
25 May 2021	Sustainability bond	0.01	1 June 2026	500

IMPACT OF FUNDED PROJECTS	2017	2019	2020	2021
Direct and indirect jobs supported	4,200	5,950	1,600	2021 Sustainable emissions report (available on 30/09/2022)
Households supplied with green electricity	94,500	8,350	23,850	
TeqCO ₂ avoided	68,500	13,350	10,200	
Former brownfields cleaned up	200 ha	/	/	
Individuals who received digital training thanks to funded projects	/	940	/	
Passengers of electric buses and cars thanks to the services financed	/	-	2,850	

Supporting the National Low-Carbon Strategy

At the Caisse des Dépôts level alone, the annual mobilisation of investment flows in favour of the energy and ecological transition reached €7.2 billion, up 36% compared to 2020.

Group-wide, also including Bpifrance, SFIL and the La Poste Group, the amounts mobilised for the ecological transition in 2021 reached €17.3 billion (+30% compared to 2020).

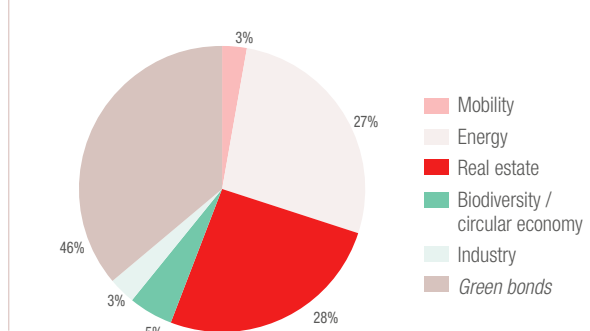
The amounts, which are constantly rising, reflect the continued mobilisation in regional projects and an acceleration in the acquisition of *green bonds* through Asset Management.

Asset management at Caisse des Dépôts achieved strong growth in the volume of *green bonds* in 2021, which increased from 6.3% in 2020 to 10.3% in 2021.

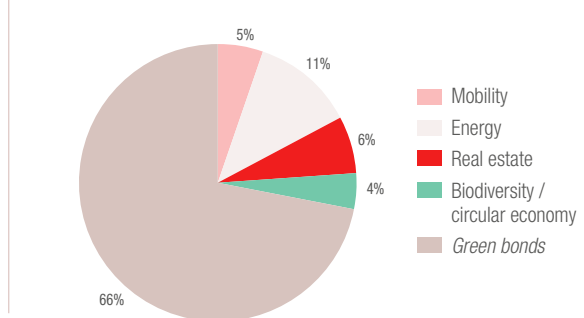
INDICATORS	SCOPE	2019	2020	2021	TARGET *
Annual amount of financing for the EET (in €bn)	CDC	4.8	7.6	7.5	/
	BDT BPI climate plan	/	4.9	10	€40bn (2020-2024)
	Group	/	13.5	17.3	€60bn (2020-2024)
Of which investments in favour of the EET	CDC		1.8	2.8	
	Climate Plan		1	2.2	
	Group		4.2	7.2	

* Participate up to 15% in the investment needs for the SNBC.

SECTOR VISION OF EET FLOWS FOR THE 2021 FINANCIAL YEAR



MOBILISATION OF INVESTMENT FLOWS IN FAVOUR OF THE EET BY THE CDC IN 2021



ENJOY BUILDING, ZAC CLICHY BATIGNOLLES, A POSITIVE ENERGY OFFICE BUILDING. DESIGNED BY FIRMS BAUMSCHLAGER-EBERLE AND SCAPE. HELD BY CAISSE DES DÉPÔTS.



© Arnaud Frérier / Caisse des Dépôts / 2020.

Informing and increasing taxonomy eligibility of flows

Starting in 2022, for the 2021 financial year, the Caisse des Dépôts Group has decided to publish the share of outstandings relating to activities in compliance with the technical review criteria defined in the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, in accordance with the delegated act adopted pursuant to Article 8 of that Regulation.

As of 31 December 2021, the eligible share of investments amounted to more than 44%⁽¹⁾. It is mainly linked to social housing loans from the Savings Fund and real estate loans to households from La Banque Postale, then for the estimate of the eligibility share of the investment portfolio in large European companies and, finally, projects financed in the regions.

The calculation was made taking into account only debt securities, equity instruments, tangible assets (investment property) and derivatives.



© Amaud Février / Caisse des Dépôts / 2020

SPECIFIC SHARES ON THE ELIGIBILITY OF INVESTMENTS ACCORDING TO THE EUROPEAN TAXONOMY OF GREEN ACTIVITIES (as of 31/12/2021)

Eligible share according to the European taxonomy of green activities of investment activities of the Caisse des Dépôts Group (general section)	44%
Eligible share according to the European taxonomy of green activities of investment activities of the Savings Fund	18%
Eligible share according to the European taxonomy of green activities of investment activities of the aggregated Group	37%

ENJOY BUILDING. ↑

This analysis made it possible to establish the high-stakes scope on which taxonomic alignment will be analysed in the coming years. **Since April 2022**, the Caisse des Dépôts Group has launched a vast cross-functional project ranging from project analysis to information systems and their management tools in order to accelerate its contribution to the ecological transformation of the economy.



TO FIND OUT MORE: METHODOLOGICAL NOTE ON THE CALCULATION OF TAXONOMY ELIGIBILITY APPENDED TO THE 2021 SOCIAL RESPONSIBILITY REPORT.

(1) Consolidated Group CDC (under IFRS) + Savings Funds (under French GAAP). This is the voluntary ratio integrating the share of earmarked financing and estimates for companies based on sector proxies.



Having human resources dedicated to ESG

In the context of Article 29 of the Energy-Climate Law, Caisse des Dépôts has calculated the number of full-time equivalents (FTEs) with direct responsibility for environmental, social and governance issues within the workforce of the Public Institution and who are under a permanent contract.

EMPLOYEES WORKING ON ESG ISSUES (as of 31/12/2021)

FTEs with direct responsibility for ESG issues under permanent contracts within Caisse des Dépôts	23.9
Share of ESG FTEs / permanent FTEs	0.41%
FTE with direct / indirect responsibility for ESG issues under permanent contracts within the Group (BPI, Compagnie des Alpes, CDC Habitat, Transdev, Egis, Informatique CDC, other entities attached to the Public Institution)	6.05%

↓ FLORIAN CAPEAU, COORDINATOR OF WORKS AND SAFETY AT CDC BIODIVERSITÉ.



© Pierre Vassal / Haytham-REA / 2020.

Training employees

Within the Group, asset managers and all employees are regularly invited to participate in training.

Some examples:

- regular Novethic training for Caisse des Dépôts' asset managers,
- training of BPI directors,
- CDC Biodiversité training in investment business lines,
- raising awareness among teams on projects carried out by the SRI/CSR teams of each financial entity.

EMPLOYEES FROM THE FINANCIAL BUSINESS LINES TRAINED IN ESG ISSUES (as of 31/12/2021)

Percentage of employees trained within the Group (CDC, BPI, STOA, Société Forestière, CDC Croissance)	58%
Percentage of Caisse des Dépôts Asset Management employees	67%





ANNEX I

2021 significant events of the entities

- Bpifrance
- Social Policy Directorate
- Management of the Strategic Investments Division
- La Poste Group
- SFIL
- STOA

ANNEX II

Synthesis

Information required by the decree implementing Article 29 of the Energy-Climate Law



Bpifrance¹

Bpifrance is a responsible investor, engaged since 2010 as a signatory of the **Principles for Responsible Investment (PRI)** promoted by the UN.

Bpifrance Investissement is also a signatory to the **SISTA charters** on the one hand, and **Parity of France Invest**, on the other hand, which aim to accelerate the financing of women entrepreneurs, particularly in start-ups and the place of women in management, and in the management of the investment fund management teams. With these two commitments, the entity develops its contribution to the evolution of a more sustainable and fair economic system, advocated by the Caisse des Dépôts group.

Bpifrance is also a member of the circle of 110 signatory banks to the Montreal and Paris commitments and the Financial Institutions' Declaration of Intent on Energy Efficiency.

The shareholder engagement policy of Bpifrance Investissement was reviewed in September 2021. Every year, BPIFRANCE conducts an ESG survey of companies in its portfolio and of managers of invested funds, while maintaining a sustained dialogue with executives of invested companies.

Climate commitment

In particular, Bpifrance's approach as a responsible investor includes a commitment to focus its efforts on social responsibility, on the ecological and energy transition and more particularly on the optimization of the use of energy resources. Companies are notably asked, as part of the annual ESG campaign, about their energy consumption and mix, and the assessment of their physical and transition risks related to climate change. In the 2021 campaign, 95 of the portfolio companies responded that they had assessed their physical risks and 114 their transition risks. This annual survey includes an ESG questionnaire with the obligation to provide the ESG report, to which 118 out of 143 investment fund managers and 1247 companies invested by Bpifrance responded.

At 31 December 2021, Bpifrance's carbon footprint was 0.097 teqCO₂ (compared to 0.122 TeqCO₂ per K€ invested in 2020) on a 92.8% hedge of the listed portfolio.

Biodiversity commitment

In order to work for the preservation of biodiversity, Bpifrance is a partner of CDC Biodiversité within the framework of the Nature 2050 Programme and a member of the B4B+ Club (Business Club for Positive Biodiversity). The purpose of this program is to provide Caisse des Dépôts group entities with a tool to measure the impact of activities on flora and fauna. Developing such a tool seems, now more than ever, essential to have a positive impact on biodiversity by better redirecting investments.

¹ Fin all the information about Bpifrance here : www.bpifrance.fr.



Social Policy Directorate

The Directorate of Pensions and Solidarity became in March 2021, the Directorate of Social Policies (DPS) with one ambition: to make the Caisse des Dépôts a reference operator of social cohesion. By delegation, the DPS manages the assets of Ircantec, a supplementary pension scheme for non-registered State and public authorities, amounting to nearly €14.8 billion at the end of 2021. The DPS thus supports Ircantec in defining and implementing a responsible investor approach, advising and directing the Regime towards investments that reflect its identity and respect its values. The DPS has thus developed an expertise of excellence, serving investors wishing to combine financial and non-financial performance.

Climate commitment

In 2021, DPS supported Ircantec in its ambition to respond to the climate emergency, by strengthening its commitments in order to place its reserves on a **trajectory of emission reductions compatible with a scenario 1,5°C**. The Regime has thus committed to reduce the emissions of its corporate portfolio (equities and bonds) by 7% per year on average until 2050 (the reference year being 2021). The 7% reduction target is derived from the decarbonization trajectory of the IPCC 1.5°C scenario. Moreover, after the exclusion of coal values above a certain threshold of turnover (initially 20%, then 10% in 2019 to 5% in 2022), in 2021, DPS accompanied the Board of Directors to meet its ambition to define a targeted and progressive divestment strategy for the fossil fuel sector. This strategy, which began in 2018, was strengthened in 2021 by **excluding companies with a non-conventional hydrocarbon production greater than 10mmboe or initiating new non-conventional projects**. To date, Ircantec's corporate portfolio is aligned on a 1.75°C – 2°C trajectory. Carbon emissions weighted below the 2°C carbon budget amount to -295,741 tonnes of carbon for the corporate portfolio, while its benchmark exceeds its 2°C carbon budget of 122,353 tonnes of carbon.

Ircantec has thus made many commitments to **contribute to the fight against climate change and support the energy and ecological transition**. In 2021, investments in the energy and green transition continued to grow in the Ircantec portfolio, reaching 17.9% (compared to 15% in 2020). Ircantec has set itself a target for financing the TEE representing at least 20% of its reserves by 2024.

Biodiversity commitment

An **environmental footprint has been calculated at the corporate portfolio level as of 31/12/2021**. It quantifies the environmental impact of greenhouse gas emissions, water use, waste, air, soil and water pollutants, and the use of natural resources. Per million euros of revenue generated, Ircantec's corporate portfolio generates environmental costs of €36,000 compared to €40,000 for its benchmark. Utilities is the primary sector contributing to the environmental footprint of Ircantec's portfolio.

In order to better respond to regulations, **Ircantec aims to set a biodiversity conservation goal**. To do this, a working group within the Institution will study the portfolio's exposure to various biodiversity issues and define in 2022 the Regime's biodiversity approach, following the same process as was done in 2021 for climate. This will lead to a more complete integration of biodiversity in the management of Ircantec's reserves, notably through exclusions and shareholder engagement, and will enable the Regime to comply with the regulations by 2023.

Management of strategic holdings

In order to commit more concretely to the transition to a more sustainable and fair economic model, the Strategic Participation Management business line is signatory, through the Caisse des Dépôts, of the Principles for Responsible Investment. GPS thus participated in the PRI 2020 reporting for the first time.

A **strategic shareholder doctrine was adopted in September 2021** to clearly state the general principles of intervention of the Caisse des Dépôts, in line with its priority strategic objectives. **This management and shareholder dialogue framework formalises the consideration of non-financial objectives in the investment and monitoring decisions of our portfolio :**

- The investment policy applied by the Mergers and Acquisitions Department progressively integrates the Sustainable Development Goals and the sectoral variations in relation to the Caisse des Dépôts' sustainable policy department. The teams also carry out specific environmental due diligence on certain investments.
- The active role of the Caisse des Dépôts in the governance of subsidiaries and strategic interests is reflected in the positions taken by our representatives on the boards of directors where the Caisse des Dépôts is headquartered, Requiring regular presentations on sustainable development topics and indicator dashboards for monitoring. **The participation rate of Caisse des Dépôts representatives on the boards of directors of listed and unlisted subsidiaries and strategic interests was 89% in 2021.**

Climate commitment

An **ESG questionnaire** was implemented in 2021. This evaluation grid has started to be filled in for the investments that go through the commitment committee. **Each investment is subject to an ESG analysis.** When it comes to a sensitive sector (energy, transport), an opinion is systematically requested from the Sustainable Policy Department of the Caisse des Dépôts, with expertise on these subjects. This reinforces the position of the Caisse des Dépôts vis-à-vis its subsidiaries by requiring them to take concrete action to reduce greenhouse gas emissions. On the boards of directors of our subsidiaries and strategic stakes, the subject of the ESG policy is monitored. A regular balance sheet is presented to the directors. ESG objectives are formalized through guidance letters addressed to Caisse des Dépôts representatives on the majority of the boards of directors of our subsidiaries and strategic stakes.

The **quantitative objectives** vary according to the subsidiaries. They can be expressed in terms of reducing GHG emissions, the percentage of projects that are eco-designed or eco-exploited, or consistency with a global warming trajectory of 1,5°C. This setting of targets allows GPS to ensure a certain continuity of the commitment of the subsidiaries in the portfolio. We are requesting that ESG criteria be included in the compensation objectives of the entities' managing directors.

Training sessions were initiated and conducted in 2021 with the Caisse des Dépôts teams in charge of managing subsidiaries and strategic investments. Tailor-made sessions organized by the Sustainable Policy Department, a climate fresco and a biodiversity training provided by CDC Biodiversité are part of this framework and have enabled employees to improve their skills on these topics. The subsidiaries have adopted measures to fight climate change, some have adopted a climate plan. Thus, 100% of the participations were the subject of an shareholder dialogue on the TEE. The implementation of trainings has therefore enabled a better dialogue with subsidiaries that are actively working towards a climate policy below 1.5°C.

Biodiversity commitment

The Biodiversity Footprint Measurement Tool "GBS" developed by CDC Biodiversité is presented to all subsidiaries in order to promote it and convince some of them to use it as quickly as possible. Objectives are transmitted to the subsidiaries in order to help mitigate the effects of climate disruption on biodiversity, including membership in Finance for Biodiversity for financial subsidiaries and Companies Committed to Nature for non-financial purposes.

Interne



Le groupe La Poste

Since March 4, 2020, the Caisse des Dépôts group has held 66% of the La Poste Group, including La Banque Postale (LBP) as well as its subsidiary La Banque Postale Asset Management (LBPAM) and CNP Assurances. Thanks to these connections, **the enlarged Group is strengthening its financial intervention capabilities to accelerate the transformation towards a more sustainable and inclusive economy.**

La Banque Postale¹ / La Banque Postale Asset Management²

In 2021, Postal Bank committed to becoming net **zero emissions on its banking activities** by 2040. It is the **first European bank** and one of the first financial institutions in the world to have a **decarbonization trajectory validated by the Science Based Targets initiative (SBTi)**. Led by four major international organizations, the CDP (Carbon Disclosure Project), the WRI (World Resources Institute), the United Nations Global Compact (UNGC) and the World Wildlife Fund (WWF), the initiative validated the decarbonization trajectory of La Banque Postale by 2030 and recognized it **compatible with the objective of limiting warming well below 2°C set by the Paris Agreement**. This ambition requires a definitive exit of thermal coal by 2030 and of the oil and gas sectors by 2030, except for companies that will commit before 2030 to get out of these fossil fuels before 2040.

Climate commitment

In January, the private bank of La Banque Postale, launches its BPE Green France 2031 offer, a green bond (Green Bond) dedicated to its private clients and issued by La Banque Postale. In June, it successfully issued its first “social” bond, an unpopular senior debt of €750 million. Banque Postale Asset Management and Tocqueville Finance are teaming up to launch the fund “Assureurs – Caisse des dépôts Relance Durable France – LBP AM” and contribute to the financing of French SBEs, SMEs and mid-caps.

In 2021, La Banque Postale signed a partnership agreement with the Société d'économie mixte (SEM) Oktave, supported by the Grand Est Region, ADEME and the Bank of the Territories, to facilitate the financing of energy renovation work for housing in the Grand Est. It also signs a partnership agreement with Métropole du Grand Paris for energy renovation.

At the end of the year, Banque Postale Asset Management joined the **Net Zero Asset Manager Initiative**, supported by UNEP-FI. The aim is to transform the portfolio composition to 80% of **assets under management aligned with net zero emissions by 2030 compared to 2019**.

The Banque Postale becomes the only French bank and one of the three European banks to obtain an A rating in 2021 for its commitment to the climate, by the CDP, the international organization of reference for the assessment of climate strategies of companies. For the first time, Banque Postale has joined the organisation's prestigious “A list”, alongside the 200 companies recognized worldwide for their performance in the fight against climate change.

Biodiversity commitment

At the International Union for Conservation of Nature (IUCN) World Conservation Congress, Postal Bank and its subsidiary CNP Assurances reaffirm their commitment to biodiversity by signing the Finance for Biodiversity Pledge. LBP AM continues its commitment to the climate and launches the 1 Infrastructure Impact Fund (LBPAM). The entity thus enters into a partnership with Carbon4 Finance to measure the biodiversity impact of its funds, based on the Biodiversity Impact Analytics database powered by the Global Biodiversity Score (BIA-GBS).

¹ Find all the information of La Banque Postale here : [Document d'enregistrement universel - La Banque Postale](#)

² Find all the information of La Banque Postale Asset Management ici : [La Banque Postale Asset Management | Politiques & rapports \(labanquepostale-am.fr\)](#)





CNP Assurances³

With more than €370 billion invested in all sectors of activity, CNP Assurances is a major player in financing the real economy. In accordance with the new requirements of Article 29 of the Climate Energy Law, CNP Assurances has published its responsible investment report which incorporates new information on climate and biodiversity.

Climate commitment

Committed since 2019 in the Net-Zero Asset Owner Alliance to achieve carbon neutrality of its investment portfolio by 2050, CNP Assurances also supports since 2020 the recommendations of the TCFD (Task-Force on Climate-Related Financial Disclosures).

At the end of 2021, CNP Assurances met or exceeded 3 of its 5 main objectives in the fight against climate change:

- CNP Assurances has committed to reducing the carbon footprint of its equities and corporate bonds portfolio by 25% between 2019 and 2024 by the end of 2024: the downward trajectory is now significantly committed with a 2019-2021 reduction consistent with the multi-year target,
- CNP Assurances has committed to reducing the carbon footprint of its real estate portfolio held online by 10% between 2019 and 2024 to reach 17 kgeqCO₂/m² by the end of 2024: this target was reached by the end of 2021 with 3 years in advance (-10% 2019-2021),
- CNP Assurances has committed to reduce the carbon intensity of on-line electricity producers by 17% between 2019 and 2024 to reach 216 kgeqCO₂/MWh by the end of 2024: this target has been exceeded by the end of 2021 with 3 years in advance (-35% 2019-2021),
- CNP Assurances has committed to reach a €20 billion green investment stock by the end of 2023 (the rate of achievement of this target is 99% at the end of 2021),
- CNP Assurances has committed to dialogue with 8 companies and 2 asset managers to encourage them to adopt by the end of 2024 a strategy aligned with a 1.5°C scenario: these dialogues initiated in 2021 will continue in 2022.

Biodiversity commitment

On the occasion of the release in 2021 of its responsible investment report, CNP Assurances was one of the first investors to publish the biodiversity footprint of its investment portfolio using the Corporate Biodiversity Footprint. This year, the calculation was extended to about 30 sectors (vs. five last year) and now covers 58% of the portfolio of equities and corporate bonds held online (vs. 11% last year). As a reminder, CNP Assurances has committed to measuring the biodiversity footprint of its entire portfolio of equities and corporate bonds held online by the end of 2023, by encouraging companies to improve transparency on these issues. At the end of 2021, the biodiversity footprint of the investment portfolio amounted to -25 m². MSA per k€ invested, against -47 m². MSA per k€ invested at the end of 2020 in iso-methodology.

In June 2021, CNP Assurances and LBP AM co-signed the first global engagement coalition initiated by Finance for Tomorrow to promote a socially just transition to low-carbon economies. The same month, CNP Assurances with 456 investors the «Statement of global investors to governments on the climate crisis» upstream of the G7 and COP26. This demanding CSR policy has earned it, as in previous years, the best ESG rating in the insurance sector according to MSCI and ISS-ESG.

³ Find all the information of CNP Assurances here: <https://www.cnp.fr/cnp/content/download/10521/file/CNP-Assurances-RIR-2021-FR-accessible.pdf>

Interne



SFIL¹

Sustainable development issues are one of the main thrusts of SFIL's strategic plan, whose raison d'être, as a public development bank, is to meet the requirements and challenges of the ecological transition by financing a sustainable future. That is why, in line with the Caisse des Dépôts Group's policy and with the ECB's reputation risk and liability requirements, **SFIL adopted a responsible investment policy in 2021.**

Climate commitment

SFIL has supported the ecological transition of the local public sector through the range of green loans designed and distributed in partnership with La Banque Postale. In 2021, no less than €680m in green loans were generated by the scheme linking the two entities, representing 17% of the production transferable to local authorities, up sharply from the previous year (9%). This strong development can be explained in particular by the National Recovery Plan and more particularly by the green and energy transition component, in which SFIL's green loan offer is fully integrated.

In 2021, the SFIL raised €8.2 billion on the bond markets, including more than 15% (EUR 1.25 billion) in the form of "Social" and "Green" thematic bond issues. The social issues program was rewarded by the financial press twice in 2021 by the Environmental Finance Bond Awards and IFR Awards.

It aims to formally integrate environmental, social and governance (ESG) criteria into its investment process. Going forward, **all treasury investment transactions** must meet the following criteria:

- Criteria applicable to all issuers (excluding corporate):
 - o Issuers located in countries with a high level of risk or prohibited according to SFIL country risk classification are excluded.
 - o Direct funding of sectors excluded from the following funding activities:
 - Exclusion of sectors exposed to fossil fuels as described in the CDC Group's 2021 Financial Climate Policy
 - Exploration and/or extraction of coal
 - Fur industry
 - Tobacco industry
 - Pornographic industry
 - Controversial and unconventional arms industry
- Criteria applicable to banks, in particular public development banks, on the one hand, and sovereign and public sector entities on the other:
 - o Bank issuers must have at least one green, sustainable or social framework (even if the securities purchased as part of the investment of excess cash are not in green/sustainable/social format) and be rated medium or better by Sustainalytics (maximum score 30). A case-by-case tolerance is permitted for public development banks in view of the nature of their business.
 - o Sovereign issuers and public sector entities governed by public law or not-for-profit must be located in a country whose average score of the 6 World Bank governance indicators (KKZ indicators) is 67 or higher. The country must also be a signatory to the Paris Climate Agreement.
 - o SFIL also tracks monthly the share of investments made in the form of ESG securities (21% at 31 December 2021)

¹ Find all the SFIL RSE Report here : https://sfil.fr/wp-content/uploads/2022/04/RSE-FR_2021.pdf





STOA¹

STOA is committed to its shareholders (Caisse des Dépôts and Agence Française de Développement) to follow a responsible investor approach. In 2021, STOA worked to define its raison d'être and to define objectives related to the three axes of its raison d'être and the Sustainable Development Goals. The fund is proactive on issues related to responsible investment, ESG criteria and impact criteria that are a discriminating factor in the selection of projects. The responsible investment policy integrates climate issues and the management of environmental and social risks.

Climate commitment

2021 further strengthened the robustness and weight of ESG analysis in the investment process. E&S risk management is ensured in accordance with the procedure implemented in 2018 and the highest standards associated with it. All projects funded in 2021 are thus aligned with IFC's performance standards and, more globally, respect the ecological and energy transition of the countries where STOA invests. The fund has no exposure to fossil fuels in 2021 and emissions avoided by renewable projects in the STOA portfolio exceed greenhouse gas emissions from other projects.

The project analysis systematically refers to the qualitative and quantitative elements of the transition scenarios defined by the countries under the Paris Agreement. Thermal coal is one of STOA's exclusions.

All investments are subject to a shareholder dialogue on ESG aspects. For example, for the NOIP project, many actions were carried out in 2021 to improve road safety. Projects that emit too much pollution are the subject of a shareholder dialogue to reduce their carbon footprint, during committees on environmental and social issues. Thus, since 2018, 81% of STOA's investments are to co-benefit climate (cumulatively).

Biodiversity commitment

The fund is a signatory to the PRI through the CDC group, the IFC Operating Principles for Impact Management, and since 2021, Finande for Tomorrow and the Finance for Biodiversity Pledge, a collective aiming to commit to ambitious resolutions in favor of biodiversity. This commitment allows STOA to position itself as the main contributor to the preservation of biodiversity. In order to measure the efficiency of its investments, STOA has a robust procedure for assessing and monitoring the E&S risks associated with its investments, in compliance with IFC standards (risk management and impact management) and based on a number of international reference documents. In 2022, STOA aims to strengthen its biodiversity strategy in order to strengthen its risk management and its positive impact.

¹ Find all the information about STOA here : <https://www.stoainfraenergy.com/>

Annex II: Summary of the information required by the decree implementing Article 29 of the Energy and Climate Law (title)

This annex aims to find the information required by Article 29 of the Energy-Climate Law, given that this reporting has been structured according to the pillars of the Task Force on Climate-related Disclosures.

In accordance with Article 29 of the Energy-Climate Law and its implementing decree, the Caisse des Dépôts publishes information that covers both the voting policy and engagement with companies and an outcome of its 2021 responsible investor policy.

The Caisse des Dépôts has voluntarily chosen to publish, in advance of the regulatory phase, information on European taxonomy and fossil fuels, but also to provide a complete overview of ESG risk management as of 31/12/2021.

N°	Information required by the decree implementing Article 29 of the Energy-Climate Law	Pages
1°	Information on the entity's general approach	9-37
2°	Information on the internal resources deployed by the entity	14 et 70-71
3°	Information on the approach to take into account the environmental, social and quality of governance criteria at the entity's governance level	9-17
4°	Information on the strategy of engagement with issuers or with management companies and on its implementation	64-66
5°	Information on European taxonomy and fossil fuels	62 et 69
6°	Information on the strategy of alignment with the international objectives for limiting global warming provided for in the aforementioned Paris Agreement, in line with the d of 2 of Article 4 of the same Regulation	21-26 et '56-61
7°	Information on the strategy for alignment with long-term biodiversity objectives	27-29 et 63
8°	Information on the steps taken to take into account environmental, social and quality governance criteria in risk management	39-53

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