



Responsible Investment Report

in line with the requirements of
article 29 of the French Energy
and Climate Act

2023



Introductory note

This responsible investment report meets the transparency requirements of Article 29 of the French Energy and Climate Act (*Loi Énergie-Climat*) for investors. It presents the responsible investment approach within the scope covered by article 29 of the French Energy and Climate Act for the Caisse des Dépôts public institution (the Asset Management and Management of Strategic Investments divisions, and investments by Banque des Territoires). It also presents the indicators for monitoring the impact of investment activities on the climate and biodiversity, the integration of environmental, social and governance (ESG) issues into strategy and the management of ESG risks.

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Editorial

In their study published in May 2023 on the economic implications of climate action, Jean Pisani-Ferry and Selma Mahfouz conclude that over the next ten years, decarbonisation targets will require significant additional investment: more than two percentage points of GDP in 2030, or €66 billion, in comparison to a scenario without climate action. This does not account for the investments needed to maintain the natural benefits provided through ecosystems and to adapt to climate change. Such investments cannot be raised solely through public funding. Public and private financial institutions will have to massively redirect their financing to ensure this transformation is successful.

Caisse des Dépôts, as a manager of French people's savings, deposits from legal professions and civil servants' pensions, as well as an investor in France's strategic businesses, intends to play a central role in this shift through four major levers. The results of these efforts are presented here for the 2023 financial year for the scope of this report (article 29 of the French Energy and Climate Act)¹.

- firstly, by reducing the carbon intensity (Scopes 1 and 2) of financial investments (the carbon intensity of our listed equity and corporate bond portfolios has fallen by 39% and 46% respectively since 31 December 2019), and by aligning our investments as closely as possible with the targets of the Kunming-Montreal Global Biodiversity Framework (by measuring the impact of our investments on biodiversity, excluding certain asset types from our investment portfolios, strengthening shareholder dialogue on carbon intensity issues and committing dedicated funding).
- by extensively directing investments towards the ecological transformation. From 2020 to 2023, we provided nearly €80 billion in loans and investments across all the CDC Group's financial entities, in sectors that contribute to the fight against climate change and the preservation of ecosystems. Some 15% of this funding was driven by the investments of Banque des Territoires and the Asset Management division.
- by strengthening the integration of ESG issues into our investment choices. In 2023, we continued our efforts to strengthen ESG screening of investments, measured climate risks for all our portfolios for the first time, and strengthened the traceability and control of the data published in this report.
- by strengthening shareholder dialogue with investees. In total, in 2023, our asset management division instigated ESG commitments from 124 issuers through 200 ESG-focused interviews, from the climate to social issues, business ethics and biodiversity.

Through these levers, we intend to contribute to achieving France's ecological transformation targets and to meet the transparency requirements of article 29 of the French Energy and Climate Act. We trust that this report and the appended notes on methodology will answer any questions you may have about our efforts. We hope you enjoy reading!

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Policy

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Introduction

The Caisse des Dépôts Group
31 December 2023

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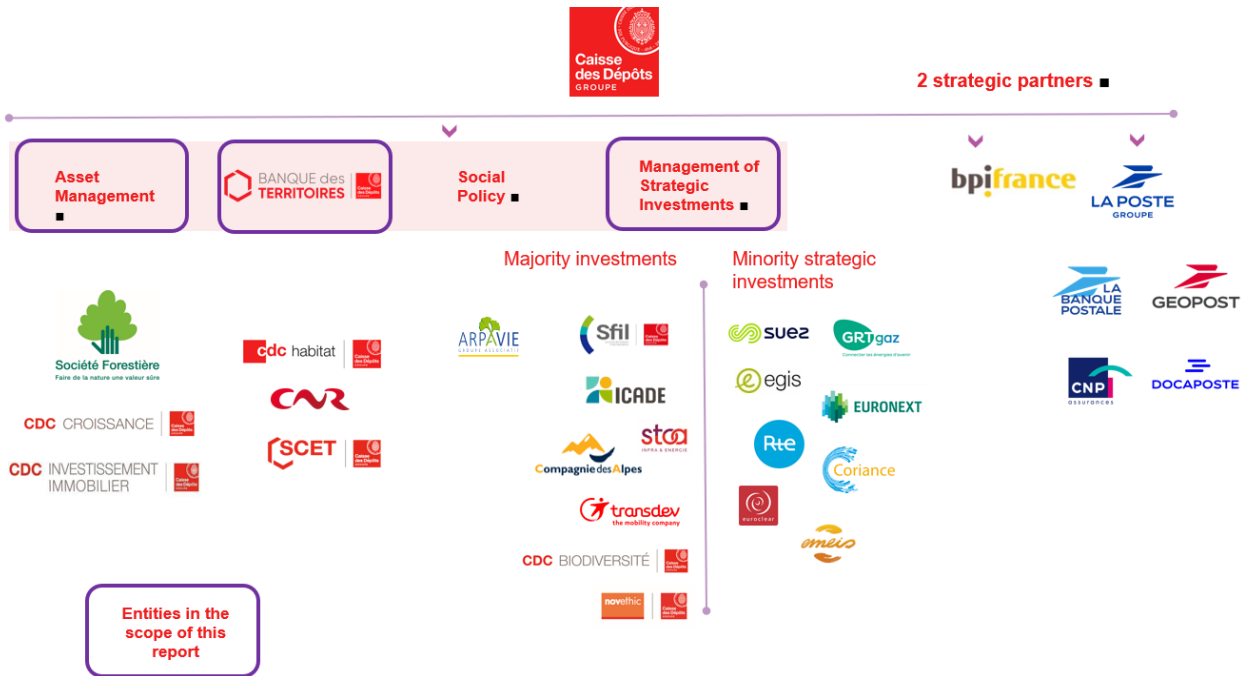
Introduction

The Caisse des Dépôts Public Institution, hereinafter referred to as the "Public Institution", comprises four business lines:

- Banque des Territoires;
- Social Policy division;
- Asset management;
- Management of Strategic Investments. The Public Institution's scope covers the accounts of both the Savings Funds and the Central Sector.

The diagram below shows all the Group's business lines, subsidiaries and strategic investments.

Only the results of the investment practices of Asset Management, Banque des Territoires (for the scope of its investments) and Management of Strategic Investments are presented in this report.



Please refer to the Social Responsibility Report for a full description of the Caisse des Dépôts Group's activities.



Presentation of the activities covered by this report

This report gives an account of the application of responsible investment policies as well as the provisions of article 29 of law No. 2019-1147 of 8 November 2019 on energy and climate (French Energy and Climate Act) applicable to Caisse des Dépôts (Public Institution) on the scope of activities subject thereto. This scope was defined based on the activities covered by article 2 of Regulation (EU) 2019/2088, known as the Sustainable Finance Disclosure Regulation (SFDR)¹, given the close link between this regulation and article 29 of the French Energy and Climate Act.

The scope of article 29 of the French Energy and Climate Act covers the following three entities: **Asset Management**, **Management of Strategic Investments** and the **investments of Banque des Territoires**. From a financial point of view, all the resources invested by Management of Strategic Investments and the investments of Banque des Territoires come from the Central Sector, whereas for Asset Management, the resources come from both the Savings Funds and the Central Sector.

Asset Management

The Asset Management division manages all of Caisse des Dépôts' financial investments, including amounts managed by the Central Sector since 2023.

As the leading public asset manager, with €269 billion (balance sheet value) in assets under management at 31 December 2023, the Asset Management division invests in a wide range of asset classes (government bonds, short-term securities for cash, corporate bonds, financial bonds, covered bonds, securitisations, directly held listed equities, listed asset funds, debt funds, unlisted equity funds, real estate, forests), either directly or through its three specialist subsidiaries:

- CDC Investissement Immobilier, which manages Caisse des Dépôts' real estate investment portfolio;

- CDC Croissance, a listed equity fund manager supporting the growth of small and medium-sized enterprises over the long term;
- Société Forestière, which manages forestry assets on behalf of Caisse des Dépôts (65,000 hectares), other institutional investors and private clients. It offers sustainable management of its customers' assets.

The investment portfolios are managed with a long-term perspective and mainly through direct and active management.

¹ Caisse des Dépôts does not meet the criteria set out in article 2 of the SFDR and is therefore not subject to its requirements. In addition, it is not required to consolidate the information of its subsidiaries subject to the SFDR, insofar as it only applies to parent entities if they themselves are financial market participants. The SFDR applies to Group subsidiaries or

sub-subsidiaries that manage assets on behalf of third parties, including through investment mandates or AMF-approved UCITS (undertakings for collective investment in transferable securities) or AIFs (Alternative Investment Funds), as well as those that carry out certain insurance activities.

Application of article 29 of the French Energy and Climate Act to Asset Management

According to Caisse des Dépôts' interpretation, all of the Asset Management division's activities are subject to article 29 of the French Energy and Climate Act.

Asset Management division subsidiaries:

- CDC Investissement Immobilier is dedicated to managing Caisse des Dépôts' own real estate investment assets (including the Savings Funds). As these assets are managed on behalf of Caisse des Dépôts, the entity is not accredited by the AMF. And since it is not regulated, it does not publish a separate report. The assets it manages are presented in this report under the Asset Management division scope.

- CDC Croissance, a wholly-owned subsidiary of Caisse des Dépôts and an AMF-accredited management company, is subject to article 29 of the French Energy and Climate Act and publishes a separate report.
 - Société Forestière manages forestry assets (physical assets) and is accredited by the AMF. It is subject to article 29 of the French Energy and Climate Act and publishes a separate report.
- It should be noted that the Central Sector Treasury was transferred to Asset Management in 2023. It is therefore no longer reported separately in this report.

Management of Strategic Investments

Management of Strategic Investments is responsible for managing the shareholdings of strategic subsidiaries and investments.

It supports the financial and non-financial development of all subsidiaries and strategic investments, in line with its policy as a strategic shareholder and in the light of three types of objectives: financial, ESG and governance principles.

The Management of Strategic Investments division **also manages investments in and divestments from the capital of these strategic investments** according to three criteria:

1. CDC's financial interests;
2. the corporate interests of the target entity and its employees;
3. the public interest.

At end-2023, the portfolio managed by Management of Strategic Investments comprised 28 entities². The division's portfolio is composed of:

Entities under exclusive control and fully consolidated: CDC Habitat (attached to Banque des

Territoires for accounting purposes), Compagnie des Alpes, La Poste group, Icade, Sfil, STOA, Tonus Territoires (attached to Banque des Territoires for accounting purposes), Transdev, La SCET (attached to Banque des Territoires for accounting purposes).

Entities under exclusive control below the consolidation thresholds: CDC Biodiversité, La Manufacture, Novethic, Société Forestière (attached to Asset Management for accounting purposes), Théâtre des Champs-Élysées.

Non-profits below consolidation thresholds: Arpavie, I4CE.³

Co-controlled or non-controlled entities accounted for using the equity method: Bpifrance, Coriance (added to portfolio in 2023), Emeis (added to portfolio in 2023), Egis, Euroclear, GRTgaz, RTE, Suez.

Non-controlled and non-consolidated entities: Archipels, Euronext, Kepler Chevreux, Qualium.

Application of article 29 of the French Energy and Climate Act to Management of Strategic Investments

Although sometimes involved in market transactions (acquiring or selling shares in listed companies), Management of Strategic Investments operates on a "buy and hold" basis and does not behave like an asset management company. In addition, in the Central Sector's balance sheet, assets relating to strategic investments are

recorded separately from assets managed by the Management of Strategic Investments division (Transactions in securities that are held for trading, available for sale, or held to maturity, and portfolio activity).

² Holding companies which hold CDC's interest in certain strategic investments (CTE, HIG, SICOVAM) are not included here, as ESG issues are analysed directly at the level of the strategic investments concerned.

³ CDC is an ex-officio member of Arpavie and a founding member, alongside French development agency AFD, of I4CE. As such, CDC is represented on the Board of Directors of these two associations, but there is no notion of shareholding.

Nevertheless, in order to strengthen its transparency with the regulator, the **Caisse des Dépôts (CDC) Group decided in 2022 to describe its objectives in terms of climate alignment and preservation of biodiversity, as well as the measures taken to integrate ESG risks and other article 29 provisions across the scope of CDC's investments overseen by the Management of Strategic Investments division. Reporting on the Management of Strategic Investments component can be adjusted to take account of:**

- (i) **the specific nature of the Management of Strategic Investments business**, which is organised differently to an asset management business;
- (ii) **the consolidation of strategic investments that are controlled and consolidated for accounting purposes, as well as Bpifrance⁴, CDC Biodiversité and Société Forestière⁵ in the Caisse des Dépôts Group's Social Responsibility Report.**

ESG materiality matrix for Management of Strategic Investments activities

Companies in which CDC holds more than 10% of the capital	ESG risk and impact assessment	Conclusion (Whether included in the scope or not)
Arpavie ⁶ , Bpifrance, CDC Biodiversité, CDC Habitat, Coriance, Compagnie des Alpes, Emeis, Egis, Euroclear, La Poste group, GRTgaz, Icade, I4CE ⁶ , Novethic, RTE, Transdev, Sfil, Société Forestière, STOA, Suez.	High ESG risk and/or high ESG impact	Yes
Qualium, Tonus Territoires	Moderate ESG risk and ESG impact	Yes
La SCET	Low ESG risk and low ESG impact	Yes, as it is wholly-owned by CDC
Archipels, La Manufacture, Théâtre des Champs-Élysées	Low ESG risk and low ESG impact	No

Banque des Territoires' investments

Banque des Territoires makes regional investments by financing projects, assets and companies that promote more inclusive, more attractive and better-connected regions. At end-2023, Banque des Territoires' investments had a balance sheet value of €7,950 million. Banque des Territoires invests, mainly as a non-controlling

shareholder, in projects, assets and companies through a variety of asset classes: real estate, infrastructure, start-ups, corporate ventures, local public enterprises and social and solidarity economy companies, as well as dedicated investment funds.

Application of article 29 of the French Energy and Climate Act to Banque des Territoires' investments

Banque des Territoires is not a portfolio management company. It acts as a long-term investor on behalf of

the Central Sector. The investment scope of Banque des Territoires is covered in the article 29 report on a voluntary basis.

⁴ Given its importance in the development of the CDC Group's strategic objectives and its sustainable policies, Bpifrance is included in the development of the CDC Group's sustainable policies and in non-financial reports in the same way as entities that are exclusively controlled and fully consolidated.

⁵ Given the nature of their activities as operators of natural areas with high environmental value, CDC Biodiversité and Société Forestière are included in the development of the CDC Group's

sustainable policies and non-financial reports in the same way as entities that are exclusively controlled and fully consolidated.

⁶ CDC is an ex-officio member of Arpavie and a founding member, alongside French development agency AFD, of I4CE. Since there is no notion of shareholding in this case, and given the materiality of these non-profits' ESG issues, it is proposed that they be included in "article 29" reporting.

Conclusion on the application of article 29 of the French Energy and Climate Act

Caisse des Dépôts – Public Institution	Amounts subject to article 29 of the French Energy and Climate Act in €m (balance sheet value)	Application in 2023
Asset Management, comprising the assets managed by Société Forestière, CDC Croissance and CDC Investissement Immobilier	268,842	Asset Management applies the Responsible Finance Charter and the Group's climate and biodiversity policies to all of its asset classes.
Management of Strategic Investments	27,639 ⁷	The Management of Strategic Investments division applies the Responsible Finance Charter and the Group's climate and biodiversity policies, which are applicable to the financing and investments that the division carries out in the companies in which it holds a stake.
Banque des Territoires' investments	7,950	Banque des Territoires' investments division applies the Responsible Finance Charter and the Group's climate and biodiversity policies, which are applicable to the investments that the division carries out in the assets and companies in which it holds an interest.

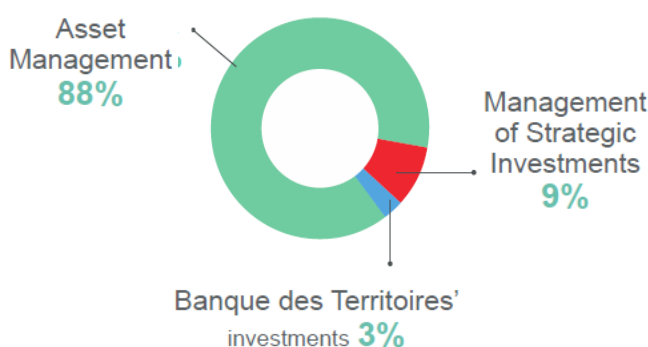
Please refer to the continuous improvement plan presented in Chapter 9 for more details on the improvement actions selected.

⁷ The 2022 value reported in the Responsible Investment Report was at market value and not at balance sheet value.

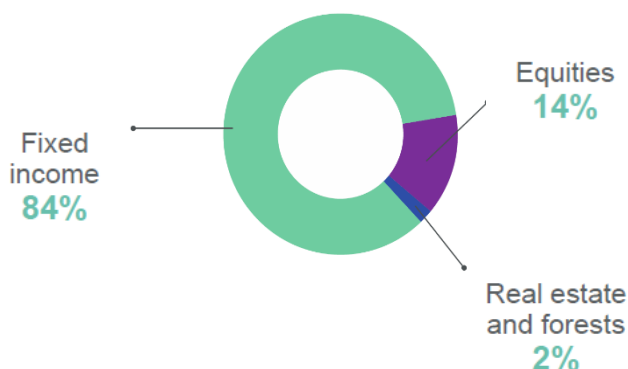
Key figures

Consolidated key figures for the scope of article 29 of the French Energy and Climate Act

Breakdown of investments by asset class



Breakdown of investments for asset management⁽⁸⁾



Climate

Amount committed to the ecological transformation between 2020 and 2023⁽⁹⁾

€12.4bn

of which

€4bn in 2023

Proportion of investments that are aligned with or covered by targets aligned with the objectives of the Paris Agreement

87%⁽¹⁰⁾

Exposure to fossil fuels

Proportion of exposure to thermal coal

0.017%

Proportion of exposure to companies active in fossil fuels (based on 100% of their activity)

3.19%

Proportion of exposure to companies active in fossil fuels (weighted by revenue)

1.74%

ESG maturity

Proportion of investments subject to ESG analysis (decision-making)⁽¹¹⁾

99.3%

Number of full-time equivalent employees working on ESG issues

16.4

Proportion of financial entity employees trained in ESG issues

90%

Proportion of investments that are Taxonomy-eligible or Taxonomy-aligned⁽¹²⁾

(in terms of CapEx)

Eligible **25.98%**

⁸ Fixed income: sovereign bonds, short-term securities for the Savings Funds treasury, corporate bonds, bonds issued by financial institutions, covered bonds, securitisations. Equities: directly held equities, listed asset funds, debt funds, private equity funds.

⁹ The total amount (investments and financing) committed by the Group comprising: Caisse des Dépôts, Bpifrance, LBP, LBPAM (included since 2021), CNP Assurances and Sfil, amounting to €79.6bn in 2020-2023, and €26.8bn in 2023.

¹⁰ Alignment indicator calculated on the basis of the total financial assets of Asset Management, Banque des Territoires' investments and Management of Strategic Investments without taking into account short-term (credit) rates and Asset Management's current accounts, which represent a total of €18 billion.

¹¹ Weighted average prorated to the assets of all three entities. For more information on how this indicator is calculated, please refer to chapter 1.1.

Our 2023 key figures for the scope of article 29 of the French Energy and Climate Act by entity

	Climate and exposure to fossil fuels	Biodiversity	ESG maturity
Asset Management division	<p>Climate: Share of investments that are aligned with or covered by targets aligned with the objectives of the Paris Agreement: 94% Reduction in the carbon intensity of the equity and corporate bond portfolio (since 2020¹³)</p> <ul style="list-style-type: none"> For directly held equities: -39% For corporate bonds: -46% <p>Exposure to fossil fuels: Proportion of exposure to fossil fuels on all CDC Asset Management portfolios (balance sheet value):</p> <ul style="list-style-type: none"> Proportion of exposure to thermal coal¹⁴: 0.02% Proportion of exposure to companies active across the fossil fuel value chain (100% of their activity taken into account)¹⁵: 3.40% <p>Proportion of exposure to companies active across the fossil fuel value chain (weighted by % of revenue generated by activities in the fossil fuel value chain): 1.76%</p>	<p>Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on biodiversity issues: 21%</p> <p>Biodiversity footprint¹⁶ of listed equity and corporate bond portfolios (biodiversity impact intensity per €k of revenue):</p> <ul style="list-style-type: none"> Dynamic terrestrial impact (flow): 45 MSA.sq.m/€k Static terrestrial impact (stock): 207 MSA.sq.m/€k <p>Biodiversity footprint of sovereign and emerging debt portfolios (biodiversity impact intensity per €k of GDP):</p> <ul style="list-style-type: none"> Dynamic terrestrial impact (flow): 2 MSA.sq.m/€k Static terrestrial impact (stock): 269 MSA.sq.m/€k 	<p>200 interviews focused on ESG issues in meetings with 124 companies</p> <p>Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on ESG issues: 59%</p> <p>Share of investments subject to ESG screening (decision-making and monitoring): 100%</p>

¹²The results obtained are only partial and reflect the information available to date. Please refer to Chapter 5 for full taxonomy reporting.

¹³ SDG 13 targets: for equity and corporate bond portfolios: -20% between 2020 and 2025 and -55% between 2020 and 2030 (in tCO₂/€k).

¹⁴Coal: this indicator represents the Asset Management division's investments in companies involved in thermal coal according to the selected data provider, and companies added manually where this data was not supplied by the provider. The investment is weighted according to the percentage of revenue that thermal coal represents in the company's total revenue.

¹⁵Indicator calculated based on the balance sheet value of all Caisse des Dépôts asset management portfolios. In addition to exposure to oil and gas producers, this indicator covers exposure to all players in the value chain, including utilities and related network, transport and equipment services. The indicator is presented based on a combination of sector data and fossil fuel revenue data, supplied by two separate data providers. In order to comply with the spirit of article 29 of the French Energy and Climate Act, the Asset Management division considers 100% of an exposed company's revenue without applying any weighting based on the proportion of fossil fuel-related activities alone, i.e., without taking into account other activities or "green" activities. Less than 1% of the companies in the portfolio generate more than 50% of their revenue from fossil fuel-related activities.

¹⁶ The biodiversity footprint is calculated using the GBS tool, for which results are presented using the Mean Species Abundance (MSA) metric, expressed as a percentage characterising the intactness of ecosystems, making it possible to combine different types of pressure factors on biodiversity. The indicator is calculated based on balance sheet value.

	Climate and exposure to fossil fuels	Biodiversity	ESG maturity
Management of Strategic Investments division	<p>Climate: Share of investments that are aligned with or covered by targets aligned with the objectives of the Paris Agreement¹⁷: 40%</p> <p>Exposure to fossil fuels: Proportion of exposure to fossil fuels in balance sheet value:</p> <ul style="list-style-type: none"> Proportion of exposure to thermal coal: 0.00% Proportion of exposure to companies active across the fossil fuel value chain (100% of their activity taken into account): 2.05% Proportion of exposure to companies active across the fossil fuel value chain (weighted by % of revenue generated by activities in the fossil fuel value chain): 2.00% 	<p>Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on biodiversity issues: 97%</p>	<p>Share of portfolio companies that have engaged in shareholder dialogue on ESG issues: 100%</p> <p>Share of investments subject to ESG screening (decision-making and monitoring): 100%</p>
Banque des Territoires	<p>Climate:</p> <p>Share of investments that are aligned with or covered by targets aligned with the objectives of the Paris Agreement: 37%</p> <p>Exposure to fossil fuels: Proportion of exposure to fossil fuels:</p> <ul style="list-style-type: none"> Proportion of exposure to thermal coal: 0.00% Proportion of exposure to companies active across the fossil fuel value chain (100% of their activity taken into account): 0.00% Proportion of exposure to companies active across the fossil fuel value chain (weighted by revenue): 0.00% Share of investments that are aligned with or covered by targets aligned with the objectives of the Paris Agreement: 34% 	<p>Biodiversity footprint (intensity of biodiversity impact per €k of revenue):</p> <ul style="list-style-type: none"> Dynamic terrestrial impact (flow): 3 MSA.sq.m per €k Static terrestrial impact (stock): 84 MSA.sq.m per €k 	<p>Share of investments subject to ESG analysis:</p> <ul style="list-style-type: none"> decision-making: 81% monitoring: 40%

¹⁷ Some major strategic investments in the Management of Strategic Investments portfolio have adopted an alignment strategy and defined projected low-carbon pathways, but still have to finalise this work in 2024 and 2025. They will only be counted as aligned for the purposes of this indicator once this work has been completed.

1. Information on the entity's general approach

The Caisse des Dépôts Group
31 December 2023

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Our commitments and initiatives

1.1

Responsible investment: a priority in our strategy

The French Monetary and Financial Code (*Code monétaire et financier*) defines Caisse des Dépôts as “a state-owned group at the service of the public interest and the country’s economic development.” The Code specifies that “Caisse des Dépôts et Consignations is a long-term investor promoting business development in line with its own ownership interests.” In their investment activities, all the Group’s financial entities contribute, each in their own field, to the public interest and economic development in a balanced manner, in line with the Group’s ownership interests and their own corporate interests.

Caisse des Dépôts is “under the supervision of the French Parliament and the legislative process” via a Supervisory Board. Its Chairman and Chief Executive Officer report annually to the French Parliament on the exercise of this control.

To maximise its social utility, Caisse des Dépôts identifies the ESG issues relevant to the assets in which it invests and encourages inclusion of these issues in the economic models, strategic decisions and performance measurement systems of the companies in which it invests. In this way, responsible investment is a priority in our strategy.

The Group’s Responsible Finance Charter, updated in 2022 and applicable to all the Group’s financial entities since 1 July 2023, is based on six key principles:

Principle 1: Our value creation approach

Our identity is reflected in a plural and long-term view of value creation throughout our activity, covering a balance of financial, intangible and societal value.

Principle 2: Our commitment

We are committed to adopting the best practices in all our responsible investment and finance

policies and goals, and to using all our levers of influence to contribute towards and implement public policies, particularly in favour of a fair ecological transition.

Principle 3: Our duty

We consider environmental, social and governance factors in our analysis processes when making all decisions pertaining to new investments and asset portfolio management, and we are continuing efforts to generalise and expand this analysis process to our financing.

Principle 4: Our impact

When assessing investment and financing projects, we consider the societal value that they generate for the community in terms of non-financial benefits.

Principle 5: Our responsibility

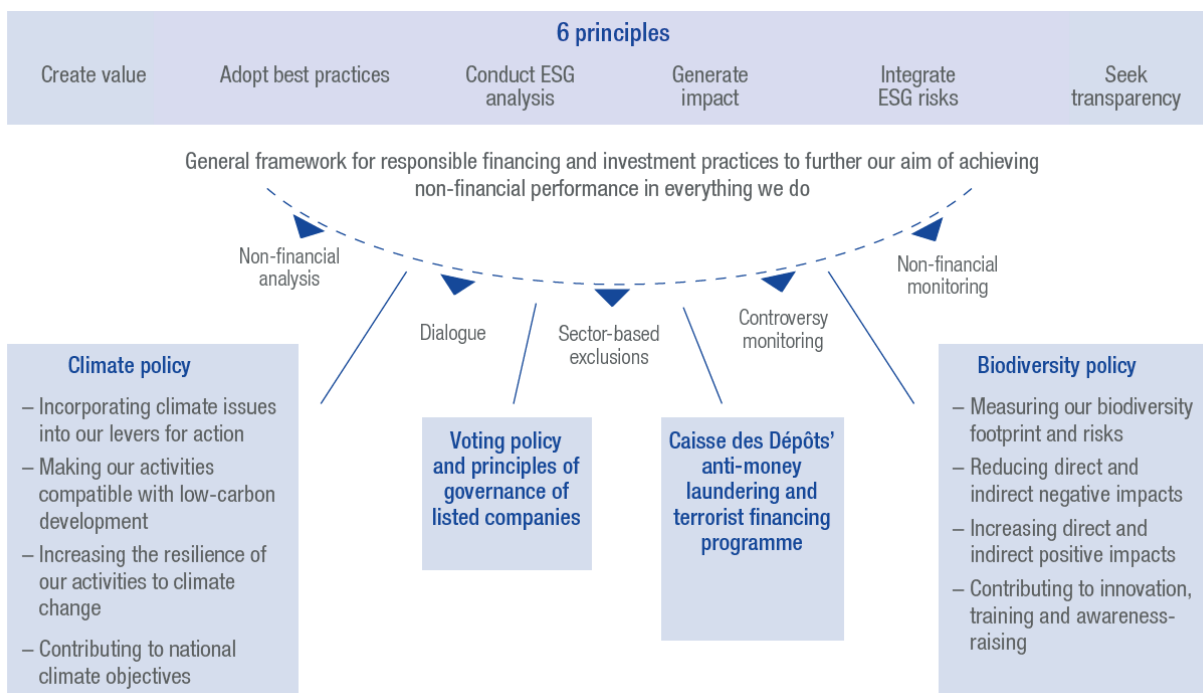
We are committed to taking all necessary steps to integrate environmental, social and governance risks in the conventional risk management framework and to managing any related financial risks.

Principle 6: Our transparency requirement

We are committed to reporting on our activities, the results achieved and their impact, and on the level of fulfilment of our ESG commitments as part of an annual review.

The charter is in line with the Group’s policies on our priority issues:

- climate;
- biodiversity;
- voting policy and governance principles for listed companies;
- exclusion of activities in countries contributing to financial fraud.









1.1.1. A targeted exclusion list

The exclusion list applies to all the Caisse des Dépôts Group's investment and financing activities. All its financial entities are required to ensure that they comply with it.

Regarding **regulatory exclusions**, the Group ensures that it does not to finance or invest in activities involving the production of or trade in any illicit product, or any activity that is illegal according to the laws of France or the country of destination, to national or international regulations applicable in France or the country of destination, or to international conventions or agreements that create obligations for France or the country of destination.

With regard to **voluntary exclusions**, the Group excludes the financing of and investment in

activities that it considers incompatible with its commitments, regardless of the location of the investment or financing, due to their proven or potential negative impact on human rights (in particular forced labour, child labour), controversial weapons, inequality, the **climate** (in particular **coal, unconventional hydrocarbons, oil and gas expansion for conventional hydrocarbons**), **biodiversity** (in particular pesticides, deforestation, speculation in agricultural commodities), or **governance** (non-cooperative countries). For more details, please refer to the [Caisse des Dépôts Group's list of exclusions](#) and the [Caisse des Dépôts' anti-money laundering and terrorist financing programme](#) (in French only) which are publicly available on the website.

EXCLUSIONS		
CLIMATE	BIODIVERSITY	REGULATORY EXCLUSIONS
 <p>Coal</p> <ul style="list-style-type: none"> Exclusion of companies generating more than 5% of revenue from thermal coal. Companies whose exposure to thermal coal represents less than 5% of revenue but that have not announced a plan to withdraw from thermal coal in line with the Caisse des Dépôts timetable are also excluded. Companies whose coal-fired power generation capacity exceeds 10 GW. Companies developing new coal-fired power stations (from 300 MW of new capacity), or new coal mines or infrastructure. Mining companies with annual thermal coal production volume in excess of 10 Mt. <p>Conventional hydrocarbons</p> <ul style="list-style-type: none"> Companies without a plan in place to reduce oil production. The development of new upstream oil and gas projects and the associated transport infrastructure. <p>Unconventional hydrocarbons*</p> <ul style="list-style-type: none"> Companies generating more than 10% of revenue from unconventional hydrocarbons: except where financing is targeted at a renewable energy project or subsidiary. Direct financing of infrastructure and exploration projects dedicated to these unconventional hydrocarbons. <p>Transport</p> <p>New shareholdings, infrastructure and projects without a decarbonisation target or not aligned with a 1.5°C pathway.</p> 	 <p>Pesticides</p> <p>Companies whose exposure to pesticides represents more than 20% of revenue (end-2023).</p> <p>Deforestation</p> <ul style="list-style-type: none"> Any financial product involving speculation in agricultural commodities. Commodity producers and wholesalers who have not implemented a recognised policy to prevent deforestation. 	 <p>National and international regulations</p> <ul style="list-style-type: none"> Production of or trade in any illicit product. Any activity that is illegal according to the laws of France or the country of destination, to national or international regulations applicable in France or the country of destination, or to international conventions or agreements that create obligations for France or the country of destination.
	<p>ANTI-MONEY LAUNDERING AND TERRORISM FINANCING MEASURES</p>  <p>Terrorism financing and money laundering</p> <ul style="list-style-type: none"> Compliance with the highest professional and ethical standards. Compliance with applicable laws and regulations governing anti-money laundering and terrorism financing. <p>See Caisse des Dépôts' anti-money laundering and terrorism financing system (in French only)</p>	<p>VOLUNTARY EXCLUSIONS</p>  <p>Ethics and social issues</p> <ul style="list-style-type: none"> Pornography Tobacco Gambling Controversial weapons

* Oil sands, Arctic gas and hydraulic fracturing.

1.1.2. Incorporating ESG into all investment decisions

All of Caisse des Dépôts' asset classes are subject to varying degrees of ESG analysis, depending on asset type. The aim is to identify, avoid and mitigate the most material environmental, social and

governance risks when making investment decisions, and to monitor the ESG issues related to investments and financing over time.

1.1.2.1. ESG opinion issued by the Group Investment Approvals Committee

As part of the strengthening of the Group's sustainable development policy and in application of the charter to its operations, projects presented to the Investment Approvals Committee¹⁹ are subject to an ESG opinion by the Group's Sustainable Development department, in addition to the ESG analysis completed by the departments responsible for the projects. The aim of this process is to fulfil the Group's commitment "to incorporate all ESG issues into the analysis of its investments and financing".

To achieve this, standardised analysis and rating matrices were developed in 2022, and took effect in early 2023. They ensure that candidate projects comply with and contribute to the Group's sustainable development policy, inform the committee's decision, and equip the appraisal teams to carry out sustainability analysis. They incorporate the principle of double materiality and are aimed at analysing the positive and negative impacts of projects (environmental and social materiality) as well as the risks they entail (financial materiality). They are structured as follows:

¹⁸ Sources: The Caisse des Dépôts Group's exclusion list, effective since 1 July 2023,

<https://www.caissedesdepots.fr/sites/default/files/2023-08/Exclusion%20policy.pdf>

<https://www.caissedesdepots.fr/sites/default/files/2022-06/Dispositif%20LCB-FT%20de%20la%20CDC%202022.pdf>

¹⁹ Projects representing more than €50 million.

General information: project title, Group entity carrying out the project, location, expected committee meeting date and brief description, contribution to the Group’s sustainable development policy, verification that the project or counterparty is not involved in any serious controversy, measures taken to identify and address ESG issues.

Environmental	Social	Governance
<p>Mitigation</p> <ul style="list-style-type: none"> Carbon footprint/decarbonisation strategy Transition risk analysis <p>Adaptation</p> <ul style="list-style-type: none"> Physical risk analysis Adaptation measures <p>Biodiversity</p> <ul style="list-style-type: none"> Analysis of positive and negative impacts Dependency analysis <p>Taxonomy</p> <ul style="list-style-type: none"> Analysis of the project’s alignment with the EU taxonomy 	<p>Employment</p> <ul style="list-style-type: none"> Number of jobs created/maintained Quality of the employment policy, including in the value chain <p>Social and regional cohesion</p> <ul style="list-style-type: none"> Contribution to social and regional cohesion Populations affected by the project or activity <p>Customers/beneficiaries</p> <ul style="list-style-type: none"> Targeting vulnerable customers/beneficiaries Complaints and claims procedure 	<p>Impacts</p> <ul style="list-style-type: none"> The Caisse des Dépôts Group’s ability to influence governance, particularly with regard to ESG standards, depending on the issues at stake <p>Risks</p> <ul style="list-style-type: none"> Quality of governance and risk management/political support for the project Consultation with stakeholders
<p>Four-part component</p> <p>Climate change mitigation with impact analysis (based on a carbon footprint for projects or a decarbonisation strategy for counterparties) and analysis of the risks of transitioning to a low-carbon economy (regulatory, market, technological and reputational risk). Climate change adaptation to identify the physical risks that the project or counterparty is exposed to and the adaptation measures taken to address them.</p> <ul style="list-style-type: none"> Biodiversity to assess both the positive and negative impacts of the project or counterparty on biodiversity and dependence on ecosystems (whose degradation will be detrimental to the implementation or profitability of the project). Analysis of the project or the counterparty’s alignment with the EU taxonomy 	<p>Three-part component</p> <ul style="list-style-type: none"> Employment and the quality of the employment policy, including in the value chain. Social and regional cohesion, including a consultation and compensation procedure for stakeholders adversely affected by a project Customers and beneficiaries with targeting of specific beneficiaries or customers with a view to improving access or service quality, existence of a customer complaint procedure. 	<p>Two-part component</p> <ul style="list-style-type: none"> The impacts expected from the Caisse des Dépôts Group’s participation in the governance or financing of the project or counterparty in terms of ESG standards in relation to previously identified issues (environmental and social in particular) ESG risks linked to governance (quality of governance and risk management and, where applicable, local support for the project).

Once the analysis has been completed, a rating is given for each of the three components (environmental, social and governance). Based on this information, the Sustainable Development Policy department issues a sustainability opinion, which is forwarded to the Investment Approvals Committee.

1.1.2.2. Report on the use of matrices by the teams in 2023

The ESG rating matrix was adopted by the project teams in 2023. Of the 83 projects submitted to the Investment Approvals Committee since April 2023, 60 have received an ESG opinion (i.e., 72% of projects). For the remaining 28%, i.e., 23 projects, no ESG opinion was sought because it was not deemed relevant to the decision (disposal of assets

or projects already analysed by a previous committee).

An improvement plan has been identified in order to continue to improve the quality of the rating matrices, increase their use by the project teams and strengthen governance in this regard.

1.1.2.3. ESG inclusion

1.1.2.3.1. Incorporating ESG into asset management

CDC as an institutional investor: internal ESG management across the whole portfolio

Caisse des Dépôts' financial investment portfolio is managed internally by teams of experienced asset managers, who are also analysts. Non-financial objectives and steering are systematically applied by overall management for all asset classes. Individual asset managers follow suit with two objectives: financial performance and the application of ESG criteria and objectives in line with

demanding principles. The responsible investor guidelines are based on fundamental shareholder dialogue, which also involves bond managers. This takes the form of regular discussions with company managers, which underpin the ability of CDC's professionals to exert influence. The support provided by the asset managers enables the companies in our portfolios to make progress in environmental, social and governance issues.

97% of the assets in CDC's institutional investor portfolio are managed directly

Listed equities

For listed equities, asset managers systematically incorporate ESG into their analyses of companies' performance and the viability of their strategy. Asset managers consider ESG commitments to be performance guarantees in their own right. The most frequently used criteria are on the energy and environmental transition (CSR management, climate commitments and biodiversity), governance (including remuneration of corporate officers and their involvement in the energy and environmental transition) and employee relations. For the purposes of the analysis, the management team uses data from non-financial rating agencies MSCI and CDP. The resulting ESG rating is incorporated into the valuation of the securities via an "ESG beta rating", with a valuation weighting of 15%.

Regarding systematic management, which represents a marginal proportion of the portfolio, MSCI data is converted into a rating, which is monitored overall to improve the average rating of the portfolios, and to exclude consistently poorly rated or highly controversial companies.

Listed shares managed by CDC Croissance

Managers integrate non-financial performance into their investment decisions using an ESG rating developed in-house and based on 46 criteria. A summary of the non-financial profile of each company is produced and updated every year. ESG criteria are incorporated into company valuation methods via an ESG beta rating.

Corporate bonds

The responsible shareholder policy, in which dialogue with companies is the cornerstone of CDC's commitment, also applies to bonds. The two-way discussions conducted by the asset managers involve the fixed-income teams in the same way as those dedicated to equity investments. For investments straddling both these asset classes, a member of the bond team and a member of the equities team may take part in the same discussions together, also contributing to the Institution's ability to exert an influence. To develop their analysis and make their investment decisions, the corporate bond management teams also draw on data from non-

	<p>financial rating agencies and review the internal handling of ESG controversies. CDC is also a well-informed investor in green bonds, which are classified internally. Responsible bond investment objectives (green bonds, social bonds, sustainability bonds) are set annually. These assets are part of CDC's commitment to channel French people's savings centralised at CDC towards green financing, in particular the LDDS savings account.</p>
Sovereign bonds	<p>ESG criteria are also rigorously taken into account for sovereign bonds. The dedicated asset managers have developed their own method for measuring the consistency of issuing countries with Caisse des Dépôts' environmental, human rights and social commitments. The teams have developed an internal rating for each issuing country, based on 40 weighted ESG criteria from the most reliable public sources and recognised by international institutions. Examples of the criteria taken into account in the sovereign SRI rating include: (i) governance criteria: the World Bank's indicators, to which data is added on women's rights, human rights and corruption; (ii) social criteria: the Gini index for measuring inequality, living standards, access to health and education; and (iii) environmental criteria: air pollution, biodiversity, greenhouse gas emissions and energy efficiency. The results of the ESG analysis are taken into account in the risk assessment and in determining allocations, in the same way as other financial parameters.</p>
Investment property	<p>The teams at CDC Investissement Immobilier, an in-house subsidiary of CDC dedicated to managing investment property, target assets that are very well placed in their market and highly energy efficient. For all segments (particularly offices and residential real estate), the teams invest in new or almost new assets that meet the best environmental standards, or in existing assets with a business plan to align them immediately or in the future with these high standards.</p> <p>Acquisitions are analysed based on the following criteria: proximity to public transport, environmental certifications and labels (construction and operation), energy consumption, GHG emissions in operation, certifications and labels relating to user well-being for office buildings, alignment with the EU taxonomy, and physical climatic risks.</p> <p>Since 2019, a clause on working conditions has been included in contracts with real estate developers working under the French VEFA and CPI statuses (employment and subcontracting). Caisse des Dépôts aims to achieve the BiodiverCity label in all acquisitions of new or restructured buildings, in the tertiary and residential sectors.</p>
Forests	<p>CDC has been promoting this asset class for decades, setting an example in terms of sustainable management. This is inherent in forests, for which the non-financial dimension is inseparable from its long-term financial performance. All the forests owned by CDC (around 70,000 hectares) are PEFC-certified and the FSC certification process has now been launched. Internal analyses are based on 40 ESG criteria, in order to measure and refocus the impact of climate change, protect biodiversity, soils and wetlands, contribute to carbon sinks, respect all stakeholders and manage the health and safety risks associated with forest management.</p>
Convertible bonds	<p>Caisse des Dépôts' convertible bond managers carry out an ESG analysis of each security, based on the most material issues identified for each company with regard to its long-term valuation risk and taking into account Caisse des Dépôts' public interest mission.</p> <p>The MSCI ESG rating (relative sector rating) is analysed for each investment project, as well as ESG controversies. The score is then integrated into the financial analysis of companies.</p>

The table below shows consideration of ESG criteria by asset class for indirect management:

Investments in funds for certain asset segments, i.e., 3% of CDC's portfolio	
Listed asset funds	The selection process for listed asset funds includes an ESG selection framework, the standards of which are comparable to those of directly managed assets. The criteria are regularly reviewed to incorporate increasingly demanding ESG criteria, resulting in a formal rating. Examples of these criteria include: adherence to PRI and PRI rating, shareholders' meeting voting policy and commitment policy, formalised measurement of carbon emissions, exclusions, taxonomy reporting, consideration of biodiversity issues and quality of ESG reporting.
Unlisted asset funds	CDC's influence also extends to unlisted funds, both in terms of debt and equity. Unlisted funds are selected on the basis of an in-house non-financial analysis matrix, which is used to rate each fund. The scope for rating criteria is broad and precise so as to cover significant exposure to responsible issues, in particular: the management company's governance (independent board members, code of ethics, etc.), employee training, environmentally friendly practices, staff dedicated to ESG, the inclusion of ESG criteria in management, environmental due diligence on underlying assets, assessment of respect for human rights, social impacts and the quality of the management company's ESG reporting.

The Asset Management division's teams provide rigorous shareholder support by:

- regularly voting at shareholders' meetings of companies in which the Asset Management division is a shareholder, based on a public voting policy;
- engaging in bilateral, private dialogue with the management and governance bodies of investees.

Lastly, asset managers play an important role in promoting more responsible finance, both by

participating in major initiatives such as the Net-Zero Asset Owner Alliance (NZ AOA) and the UN PRI, and through the use of instruments such as *Objectif Climat* (Climate Objective) funds. Formed alongside 11 major investors, these funds aim to develop innovative methodologies within portfolio management companies to align portfolios with the Paris Agreement.

See **Chapter 4** for more details on the asset management commitment strategy.

1.1.2.3.2. Incorporation of ESG issues in the management of strategic investments

The Management of Strategic Investments division uses a number of levers to apply the Group's ESG requirements to its strategic investments:

Annual guidance letters are sent to the directors representing CDC in governance bodies at strategic investments. They are also sent to the corporate manager of each shareholding²⁰. They define non-financial objectives specific to the activity of each strategic holding and its degree of maturity with regard to ESG issues, aiming, in particular, to:

- ensure that the CDC Group's sustainable policies are applied by controlled strategic investments and, for co-controlled or non-controlled strategic investments, that a similar level of ambition is adopted,
- set ambitious targets in terms of financing and offers dedicated to the ecological and energy transition, as well as social cohesion, depending on the activities of each entity;

A yearly letter sent by CDC's Chief Executive Officer to the managers of the strategic investments, to **remind them of changes in the Group's standards and procedures** that apply to them.

The ESG efforts of each strategic investment are also monitored via the participation of the directors representing Caisse des Dépôts in the governance bodies and their vigilance in ensuring that ESG issues are taken into account according to the specific characteristics of the entities (dedicated discussions at governance level, inclusion of ESG

criteria in the variable remuneration of executive corporate officers, etc.).

When investing in or divesting strategic investments, **the Management of Strategic Investments division ensures that it applies the exclusions set out in the Responsible Finance Charter and in the Group's climate and biodiversity policies.**

Since mid-2022, transactions presented to the CDC Group's Investment Approvals Committees have been subject to²¹:

- a review of the ESG issues of the holding concerned using the ESG rating framework established by the Finance and Sustainable Policy department and completed by the Management of Strategic Investments teams;
- an ESG analysis by the Finance and Sustainable Development Policy division based in particular on said rating framework.

Depending on the issues identified in this analysis, ESG monitoring and reporting criteria may be incorporated into the shareholders' agreement.

See Section 4.1.3 "Shareholder dialogue for the management of strategic investments" for more details on shareholder dialogue practices by the Management of Strategic Investments division.

1.1.2.3.3. Incorporation of ESG issues in Banque des Territoires' investments

In order to improve the way in which ESG criteria are taken into account when making commitments, Banque des Territoires developed a system called the "rating tool" in June 2020. The rating tool is designed to support and inform the internal decision-making process, by adopting a 360-degree view of ESG issues. The results of the ESG analysis of new investment projects are summarised in a memo which is included in the documentation presented to the Investment Approvals Committee. This tool is fully in line with the approach of taking ESG criteria into account in new investments.

Thanks to the non-financial rating, Banque des Territoires is better equipped to:

- adopt a cross-functional approach when analysing projects;
- provide business lines with the tools they need to take sustainable development issues into account at an operational level;
- improve project quality over the long term.

Investment projects are subject to a non-financial rating as part of the investment procedure. The process of integrating non-financial ratings into an

²⁰ For strategic investments attached to another CDC division, a letter of objectives is sent directly to the company's manager.

²¹ Given the nature of the Management of Strategic Investments division's activities, almost all of its investment transactions fall under the thresholds of the CDC Group's Investment Approvals

Committee. A few technical transactions, involving reinvestments in the capital of strategic investments already in the portfolio (and whose ESG criteria are already analysed as part of portfolio monitoring), did not require evaluation under a new rating framework.

investment project is based on E, S and G ratings. The rating framework completed upon appraisal gives rise to a classification ranging from A to E (E being the lowest rating) for each ESG area assessed. Thanks to this tool, the appraisers can ensure that the projects presented to the Investment Approvals Committees meet the prerequisites. As a result, no projects were excluded for non-compliant non-financial ratings in 2023. In addition, the Sustainable Finance department consolidates the ratings and data entered into the tool on a monthly basis, and monitors the ratings to check that they are comprehensive and consistent with the investment policy.

Banque des Territoires monitors the ESG performance of its portfolio holdings through a number of mechanisms. ESG monitoring does not cover the entire portfolio at this stage, but Banque des Territoires aims to make this the case.

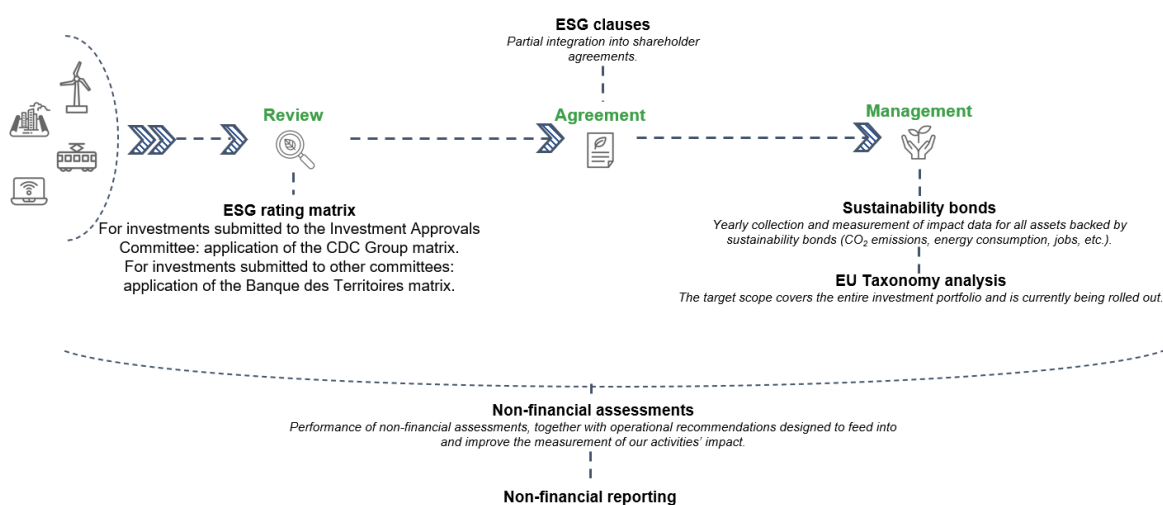
In particular, Banque des Territoires carries out annual ESG monitoring of its assets backed by sustainability bonds. Since 2019, Caisse des Dépôts has been issuing an annual sustainability bond made up of a pool of assets, considered to be environmentally or socially sustainable, from the Banque des Territoires investor portfolio in targeted areas such as real estate, energy, mobility, the social and solidarity economy and the food transition. In order to monitor the environmental and/or social impact of projects until the bonds' maturity, a report is produced and published

annually. This involves collecting and analysing a range of non-financial data, either obtained directly from companies or calculated using a defined methodology. For example, the report may highlight the CO₂ emissions avoided, the number of jobs created or the number of charging points deployed.

In order to encourage and facilitate the consideration of ESG issues in the monitoring of shareholdings, ESG clauses are included in shareholder agreements. At this stage, these clauses are not in place in all agreements, but work and studies with the Caisse des Dépôts legal department are underway to make them systematic. The purpose of these clauses is to formalise requests for ESG feedback so that counterparties can document and prove the inclusion of ESG criteria in their policies.

Banque des Territoires assessed a sample of investments in its portfolio for 2023 for alignment with the European green taxonomy. To this end, questionnaires for counterparties were drawn up based on the criteria needed to assess alignment with the objective of mitigating climate change. The questionnaires were drawn up for the sectors that represent the majority of the investor portfolio, i.e., real estate, energy and transport. For 2023, an analysis of taxonomy alignment was carried out for more than 70 investments in the portfolio. The analysis will be repeated for 2024 over a broader scope. The diagram below shows how ESG is integrated into project management at Banque des Territoires.

Integration of ESG issues from initial review to project management



Banque des Territoires' sustainable finance roadmap (2023-2028)

The sustainable finance roadmap (2023-2028) is aimed at ensuring that internal and regulatory ESG issues are included in a consistent, deep-rooted and lasting manner in the activities and practices of Banque des Territoires. It has four objectives:

1. apply operationally the Group's ESG policies across Banque des Territoires' strategy and business lines to integrate and measure ESG impacts in existing and future financing;
2. anticipate and develop an ESG approach in the light of current and new European regulations (e.g., taxonomy, CSRD);
3. bring Banque des Territoires employees up to speed on ESG issues and encourage upskilling;
4. identify needs and develop an adapted information, management, steering and monitoring system for non-financial data.

Review of measures carried out in 2023:

- operational roll-out of the 2023-2028 sustainable finance roadmap and definition of priorities and initiatives to be carried out in 2024;
- mapping and analysis of existing procedures, processes and tools with a view to drafting, distributing and publishing a framework document on the inclusion of ESG criteria;
- updating of ESG rating frameworks launched so that, at the next stage, a sustainability opinion can be issued on projects submitted to the Investment Approvals Committee at Banque des Territoires level;
- incorporation of ESG clauses in contracts. These measures should become systematic in 2024.

1.1.2.3.4. 2023 results

Each of the Group's investment business lines has a procedure for taking into account ESG analysis when making investment decisions and monitoring portfolios. ESG analysis of an investment means that an ESG approach is applied by the entity to the investment in question, in accordance with internal procedures. Depending on the case, this analysis may be based on an ESG filter, internal tools (rating frameworks) or non-financial ratings from recognised agencies. The taxonomy analysis and the analysis of compliance with the exclusion list are

an integral part of the ESG analysis of an investment.

The indicators below show the percentage of investments that are subject to ESG analysis for making a decision and following up on the investment by the Asset Management, Banque des Territoires' investments and Management of Strategic Investments teams. The weighted average for 2022 was recalculated for the Asset Management, Banque des Territoires' investments and Management of Strategic Investments divisions in order to compare consolidated values.

Percentage of investments subject to ESG analysis

	Scope	2022	2023
<input checked="" type="checkbox"/> Percentage of investments subject to ESG analysis (decision-making and monitoring)	Asset Management	100%	100%
	Banque des Territoires' investments	Non-aggregated decision-making and monitoring	Non-aggregated decision-making and monitoring
	Management of Strategic Investments	N/A ²²	100%
	Weighted average (Asset Management and Management of Strategic Investments)²³	100%²⁴	100%²⁵
<input checked="" type="checkbox"/> Percentage of cash flow from investing activities subject to ESG analysis (decision-making) – CORPORATE PURPOSE	Asset Management	100%	100%
	Banque des Territoires' investments	96%	81% ²⁶
	Management of Strategic Investments	100%	100%
	Weighted average	99.92%	99.32%
<input checked="" type="checkbox"/> Percentage of investments subject to ESG analysis (monitoring)	Asset Management	100%	100%
	Banque des Territoires' investments	9%	40% ²⁷
	Management of Strategic Investments	NC ²³	100%
	Weighted average	97.78%²⁸	98.44%

See [appendix A.5](#) for more details on the calculation methodology.

The charts below show details of the ESG analysis carried out by Asset Management in 2022 and 2023, as well as the total ESG analysis coverage for each type.

²² For Management of Strategic Investments, the indicator as calibrated in the 2022 responsible investment report required the inclusion of investments made by Management of Strategic Investments and by strategic investments, including those below the thresholds set by CDC committees, for which there was no reliable reporting. As part of the 2023 reporting, this indicator was revised to include only investments made by Management of Strategic Investments.

²³ Article 29 scope: Management of Strategic Investments – Asset Management

²⁴ The 2022 scope covered only Banque des Territoires' investments and Asset Management.

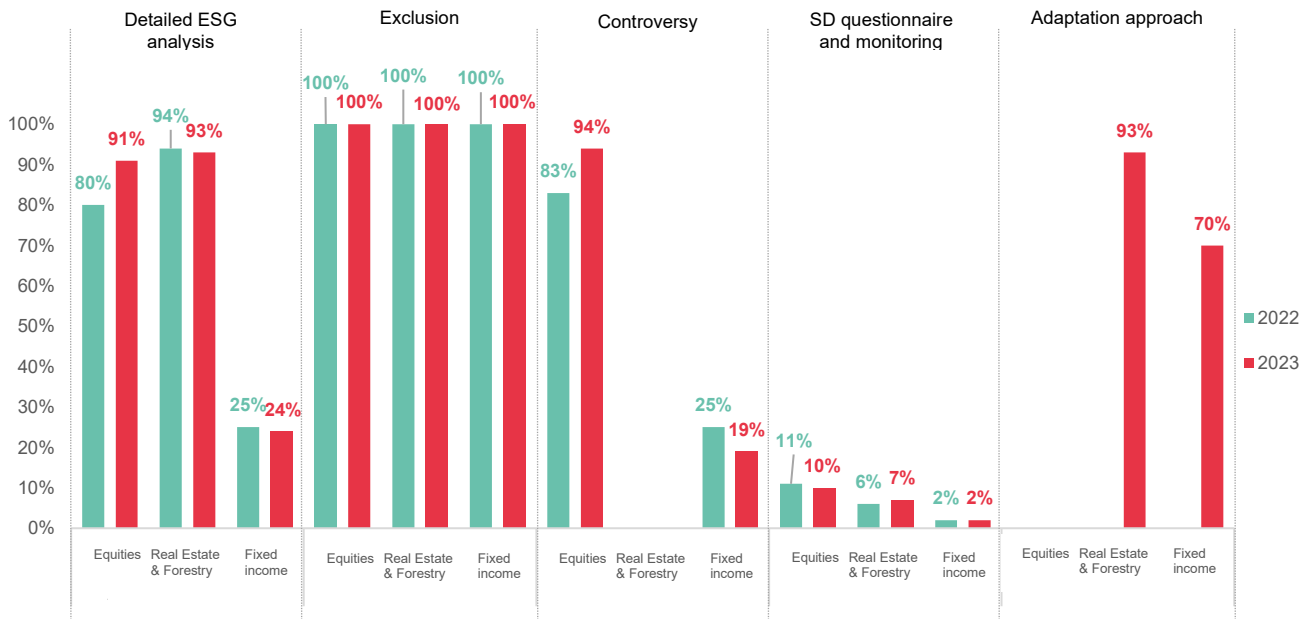
²⁵ The scope of the consolidated indicator only includes Asset Management and Management of Strategic Investments. The result for this indicator does not reflect the full scope of article 29. Banque des Territoires' investments have been excluded from the scope of consolidation for methodological reasons, as it is not possible to obtain the proportion of outstanding investments that have been subject to ESG analysis (decision-making and monitoring). As such, 100% of investments made by Asset Management and Management of Strategic Investments were subject to an ESG analysis (decision-making and monitoring) in 2023.

²⁶ In 2023, the number of projects subject to ESG analysis was extended in information systems to include all Banque des Territoires' investments.

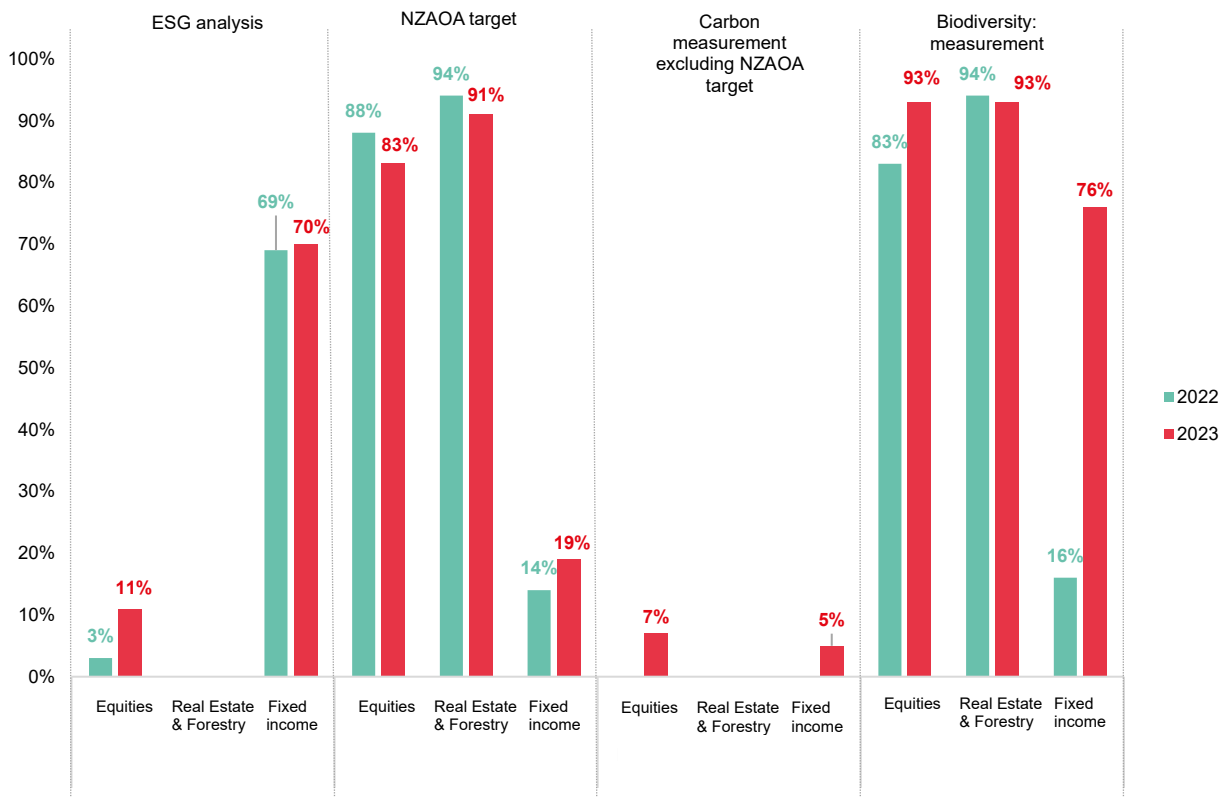
²⁷ The amount has increased because projects that were subject to a taxonomy alignment analysis on 31 December 2023 were included.

²⁸ The 2022 scope concerned only Banque des Territoires' investments and Asset Management. For Management of Strategic Investments, see footnote 21.

Coverage rate and type of ESG qualitative analysis for Asset Management



Coverage rate and type of ESG quantitative analysis for Asset Management



1.1.3. Controversy handling

A controversy is defined as a negative allegation against an entity in the public domain (in particular identified as such by data providers) concerning an event or a company's practices, products or activities that could result in a reputational risk due to their environmental, social or governance impact. A controversy is assessed on the basis of its relevance in terms of how long it has existed, whether it is structural or one-off, and the actions taken by the company to remedy it.

A serious controversy refers to the proven existence of a conviction or a body of evidence pointing to a breach of a principle recognised in international conventions (in particular the OECD

Guidelines for Multinational Enterprises, the principles of the United Nations Global Compact, international conventions on labour law, the International Bill of Human Rights and those cited below) as reported by whistleblowing systems, and which has not been remedied by the company involved.

In accordance with the Responsible Finance Charter, the asset managers are informed about controversies. The process is currently being developed for Banque des Territoires and for Management of Strategic Investments.

Controversy indicators: 2023 results for the Asset Management division

Indicator	Value
Number of companies reviewed by the Controversies Committee	33
Number of serious controversies identified	5
Number of companies identified with an E controversy	5
Number of companies identified with a G controversy	10
Number of companies identified with an S controversy	18

For asset management, a controversy reporting and monitoring system in all asset classes

Since 2019, the Asset Management division has been regularly monitoring the controversies facing its portfolio companies. The Responsible Investment department applies a rigorous methodology to identify and analyse controversies, and to propose an action plan as an asset manager with minority holdings.

Initially, the analysis is informed by two external ESG data providers that flag up the emergence of controversies in the field of investments. Combining the data of both suppliers provides broad geographical coverage and the benefit of additional views on a range of issues.

Secondly, the Responsible Investment department analyses the controversies surrounding the targeted issuers in detail, including a chronological review of

the facts, a materiality analysis of the impact of the controversy, a comparison with peers and similar controversies, etc. These analyses are then discussed with the fund managers ahead of a quarterly Controversies Committee meeting.

Lastly, the committee rules on the seriousness of a controversy, the level and appropriateness of the company's response, and the action to be taken as a responsible investor. As such, the Asset Management division has a number of tools at its disposal in the event of controversy: issuer or sector monitoring, bilateral or collaborative engagement, votes against management at the next shareholders' meeting, and reducing the Group's holding in the company until it is sold. These tools can be combined and scaled up in an escalation procedure.

1.2

Transparency and external communication

The Group is committed to transparency in its relations with investors and partners. It reports on its responsible investment policy in its Business Review and Sustainable Development Report and its Social Responsibility Report as well as through its website.

transparency on the management of regulated savings.

Each year, Caisse des Dépôts publishes the following reports on the responsible investment page of its website. The latest versions are as follows:

In parallel, the annual report of the Savings Funds managed by Caisse des Dépôts provides particular

Transparency and external communication: 2023 results

Content	Average	Frequency	Internet link
Responsible Investment Report	Website	Yearly	https://www.caissedesdepots.fr/en/Annual_report_2023
Social Responsibility Report (in French only)	Website	Yearly	https://www.caissedesdepots.fr/en/Annual_report_2023
Voting policy (in French only)	Website	Yearly	https://caissedesdepots.fr/sites/default/files/2023-04/POLITIQUE%20DE%20VOTE%20ET%20PRINCIPES%20DE%20GOUVERNEMENT%20DES%20ENTREPRISES%20COTEES_2023.pdf
Responsible Finance Charter	Website	With each new update	https://www.caissedesdepots.fr/sites/default/files/2023-08/Responsible%20Finance%20Charter%20%282023%29.pdf
Summary of shareholders' meetings (in French only)	Website	Half-yearly	https://www.caissedesdepots.fr/sites/default/files/2024-06/Bilan%20votes%20AG_2023_GDAPRG.pdf

More specifically, within the scope of this report, the following developments have all been published on the Caisse des Dépôts website:

For Management of Strategic Investments:

In 2023, the Management of Strategic Investments division carried out several investment operations with a high ESG impact:

- **the acquisition of a 49.9% stake in Coriance**, alongside Vauban Infrastructure Partners (50.1%). Coriance constructs, develops and operates **urban heating and cooling networks** supplied locally and powered predominantly (over 65%) by renewable and recovered energy, with over 40 networks and 533 km of networks in France, with a thermal production capacity of 1.95 TWh. Through this investment, Caisse des Dépôts is supporting the development of an operator of the kind of infrastructure that is a priority for the ecological and energy transition. For example, the draft French climate and energy strategy calls for a doubling in the rate of development of networks by 2030. **The acquisition of a 22.41% stake in Emeis**, as part of a consortium made up of CNP Assurances (5.56%), MAIF (14.81%) and MASCF (7.41%), with the aim of supporting its reorganisation and its solidity, for the benefit of the 1,000 establishments (EHPAD, post-acute and rehabilitation clinics, mental health clinics, etc.) managed by Emeis in France and around the world, almost 267,000 patients and residents, and the 76,000 employees who work with them on a daily basis;
- **Capital increase of CDC Habitat**, fully subscribed by CDC for €500 million, to support its investment plan for 17,000 housing units (12,000 intermediate rental units and 5,000 social rental units) with a minimum RE2020 target for all acquisitions.

For Banque des Territoires:

In 2023, Banque des Territoires confirmed its commitment to reducing the use of land via a dedicated flagship measure. It also supports local authorities that will be applying the zero net artificialisation (ZNA) target set out in the French “Climate and Resilience” Act of 22 August 2021. For Banque des Territoires' investments, this will involve redirecting investments by selecting the most favourable projects based on the criterion of artificialisation.

As real estate is one of the most represented sectors in Banque des Territoires' investor portfolio, a specific policy was drawn up in 2018 and updated in 2023. It aims to improve the consideration of the environmental quality of buildings. Transactions must comply with a process that describes the ESG prerequisites and ambitions for each type of real estate assets via a new tool, Immogreen. This new system, available from early 2024, is intended to be used when appraising new investments. It highlights the environmental prerequisites and the ambitions that can be targeted.

In addition, investments have been made in carbon cooperatives whose aim is to value voluntary carbon credits from projects that have a positive effect on biodiversity, by restoring forests, wetlands or agro-ecological conversion, for example. Cooperatives also contribute to projects that help local areas adapt to climate change – by developing alternative forms of transport and renovating buildings, for example – contributing both to the resilience of territories and to the restoration and preservation of ecosystems, two focus areas supported by Banque des Territoires.

Lastly, for the digital transition sector, revisions regarding digital technology were also made in 2023 to Banque des Territoires' main investment policy to include a new investment thesis, “IT for green”. This investment thesis explores three new areas of investment:

- data and decision-making tools;
- energy sobriety and efficiency;
- green tech.

For Asset Management:

Subscription to a new type of green/social bond

CDC subscribed to its first green bond with a shared coupon. Issued in June 2023 for €300 million, this first shared-coupon bond from the SNCF Group combines the issuer's ESG objectives with a charitable financial return for investors. By subscribing to the issue, CDC was able to donate a portion of its return to the Institut Robert-Debré du Cerveau de l'Enfant, supported by the Fondation de l'Assistance Publique – Hôpitaux de Paris.

Massive development of CDC's forest assets

CDC, the largest institutional forest owner in France (excluding the public domain), increased its forest holdings by 20% in 2023. This significant growth reflects the public institution's historic appreciation of this asset class. With around 70,000 hectares

under its management, CDC is deeply committed to protecting France's forests. Its long-term sustainable management approach guarantees a consistent financial performance and is a model for other investors.

Publication of the report on ESG and the financing of the defence industry by the French association of institutional investors (AF2i).

In the current geopolitical context, CDC is working to create the conditions for ecologically and socially viable investment in defence industries and the SMEs that depend on them. The Asset Management division, which plays a key role in financial market bodies, contributed to work on this strategic issue via the head of the Investment Management department, Joël Prohin, who is chair of the AF2i Sustainable Finance Commission and rapporteur for the report.

1.3

List of the financial products mentioned in respect of articles 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019

Some 97% of Caisse des Dépôts' financial investment portfolios are managed directly by internal teams. All our asset managers, who are also analysts, include non-financial criteria in their assessments and take ESG issues into account in their decision-making (i.e., investments, resolutions). This applies to all asset classes, including amounts invested in funds, i.e., around 3% of the portfolio. Caisse des Dépôts selects funds by applying ESG criteria that are as demanding as those required for directly invested securities.

The Asset Management division calculates the allocation of funds in the portfolio, pursuant to the SFDR, taking into account the total amount of article 6, 8 and 9 classified funds managed, in relation to the total amount of funds managed, by fund type (listed funds, unlisted equity funds, debt funds).

The ESG approach of management companies is monitored annually, in particular by means of a dedicated questionnaire. In 2023, asset managers stepped up their expectations of management companies by collecting new indicators relating to:

- (i) the scope of taxonomy eligibility/alignment of SFDR articles 8 and 9 funds under management;
- (ii) parity (gender pay gap, etc.);
- (iii) governance, with new questions on the anti-corruption mechanisms in place; and
- (iv) assessment of the carbon footprint of management companies.

List of financial products under the SFDR regulation of the Asset Management division

Delegated management	SFDR classification	Assets under management (NAV) at 31 Dec. 2023 (in € millions)	% of assets under management (NAV)	Flows in NAV since 1 March 2021 (in € millions)	% of flows (NAV)
Listed equity funds CDC Croissance	Article 6 products	3,139.22	96%		
	Article 9 products	115.86	4%		
	Total	3,255.07	100%		
Listed equity funds (excluding CDC Croissance, including ETF)	Article 6 products	306.40	13%		
	Article 8 products	1,944.50	81%		
	Article 9 products	151.78	6%		
	Total	2,402.69	100%		
Unlisted equity funds	Non-reclassified products	4,374.56	94%	327.11	71%
	Article 8 products	280.13	6%	111.17	24%
	Article 9 products	20.61	0.4%	20.61	4%
	Total	4,675.30	100%	458.90	100%
Debt funds	Non-reclassified products	793.90	31%	116.66	9%
	Article 8 products	1,503.32	59%	1,031.92	78%
	Article 9 products	247.70	10%	168.58	13%
	Total	2,544.92	100%	1,317.16	100%

Listed funds

Caisse des Dépôts' portfolio of listed asset management funds can be broken down into six pockets: investment funds, which aim to foster the collective progress of a pool of investors, such as the Objectif Climat fund, Innovation and Opportunity (I&O) fund, emerging debt fund, high yield fund, US Investment Grade bond funds and cross-asset ETFs. Excluding ETFs, the Asset Management division has invested in 75 funds managed by 49 management companies. Of the funds under management, 87% are classified under SFDR article 8 or 9.

In terms of the environment, 91% have a formalised CSR approach, 83% calculate their carbon footprint and 78% have a target for reducing their carbon emissions. In terms of employee relations, 72% measure pay gaps and take action to reduce them, and 63% include ESG criteria in their remuneration policy. All have at least one person dedicated to social responsibility.

Unlisted funds

The portfolio of unlisted funds managed by Caisse des Dépôts consists of almost 340 funds representing almost 5,100 underlying holdings, the management of which is delegated to 142 management companies. Management companies are surveyed annually (90% response rate in 2023).

In terms of the environment, 83% integrate ESG criteria into their investment process, 76% calculate their carbon footprint and 55% have formalised a climate strategy. In terms of governance, 72% have formalised an anti-corruption policy and 60% include ESG clauses in their shareholders' agreements. Some 98% of asset management companies perform ESG risk/opportunity analyses in the pre-investment phase.

Differentiating between debt and equity funds: geography and volume

Within the scope of **unlisted equity funds**, **only 6% are classified as SFDR 8 or 9**. Given the large number of funds in this portfolio (256), the historical data for funds prior to 2021, potentially classified as article 6/8/9, has not been fully updated for this financial year and will be updated gradually. In addition, US funds (excluding SFDR) account for almost 22% of the equity funds portfolio.

91% of debt funds are classed as SFDR 8 or 9. The response rate to the annual ESG campaign reached 100% in this all-European scope, with the 25 management companies surveyed paying particular and increasing attention to ESG issues at all stages of their investments. In particular, they are all signatories of the UN PRI, they all carry out ESG risk/opportunity analyses in the pre-investment phase, and they have all formalised an ESG policy.

1.4

Our commitments and initiatives

1.4.1. A founding member of the PRI and NZAOA

PRI

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 relevant investments, as well as the management companies in whose funds it invests, to adhere to these principles and, together with each of its financial subsidiaries, produces a detailed report on the implementation of these principles.








Net-Zero Asset Owner Alliance

Since 2019, Caisse des Dépôts has been a founding member of the Net-Zero Asset Owner Alliance (NZAOA), a major initiative aimed at institutional investors with a view to aligning asset portfolios with the Paris Agreement. Asset management is represented in a number of working groups (sovereigns, real estate, commitment, etc.), in order to make a concrete and relevant contribution. Caisse des Dépôts contributes in particular to the drafting of position papers, as for the oil sector, and to work on the methodology, measurement, verification and reporting of NZAOA objectives.

In its latest discussion paper entitled "Elevating Asset Manager Net-Zero Engagement Strategies", the NZAOA defines the climate commitment principles, demands and practices that apply to all asset managers of Alliance members, regardless of their own climate commitments. The overriding importance of aligning the asset managers' commitment with their clients' carbon neutrality objectives is clearly defined. In particular, the Alliance advises asset managers to adopt a consistent, transparent and results-based climate commitment strategy that recognises that climate change poses systemic risks to asset owners' portfolio yields.

With this latest document on the climate commitment expectations of asset managers, the Alliance rounds off its series of three publications on responsible asset management. The first two parts of this series, entitled "Elevating Climate Diligence on Proxy Voting Approaches" and "Aligning Climate Policy Engagement with Net-Zero Commitments", were published in April 2021 and April 2023 respectively.

1.4.2. A selection of the national and international initiatives to promote sustainable finance supported by Caisse des Dépôts

Commitment	Date	Details of the commitment
	2000	UN Global Compact <ul style="list-style-type: none"> • Commitments to respect ESG principles detailed in the pact.
	2006	Principles for Responsible Investment <ul style="list-style-type: none"> • Commitments to promote responsible investment and consider environmental, social and governance (ESG) issues in investment practices.
	2015	European Long-Term Investors Association (ELTI) Caisse des Dépôts and other major European long-term investors are committed to: <ul style="list-style-type: none"> • Assessing, publishing and increasing funding for the transition to a low-carbon economy that is more resilient to climate change • Strengthening efforts to develop innovative financing instruments, in conjunction with public and private financial institutions, to support climate objectives • Limiting the carbon intensity of their asset portfolios, strengthening the climate resilience of their investments and encouraging companies in which they invest to integrate environmental and social impacts into their business models, strategic decisions and performance measurements.
	2021	Declaration of support for the development of impact finance Commitment to respect the principles of intentionality, measurability and additionality of financing when financing is qualified as “environmental or social impact financing”
	2021	Coalition of Investors for a Just Transition The founding members of the coalition, representing €3,600 billion in assets under management, are committed to working with companies to encourage them to integrate the just transition into their strategies.
Energy – Climate – Biodiversity		
	2017	Climate Action 100+ <ul style="list-style-type: none"> • Aims to encourage the 100 biggest greenhouse gas (GHG) emitters to improve their climate reporting, put in place appropriate climate governance and define and then communicate GHG emissions reduction targets.
	2016	The Carbon Disclosure Project aims to provide investors with data and tools to measure the climate impact of their investments.
	2015	Institutional Investor Group on Climate Change <ul style="list-style-type: none"> • Forum on climate change for investors to encourage the integration of long-term risks and opportunities arising from climate change into public policy, investment decisions and corporate behaviour. • The IIGCC is one of the investor networks that coordinates the “Climate Action 100+” initiative, of which CDC is a member.

Commitment	Date	Details of the commitment
	1992	United Nations Environment Programme <ul style="list-style-type: none"> Aims to coordinate the activities of the United Nations in the field of the environment and to assist countries in implementing environmental policies
	2019	Net-Zero Asset Owner Alliance (NZAOA) <ul style="list-style-type: none"> Caisse des Dépôts is committed to reducing the carbon footprint of its asset portfolios (in the first instance: listed equities, corporate bonds and real estate assets) to achieve carbon neutrality by 2050, with interim objectives every five years. In addition, Caisse des Dépôts is committed to conducting a proactive shareholder dialogue with at least 120 of the companies in its portfolio by 2025 and to increasing funding for the energy and environmental transition.
	2020	Finance for Biodiversity The signatories are committed to five points for 2024: <ul style="list-style-type: none"> Collaborate and share knowledge: in terms of methodology, assessing the impact of activities on biodiversity, and possible approaches to ensure a positive effect. Engage with companies: biodiversity will be included in ESG (Environmental, Social and Governance) criteria. Companies will be encouraged to limit their negative impact and take steps to make it positive. Assess the impact of financing and investment activities on biodiversity, to find out what makes them more or less sustainable. Set objectives for reducing activities that have a negative impact on biodiversity and increasing those that have a positive impact. Put together an annual report on the positive and negative effects of our financing activities and portfolios on biodiversity.
	2021	FAIRR initiative: a network of responsible investors to monitor practices in the agri-food sector <ul style="list-style-type: none"> Collaborative initiative targeting the protein production and marketing value chain. In this context, Caisse des Dépôts is deploying shareholder engagement criteria to combat imported deforestation, particularly in relation to livestock farming.

Internationally, Caisse des Dépôts is active within the international Principles for Responsible Investment (PRI) network. In 2023, for example, it:

- systematically encouraged asset management companies to become PRI signatories;

- participated in the consultation on good practices in sustainable finance and French regulations led by the PRI;
- regularly held discussions with PRI governance bodies, particularly on the EU taxonomy.

2. Information on the internal resources deployed by the entity

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A dedicated ESG team	Financial resources

2.1

A dedicated ESG team

Article 29 of the French Energy and Climate Act requires a description to be provided of the financial (external services), human and technical resources devoted to incorporating environmental, social and governance quality criteria in the investment strategy as a percentage of the total assets managed or owned by the entity. We have chosen to present these resources as a percentage of the total resources of each entity, not total assets.

An ESG team dedicated to sustainable finance works with all the Group's business lines and financial subsidiaries to define and coordinate the implementation of Caisse des Dépôts' strategy in this area in all its dimensions. Composed of four FTEs (full-time equivalents) in 2023, within the Sustainable Development Policy department of the Group's Finance and Sustainable Development Policy Division, this team is responsible for coordinating the application of the Responsible Finance Charter and the associated ESG issues (in particular Climate, Biodiversity and Social issues).

In the area of responsible investment, the responsible investors network brings together more than 40 contributors, including investment team managers and ESG experts. The network discusses all the ESG issues covered in the working groups in

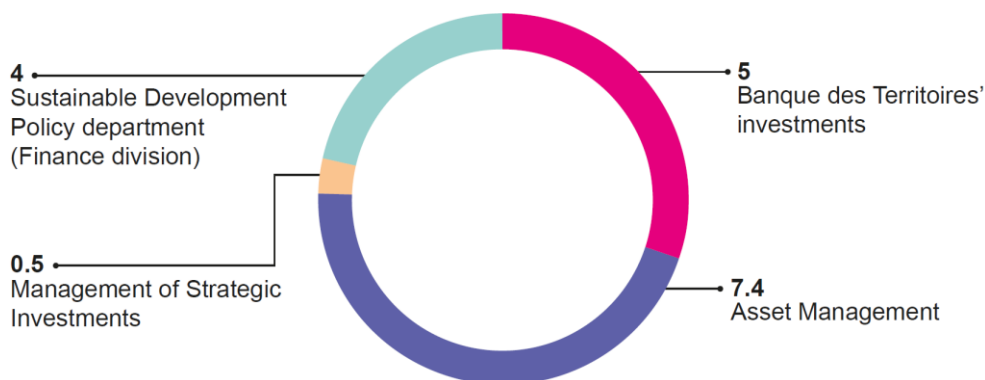
order to strengthen the financial entities' commitment to responsible investment.

The department's integration within the Finance division in 2018 means that it has support in linking ESG and financial issues.

At the level of the financial entities, each team incorporates ESG issues into all its activities: analysis and rating of companies, engagement and voting, inclusion of ESG factors, design of sustainable investment solutions, key portfolio sustainability indicators, ESG promotion, and contribution to work and initiatives alongside other market players.

For the scope of this report, the breakdown of permanent full-time equivalents (FTEs) with direct responsibility for ESG issues is shown below:

Breakdown of permanent FTEs with direct responsibility for ESG issues at 31 December 2023



In 2023, 16.9 FTEs within the Public Institution relating to the scope of article 29 of the French Energy and Climate Act had direct responsibility for ESG issues. The breakdown by division is shown below:

Percentage of permanent employees with direct responsibility for ESG issues

Entity	2022	2023
Banque des Territoires	1.7%	1.6%
Asset Management	7.4%	6.4%
Management of Strategic Investments	2.0%	1.9%
Average	2.9%	2.8%

The change in the percentage of permanent employees with direct responsibility for ESG issues between 2022 and 2023 is attributable to an increase in the total number of FTEs across all financial entities within the scope of article 29, while the total number of FTEs with direct responsibility for ESG on permanent contracts remained stable over the two years within the same scope.

2.1.1. Actions taken to strengthen internal capabilities

An awareness-raising and training strategy

Most of the Group's entities implement awareness-raising and/or training initiatives focused on sustainable development. This can take the form of training courses specific to business lines or cross-functional initiatives through the organisation of events and multi-channel communication campaigns.

All manager-analysts in Caisse des Dépôts' Asset Management division manage their portfolios based on ESG criteria. This 100% ESG management is supported by a team of analysts dedicated to responsible investment. In line with the Group's efforts to strengthen its ESG commitments and its R&D policy (including the development of methods for measuring environmental footprints internally and/or via market initiatives, as well as data selection and analysis), CDC has set up a training programme to ensure that its teams' skills and expertise are continually aligned with the latest ESG developments.

The Management of Strategic Investments teams manage strategic investments on the basis of ESG objectives that are defined and monitored annually in conjunction with the strategic investments. The teams draw on the expertise of Caisse des Dépôts' Sustainable Development Policy department both to set these objectives and to analyse ESG information presented to governance committees, which are then passed on to the Board members representing CDC.

The table below summarises the results of the training courses taken in 2023 and the change in the percentage of employees trained in ESG issues. In order to strengthen transparency regarding training, this data only covers training courses dedicated to ESG and sustainable finance. Mandatory general training courses on the United Nations' Sustainable Development Goals (SDGs) or in CSR issues are therefore excluded from the calculation of the indicator in 2023.

Percentage of employees trained in ESG issues

Entity	Percentage of employees trained		Training sessions taken in 2023
	2022	2023	
Banque des Territoires	94%	87%	Several training sessions followed by Investment division staff on taxonomy, sustainable finance and ESG risk and impact management.
Asset Management	100%	100%	In 2023, all Asset Management division staff underwent mandatory human rights training. Article One (a consultancy specialising in human rights) spent two mornings with over 100 Asset Management employees explaining the links between human rights and business, and the responsibilities of businesses and investors under the various regulations.
Management of Strategic Investments	95% ²⁹	81%	In 2023, employees participated in training courses designed for Board members representing CDC (two training courses: one on the CDC Group's sustainable development policy and latest developments, the other on the progress towards 1.5°C pathway alignment and adaptation of the Group's activities to climate change) and accessed e-learning and training courses made available by the Public Institution outside the Board member training pathway.
TOTAL	97%	90%	

The change in the percentage of employees trained in ESG issues between 2022 and 2023 is attributable to an increase in the total number of FTEs for Banque des Territoires' investments and the Management of Strategic Investments division. In addition, more Management of Strategic Investments division employees received training in 2022 than in 2023.

²⁹ In 2022, this figure took into account compulsory training courses at the level of the Public Institution, including the one on the SDGs. In 2023, it only includes ESG training courses.

2.2

Financial resources

Financial resources (dedicated to external services) and technical resources increased in 2023, mainly through the purchase of intellectual services, software, licences and training. The different entities subject to article 29 of the French Energy and Climate Act allocated a total of €7.62 million to incorporating ESG issues in the investment strategy in 2023. These expenses (external resources, purchases) represented 12.5% of total spending (total operating budget of the entities concerned):

- Banque des Territoires (investments) allocated €4.37 million of its budget to ESG in the form of

subsidies, intellectual services, strategic and financial research, and regional planning, preparation and engineering;

- Asset Management, CDC Croissance and CDC Investissement Immobilier spent €1.45 million on software and licences (Bloomberg, Carbon4 Finance, etc.), research and training.
- Management of Strategic Investments only uses the Public Institution's internal support functions.
- The Group's sustainable policy department spent €1.79 million on research, consultancy services and subsidies for associations and think tanks dedicated to responsible finance.

Financial resources (including technical resources) dedicated to ESG

Entity	2022	2023
Amount (in € million)	4.65 ³⁰	7.62
Percentage (%)	-	12.5%

³⁰ 2022 scope only: Finance division – Banque des Territoires' investments – Asset Management.

3. Integration of environmental, social and governance quality criteria

The Caisse des Depots Group
31 December 2023

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Integration of environmental and social criteria into the remuneration policy

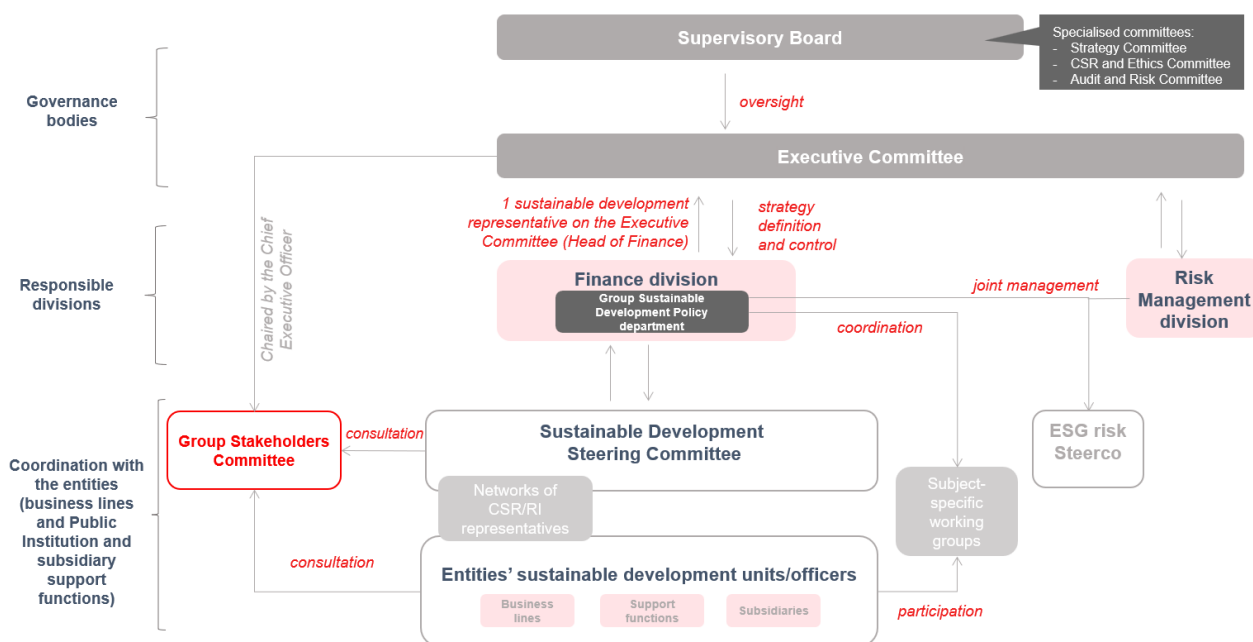
3.1

Governance

Caisse des Dépôts is a public financial institution established by the French Law of 28 April 1816 and governed by the French Monetary and Financial Code (*Code monétaire et financier*). Its status and governance are unique in France. Caisse des Dépôts is closely supervised by the French Parliament and the legislative process. This means that the French Parliament exercises control over its activities, while guaranteeing its autonomy, in particular so that it can manage private funds requiring special protection. A commitment to responsible management is integrated at the level of all supervisory and management bodies, as well as in the functioning of the governance bodies:

- the Caisse des Dépôts Group (whose aggregate total assets exceed €1,300 billion) is governed by a Supervisory Board, made up of members of the French National Assembly, senators, people appointed by French Parliament and the French State, Caisse des Dépôts employee representatives, and a representative of the French State, which monitors and oversees major decisions. In particular, the Supervisory Board deliberates on strategic policies and investment operations in excess of €150 million, and approves the budget;
 - the Executive Committee and the Supervisory Board ensure that the Responsible Finance Charter is properly implemented;
 - the Group's Sustainable Policy Department is responsible for advancing and coordinating ESG strategies for all Group entities. Its integration in the Group's Finance and Sustainable Development Policy division enables it to link sustainable development and financial issues and to ensure that (i) strategic and financial management and (ii) non-financial management are managed hand in hand. The Department works closely with a network of sustainable development and responsible investment correspondents across all the Group's entities, coordinating several cross-disciplinary working groups bringing together all the subsidiaries, strategic investments and support functions on a range of issues including climate, biodiversity, the EU taxonomy, adaptation, climate risks, responsible investment and being a responsible employer;
- a Sustainable Development Steering Committee, chaired by the Group's Director of Finance and Sustainable Development Policy and organised by the Sustainable Development Policy division, brings together ESG managers from all the Group's entities. It meets four times a year to set the Group's sustainability priorities;
 - ESG risks are dealt with by a dedicated steering committee, which is responsible for setting the roadmap for measuring and managing ESG risks, validating the development of tools for measuring these risks and ensuring that they are implemented in internal practices. This committee is jointly led by the Group's Risk Management division and the Sustainable Development Policy division. It brings together the various divisions of the Public Institution. Interactions with the subsidiaries take place through the ESG risk network. Progress made in measuring and managing these risks is presented at least once a year to the Executive Committee and the Supervisory Board (see below, "Integration of sustainability issues into Group risk management").

Caisse des Dépôts' governance



Details of the Group's governance are given in section “2.2 Our sustainability governance in the 2023 Social Responsibility Report”.

3.1.1. Supervisory Board

In accordance with article L. 518-7 of the French Monetary and Financial Code (*Code monétaire et financier*), the Supervisory Board, chaired by Alexandre Holroyd from September 2022 to June 2024, deliberates on the strategic policies of the Public Institution and its subsidiaries, including the medium-term plan, as well as on investment and divestment programmes, as provided for in its rules of procedure. The Supervisory Board has its own specialised committees:

- the Audit and Risk Committee;
- the Savings Funds Committee;
- the Investment Committee;
- the Strategy Committee;
- the CSR (Corporate Social Responsibility) and Ethics Committee; and
- the Appointments and Remuneration Committee.

Based on the work of these committees, the Supervisory Board may issue recommendations, the implementation of which it monitors formally each year.

The duties clarified and shared between the Supervisory Board and Caisse des Dépôts senior management integrate and take into account strategic social and environmental issues into their strategic role, as in the case of discussions regarding risk appetite or professional and salary equality policy.

Please refer to the Caisse des Dépôts Group's Social Responsibility Report, which sets out the roles of these various committees.

3.1.2. Management of environmental and social issues by the Executive Committee

The Executive Committee oversees the implementation of the Group's sustainable development strategy, validates new commitments, makes decisions regarding potential strategic impacts and stays abreast of work on climate-related financial risks.

Since the ecological transition is a key priority in the Group's strategy, the Executive Committee members have all integrated sustainable development issues into their roadmap. The Chairman and Chief Executive Officer and certain members of the Executive Committee take part in the Stakeholders Committee, which regularly invites contributions from leading experts in climate, biodiversity and social cohesion issues. Executive

Committee members also frequently attend conferences in these areas.

Considering that the ecological transition has been a strategic priority since 2015, Executive Committee members have been careful to factor ESG issues into their management priorities and have proven experience in sustainable development.

Lastly, the Director of Finance and Sustainable Development Policy leads discussions on sustainable development issues within the Executive Committee and ensures that it validates the implementation of the sustainable development policy on a regular basis. She also ensures that members of the Executive Committee receive regular information on ESG issues.

3.1.3. Stakeholders Committee

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

- confer on the Group's choices in the area of sustainable development; and
- provide high-level expertise on matters relating to the climate, the energy transition, biodiversity, the circular economy and social and regional cohesion.

The Committee brings together non-governmental organisations (WWF, Finance Watch, French Sustainable Investment Forum), think tanks and research centres (I4CE, Finance Watch, Novethic), local authority associations (*Association des maires de France, Régions de France*), a savers' association (*Cercle des épargnants*), associations

promoting sustainable investment, business representatives (environmental companies, SMEs in the renewable energy sector), experts and academics, as well as public development banks (*Kreditanstalt für Wiederaufbau [KfW], Agence française de développement*). The Stakeholders Committee meets twice a year with the Chairman and Chief Executive Officer and the Group Executive Committee in attendance, so that its recommendations are shared directly to the highest level of Group management.

The approach to stakeholder dialogue is set out in Caisse des Dépôts' Social Responsibility Report (in French only).

3.2

Integration of environmental and social criteria into the remuneration policy

3.2.1. ESG criteria in the collective variable remuneration of all employees

Caisse des Dépôts (Public Institution) takes ESG criteria into account for calculating incentive payments for all its employees.

In June 2021, a new incentive agreement was entered into for the 2021-2023 period. The agreement covers all Caisse des Dépôts employees and includes both cross-cutting objectives for all activities and objectives specific to the activities and functions of Caisse des Dépôts' major business lines.

These include an objective to contribute to the Sustainable Development Goals (SDGs), which sets out the Public Institution's strategy for contributing to eight priority SDGs (subject to in-depth monitoring based on performance targets) and five significant SDGs (subject to simple monitoring). These priority objectives concern:

- climate action (SDG 13) and the energy transition (SDG 7), as well as protecting life on land (SDG 15);
- reducing inequalities (SDG 10), education and training (SDG 4);
- economic growth and the creation of decent work (SDG 8);
- innovation and sustainable infrastructure (SDG 9), sustainable cities (SDG 11).

The significant SDGs concern the circular economy, health and gender equality, partnerships and respect for the rule of law, as well as the fight against corruption.

Different levels of achievement are set for calculating incentive payments, including outperformance levels to encourage employees to exceed their objectives.

In 2023, the average achievement level was more than 98%.

3.2.2. Variable remuneration of Executive Committee members and senior executives

The variable remuneration policy for Executive Committee members is designed to reward individual performance. It is based on the achievement of qualitative and quantitative objectives set each year in consultation with the Chairman and Chief Executive Officer.

These objectives comprise a management component (the *Grandissons ensemble* guidelines) and a component linked to the strategic plan, which includes the achievement of objectives relating to the ecological transformation.

In 2022, a large majority of the Public Institution's Executive Committee members had at least one ESG objective set out as part of their objectives and performance review.

In 2023, an action plan was rolled out to integrate ESG criteria more systematically into senior executives' variable remuneration. The aim of the plan is to incorporate ESG criteria into the business objectives of all the members of the Public Institution's Executive Committee and the other executives reporting to the Chairman and Chief Executive Officer, as well as the members of Banque des Territoires' Executive Committee. It also aims to include an ESG objective in the roadmaps of each department, so that this criterion is applied to senior executives reporting to the members of the Public Institution's Executive Committee and to the Chairman and Chief Executive Officer, and to members of Banque des Territoires' Executive Committee.

4. Information on the engagement strategy vis-à-vis issuers or management companies and its implementation

The Caisse des Dépôts Group
31 December 2023

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4.1

Scope of the engagement strategy

Engagement is central to Caisse des Dépôts' investment strategy, which focuses on long-term financing of the economy and sustainable development. This engagement strategy is rolled out through various tools and specific processes, such as:

- shareholder dialogue, which is defined as the interaction initiated by an investor to improve the ESG practices of the current/prospective issuer;
- voting, which allows shareholders to exercise their voting rights on resolutions submitted by management/shareholders (and, where applicable, to submit resolutions), to formally express their approval (or disapproval).

Any interactions that do not seek to change practices or encourage the disclosure of information are not considered engagement actions. Examples include:

- interactions with companies in order to collect data and/or for research purposes related to buy/sell/hold decisions;
- standard questionnaires sent to companies to collect information and make investment decisions;
- attendance at a company presentation, shareholders' meeting or any other meeting that does not involve interaction or discussion.

The indicators below show the proportion of companies (calculated on the basis of investments) with which the Group has engaged in shareholder dialogue on ESG issues, the rate of approval of Say-on-Climate resolutions, and indicators on controversies relating to the Group's Responsible Finance Charter. Shareholder dialogue in the strict sense of the term, i.e., relations between issuers and shareholders, essentially concerns the financial entities in the scope covering the Asset Management division and the Management of Strategic Investments division³¹.

2023 shareholder dialogue indicators for the Asset Management and Management of Strategic Investment divisions

Indicators	Scope ³²	2022 ³³	2023
<input checked="" type="checkbox"/> Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on ESG issues (as a % ³⁴)	Asset Management division – Management of Strategic Investments division	71% ³⁵	70%
Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on climate issues (as a %)	Asset Management division – Management of Strategic Investments division	-	61%
Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on biodiversity issues	Asset Management division – Management of Strategic Investments division	-	42%
Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on social cohesion issues (as a %)	Asset Management division – Management of Strategic Investments division	-	50%
Share of portfolio companies (based on assets under management) that have engaged in shareholder dialogue on governance and ethics (including corruption) (as a %)	Asset Management division – Management of Strategic Investments division	-	56%

³¹ Given the specific nature of Banque des Territoires' investments, the entities in the portfolio carry out practices focusing on different areas of shareholder engagement, with formalities that differ from traditional shareholder dialogue.

³² For Asset Management, the scope concerns the directly held credit portfolio and the portfolio of directly held listed equities at balance sheet value, while for the Management of Strategic Investments, it concerns the entire portfolio at balance sheet value.

³³ The 2022 values have not been calculated.

See appendix A.6 for more details on the methodology used.

³⁵ In 2022, the Responsible Investment Report stated that the Asset Management division's assets under management were calculated for directly managed listed equity portfolios and corporate bond portfolios. In reality, it only applies to the directly managed corporate bond and directly managed listed equity portfolios.

Indicators	Scope ³²	2022 ³³	2023
Approval rate of Say-on-Climate resolutions	Asset Management division	-	50%
Number of serious controversies	Asset Management division	-	5
Number of companies reviewed by the Controversies Committee	Asset Management division	-	33
Number of companies identified with an E controversy	Asset Management division	-	5
Number of companies identified with an S controversy	Asset Management division	-	18
Number of companies identified with a G controversy	Asset Management division	-	10

Indicators that have been externally verified

For Asset Management, the proportion of companies with which the Group has engaged in shareholder dialogue on ESG issues is 59% (directly held credit and directly held listed equities portfolios). For Management of Strategic

Investments, 100% of companies have engaged in shareholder dialogue on ESG issues. Please refer to the Social Responsibility Report for Group-level results.

4.1.1. Shareholder dialogue for asset management

CDC's responsible shareholder policy is based on dialogue with issuers. This dialogue is a key factor in helping companies make progress on ESG issues. Every year, CDC measures its effectiveness and as such validates its influence initiatives.

The bilateral relationship with companies, for both equities and corporate bonds, is made possible by CDC's decision to directly manage 97% of financial assets internally. The dual financial and non-financial expertise of each manager-analyst means that ESG issues can be integrated into the assessment of company strategies.

With €288 billion in assets under management (at market value; €269 billion at balance sheet value), Caisse des Dépôts, through its asset management activities, is France's fourth largest institutional investor and has considerable influence in guiding companies towards the most responsible practices, while taking into account their specific characteristics and progress. The bilateral approach to shareholder dialogue with companies, i.e., directly and without intermediaries, is what makes this tailor-made support possible. Ongoing dialogue, monitoring progress over time and ensuring that the information exchanged remains confidential are crucial to maintaining influence and achieving results. All requests made to portfolio

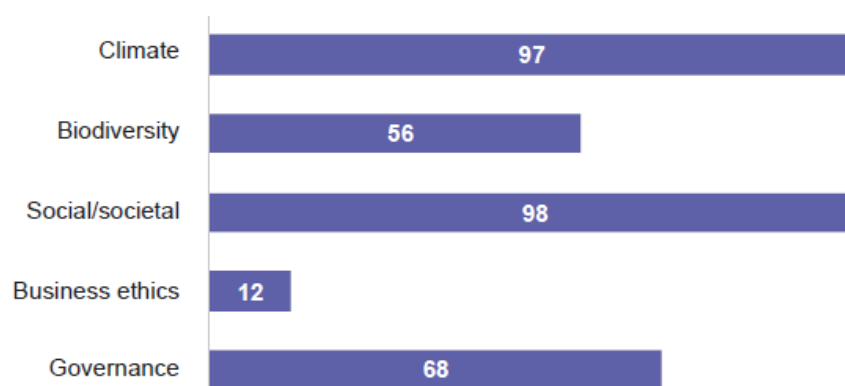
companies monitored on an annual basis are excluded from investor communications.

This constructive dialogue is led by the Asset Management division's teams with the companies in its equity and credit portfolios on a wide range of areas, including governance, business ethics, value sharing, inequalities, communities, human rights, climate change and biodiversity. Progress is made every year, partly thanks to the Asset Management division's influence and support-based approach. Changes in business practices are influenced by many factors and driven primarily by the entities' employees. The Institution's dialogue and engagement are made possible by the determination of entities' management and employees, changes in regulations and the work of all stakeholders.

Through the targeted engagement plan defined in 2023, a total of 200 meetings were held with 124 companies.

Issues addressed through shareholder dialogue in 2023

The table below shows how many times the following issues were addressed over the 200 meetings:



Summary of Asset Management's shareholder dialogue for 2023

	Number of companies covered	Proportion of assets covered
Overall ESG	124	59%
Climate	75	46%
Biodiversity	44	21%
Natural resources – Pollution	27	12%
Deforestation	22	8%
Social and societal	72	35%
Social cohesion	67	31%
HR excluding supply chain	30	16%
Governance and ethics	56	39%

Highlights

Climate

- Two of the highest-emitting companies in the Asset Management portfolio, which have made repeated climate commitments, obtained external certification of their more ambitious CO₂ emission reduction targets.
- One company has divested a portion of its unconventional hydrocarbon assets, in line with the Asset Management division's climate commitment of zero exposure to these resources by 2050.

Business ethics and whistleblowing system

Following a commitment made after a meeting of the Controversies Committee and a commitment focused on business ethics, a company involved in a number of cases has published the classification and breakdown of alerts received via their internal whistleblowing system. The company has made a major effort to ensure transparency.

Availability of directors

A company involved in bilateral dialogue in 2023, 2022 and 2021 made changes to its Board of Directors due to the two directors not being available: one for holding too many directorships and one whose attendance rate was insufficient during the three years of their term of office.

Executive remuneration

Two companies involved in annual bilateral discussions prior to the shareholders' meeting increased the weighting of CSR criteria in their executive remuneration to comply with the requirements of our voting policy.

Biodiversity

The FAIRR collaborative initiative (<https://www.fairr.org/>) offers its investor members the opportunity to invest in companies in the fast food (<https://www.fairr.org/engagements/restaurant-antibiotics>) and animal pharmaceuticals (<https://www.fairr.org/engagements/animal-pharma>) industries. The aim of these engagements is to ask issuers to adopt the recommendations of

the TNFD (Taskforce on Nature-related Financial Disclosures) so that companies integrate biodiversity issues into discussions by the Board of Directors, in particular pollution caused by livestock farming via nutrients and the issue of antibiotic resistance. As an institutional investor committed to biodiversity, the Asset Management division took part in this engagement in 2023 in order to positively influence issuers and encourage them to take better account of biodiversity issues.

4.1.2. Shareholder dialogue at Banque des Territoires

Shareholder dialogue practices are initiated in the Investment Division's different teams at various stages of maturity and formality. The initiatives implemented focus on the following main areas:

- forwarding sustainable development reports or any other regulatory documents relating to ESG issues to directors for entities subject to the requirements. This data is collected in the document section of the LAGON tool³⁶ or in sector-based trade directories;
- integrating ESG issues and risks into ongoing dialogue with governance bodies for the largest investments, and for the few listed companies;
- monitoring ESG issues at strategic or management committee meetings: the Investment division's sector-based teams have made this a priority objective, given the type of impact the investments are intended to make;
- the inclusion of ESG indicators and clauses in documentation.

4.1.3. Shareholder dialogue for the management of strategic investments

The management of strategic investments fully incorporates shareholder dialogue in its strategic and financial support of its subsidiaries, while coordinating priorities between the Group and its subsidiaries. Shareholder dialogue is carried out via the following mechanisms:

- **guidance letters: These guidance letters are sent annually to the directors representing CDC in the governance bodies of strategic investments** of a significant size and/or in which CDC holds a significant proportion of the capital. They are also sent to the chief executive officer of each investment³⁷.
- **a reminder letter regarding Group standards and procedures:** This letter, which is sent annually to the managers of the strategic investments that are exclusively controlled or jointly controlled and consolidated for accounting purposes, is prepared in coordination with all the divisions responsible for defining these standards and procedures (Finance and Sustainable Development Policy, Risk Management, Legal Affairs and Compliance, General Inspectorate and Group Audit).
- **follow-up meetings:** Since 2023, mid-year follow-up meetings have been held with the Finance and Sustainable Policy Division and the ESG teams of the strategic investments, to discuss their ESG performance in the previous year and to review progress on the objectives set out in the guidance letters.
- **monitoring of ESG guidelines via the governance bodies of each entity and the adopting of positions by the directors representing CDC.** To make it easier for directors to monitor ESG issues, the Management of Strategic Investments division has implemented the following mechanisms:

³⁶ New investment appraisal tool.

³⁷ For strategic investments attached to another CDC division, a letter of objectives is sent directly to the company's manager.

referrals to the relevant CDC divisions (Finance and Sustainable Policy, Legal Affairs and Compliance, Risk Management, Human Resources) by the teams responsible for coordinating the strategic investments for the analysis of ESG-related documents;

- greater scrutiny of ESG criteria in the variable remuneration of executives;
- monitoring of newly established ESG committees within the governance bodies of subsidiaries and strategic investments

Summary of the Management of Strategic Investment division’s shareholder dialogue for 2023

	Number of companies covered	% of companies covered	Proportion of assets covered
Overall ESG	23	100%	100.0%
Climate	21	91%	99.79%
Biodiversity	20	87%	97.12%
Natural resources	19	83%	97.12%
Social and societal	17	74%	96.20%
Social cohesion	20	87%	98.89%
HR	21	91%	98.95%
Governance and ethics	23	100%	100.0%

4.2

Overview of the Asset Management division's voting policy

As part of its responsible investment policy, Caisse des Dépôts' Asset Management division fulfils its role as an active minority shareholder by systematically exercising its voting rights at the shareholders' meetings of its listed portfolio companies. Asset Management aims to exert its influence over companies in order to promote best practices in corporate governance and ensure that they take into account the long-term interests of all stakeholders. To do so, Asset Management reviews its voting policy annually and refers to the principles

that set out its expectations in terms of corporate governance. They form the basis for the shareholder dialogue fostered throughout the year by Caisse des Dépôts' internal manager-analysts with the companies in its portfolio. Through this dialogue, the public institution is better able to assess the relevance of the resolutions put to the vote at shareholders' meetings and, as such, to exercise its responsibility as a committed shareholder in an informed way.

Nearly 10,000 resolutions voted on in 2023

Key examples were the weighting of the CSR index for remuneration, external resolutions favourable to ESG interests, Say-on-Climate resolutions assessed on a highly demanding basis and the vital importance of a 1.5°C trajectory.

In accordance with the changes to Caisse des Dépôts' voting policy applicable to 2023, the Asset Management division ensured that relevant CSR remuneration criteria were included and that the equity ratio, which measures inequalities between employees and managers and ensures objective value sharing, was appropriately adjusted.

Once again, the number of external resolutions relating to environmental, social and governance issues increased during the year. The Asset Management division votes in favour of such resolutions insofar that they encourage companies to increase transparency and efforts on these issues. On the other hand, anti-ESG resolutions aimed at curbing ESG development in certain markets have also increased.

For the third year running, the Say-on-Climate resolutions were subject to a case-by-case analysis based on the elements required for a favourable vote, namely a sufficient level of transparency in the report, alignment with the Paris Agreement, the long-term objective of carbon neutrality and the relevance of Scopes 1, 2 and 3 of the quantitative targets.

In terms of engagement, the Asset Management division maintains productive and coherent shareholder dialogue, using it as a forum to explain the positions it has adopted on governance and sustainable development policy.

Although the majority of CDC's financial investment portfolio is devoted to French and mainly European securities, the Asset Management division applies its principles to other markets with the same level of engagement. For example, it has increased the governance requirements applied to the Japanese market, particularly in terms of gender equality and independence.

Reminder of changes to the voting policy applicable in 2023

Each year, the Asset Management division strengthens its requirements for companies in line with individual progress plans and applies its proven expertise in France and Europe to other markets. This has led to changes in the voting policy of Caisse des Dépôts' Asset Management division. For 2023, its teams worked on, in particular:

- an increase in the minimum weighting of ESG criteria to 15% in ex-post and ex-ante remuneration. The relevance of the criteria selected by the companies is also subject to qualitative analysis and may result in an unfavourable vote;
- the study of the equity ratio, which is essential to the analysis of executive remuneration. The Asset Management division is opposed to the increase of more than 5% in the fixed remuneration of executives provided for in the remuneration policy if the equity ratio between the remuneration of executives and employees has deteriorated over the last two years;
- a strengthening of its requirements on the Japanese market in terms of independence

and the number of women on the Board of Directors.

In 2023, the Asset Management division voted at 653 meetings, representing 9,464 resolutions. The main issues of contention remain unchanged. Board composition and remuneration remain the main areas of disagreement. The overall opposition rate, which includes votes against and abstentions, was 33.6%.

Bilateral meetings on governance were held with companies to help them prepare shareholders' meetings, obtain transparent information, discuss the Asset Management division's voting policy and stances/guidelines and, where possible, amend resolutions that were not in line with Caisse des Dépôts' principles. Most of these meetings were with a member of the Board of Directors or Supervisory Board.

The Asset Management division is committed to strengthening this dialogue, and will continue to do so in the coming years in order to prepare for changes in voting policy and for shareholders' meetings.

4.3

Update on the engagement strategy

4.3.1. Update on the Asset Management division's engagement strategy

4.3.1.1. Update on shareholder dialogue

Engagement for direct management, i.e., 97% of the portfolio

In total, in 2023, the Asset Management division engaged in dialogue with 124 issuers on ESG issues, representing 200 meetings dedicated to ESG. The bilateral engagement of portfolio managers with investee companies is an opportunity for the Asset Management division to ask management about the financial and ESG issues facing companies.

Social and societal challenges

Taking social issues into account is one of the priorities of CDC's responsible investment activities, with a particular focus on human rights in 2023.

The discussions are based on a preliminary internal analysis of the company's practices, carried out by an analyst dedicated to social and societal issues. As a result, in 2023, the targeted engagement plan made it possible to query several sectors on the issues of:

- **reducing inequalities in the healthcare and food distribution sectors:** diversity and inclusion, value sharing, staff training and development plans, attracting and retaining talent;
- **human resources management in the supply chain for the clothing, luxury goods, cosmetics and household products sectors:** working conditions (absence of forced labour or child labour), relations with trade unions, living wages, occupational health and safety.

The 2023 targeted engagement plan was also an opportunity to ask companies (across a range of sectors) about their management of specific ESG issues that had led to them being placed on the [UNGC](#) (United Nations Global Compact) watchlist. This list includes companies that present potential or proven risks of serious breaches of the guiding principles of the UNGC, such as a lack of respect for local communities or forced labour. A total of 72

companies were questioned on social and societal issues, including 67 on social cohesion issues and 30 on human resources issues in the supply chain.

Business ethics challenges

In 2023, dialogue was held with ten companies on business ethics. The pharmaceutical sector was the focus of a dedicated campaign. In addition, the subject was raised in dialogue dedicated to other issues with a number of other companies. The discussions are based on a preliminary internal analysis of the company's practices, carried out by an analyst dedicated to governance and ethical issues.

The main topics covered were the anti-corruption practices in place (policy, governance, training, etc.), tax practices and the analysis of the duty of care plan. Although highly qualitative, the analysis of business ethics allows for rich and constructive dialogue with the company. The competence of the contact person is key to properly assessing the company's positioning on these areas. Unprepared questions give us an initial idea of the company's stance. However, dialogue specifically around business ethics provides for a more in-depth response.

Biodiversity issues

In 2023, the Asset Management division engaged in dialogue with 44 companies on biodiversity issues, representing 21% of investments in corporates. Companies in the luxury goods, automotive, agri-food and other consumer goods sectors, as well as the retail sector, were asked about their practices in taking account of nature and biodiversity issues.

The discussions are based on a preliminary internal analysis of the company's practices, carried out by an analyst dedicated to biodiversity issues. These analyses take into account:

- **cross-disciplinary issues** (reporting framework, support for international initiatives such as the SBTN or TNFD,

biodiversity footprint measurement by the company);

- data corresponding to **the company's material impacts, based on the framework of the various pressures as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)** (changing use of land, overexploitation of resources, pollution and invasive species. Climate issues are discussed separately.

Engagement meetings with companies provide an opportunity to discuss the most important issues for the sector and the company: deforestation, pollution, agricultural practices, sensitive areas, water, resources and the circular economy, and overfishing. For example, the subject of deforestation was raised on 22 occasions, accounting for half of the engagement meetings on biodiversity.

The Asset Management division encourages companies to measure their own impacts, set ambitious and realistic targets for reducing them, and seize relevant transition opportunities in their business sectors.

The Asset Management division notes that the quality of the approaches taken to date varies widely. The differences are geographical (European players in particular seem to be benefiting from regulatory developments), but also sectoral and intrasectoral, with marked differences in approach depending on companies' own strategies. Certain companies do not yet have a comprehensive approach to biodiversity or nature issues, while others have structured approaches based on impact analyses, action plans and thematic targets, sometimes supplemented by voluntary approaches to funding positive impact projects.

Climate issues

In 2023, 75 companies (representing 46% of investments) were asked about climate issues, in a variety of sectors: The Asset Management division has continued this dialogue, initiated in 2022, with the transport and energy sectors in order to cover, as far as possible, all of the securities invested by the Asset Management division in these sectors. In addition, the Asset Management division has held discussions with companies presenting an internal Say-on-Climate resolution at their shareholders' meeting, or whose shareholders have proposed an external climate resolution. The goal is to identify the relevant elements of a climate strategy for the sector concerned and to analyse the information

provided by the company in order to form our opinion and vote in a fair and consistent manner. In this context, direct dialogue with the company allows us to deepen our understanding of the company's issues and to develop on any specific points that need clarifying.

In order to roll out and back up our requirements, the Asset Management division draws on:

- the CDC Group's climate policy³⁸ and its Transport³⁹ and Oil & Gas⁴⁰ sector guidelines;
- the public positions of the Net Zero Asset Owner Alliance (NZAOA), of which CDC is a founding member.

For example, in 2023, the focus was on aligning companies with a 1.5°C trajectory, by studying the declared alignment of companies with recognised scientific scenarios. Overall, the climate ambitions of the various companies were assessed on the basis of a number of criteria, including overall data transparency, the relevance of the quantitative targets for reducing CO₂ emissions (scope, reduction volumes, time scale), and the actions taken to achieve them (continued CapEx investments, reasoned use of offsetting mechanisms).

Generally speaking, the companies we queried have a good grasp of climate change issues, although further effort is still needed in certain areas:

- the inconsistent **integration of Scope 3**, both in reporting and in decarbonisation targets, remains constant, between the various sectors but also between peers within the same sector;
- this year, several companies assessed the **alignment of their carbon trajectory** with recognised scientific scenarios. It was therefore possible to ask these companies directly about their internal methodology, and to form an opinion on the practices already in place;
- lastly, the **just transition** was regularly mentioned during discussions with companies in the energy sector. Certain companies demonstrated that they were genuinely taking this issue into account during the closures/disposals of residual coal-fired power stations. Such rich and constructive discussions prove that this issue is being taken seriously on a national scale.

³⁸ Microsoft Word – 2022 10 26 CDC Group Climate Policy.docx (caissedesdepots.fr/en).

³⁹ Microsoft Word – 2022 04 11 Group Climate Policy for Transport.docx (caissedesdepots.fr/en).

⁴⁰ Microsoft Word – 2022 10 26 Group Climate Policy Oil & Gas.docx (caissedesdepots.fr/en).

At the end of 2023, the history of bilateral climate engagements with companies invested in equities was the subject of a detailed presentation to CDC's Supervisory Board. Comprising members of parliament and staff representatives, CDC's supervisory body wanted to determine the effectiveness of the extensive and ongoing commitment made by the Asset Management division to this issue, for certain securities since 2010. The Supervisory Board members noted that the companies had taken these climate issues into account, based on the Asset Management division's repeated requests.

Commitment to indirect management, i.e., 3% of the portfolio

In addition to the direct targeted engagement plan, the Asset Management division also engages with management companies:

- **listed funds:** ESG issues play a central role in the dialogue and engagement with these management companies for listed funds, as the Asset Management division surveys the management companies in its portfolio (92 funds) during its annual ESG campaign (2023 response rate: 100%). This

questionnaire is used to assess the maturity of asset management companies in terms of ESG issues, in order to better target the themes to be developed and consolidated during ESG engagements with these companies (scoring system). Overall, management companies scored 6.03/10 (2023), up 0.06 points on 2022. As such, the Asset Management division can share best practices and encourage management companies to adopt them.

- **unlisted funds:** The Asset Management division is invested in 340 funds managed by 142 management companies. The rate of response to the questionnaire was very good in 2023 (90%), higher than in 2022 (89%) and 2021 (85%). The 3 E/S/G pillars of the underlying companies are assessed by the management companies, highlighting the importance of these issues for investors. These questionnaires are also used to initiate and structure dialogue with management companies, and are updated every year.

4.3.1.2. Update on the voting policy

4.3.1.2.1. External resolutions

In the 2023 voting season, the Asset Management division voted on 333 external resolutions (410 in 2022), broken down as follows:

Summary of the Asset Management division voting season for 2023

Themes	Number of resolutions	Breakdown	Asset Management division approval rate	Overall approval rate ⁴¹
Biodiversity	14	4.20%	85.71%	17.49%
Environmental	34	10.21%	85.29%	15.14%
Social	117	35.14%	91.45%	16.91%
Governance	168	50.45%	65.48%	24.13%
Total	33		73.93%	18.86%

This year, the number of anti-ESG resolutions has risen sharply, particularly those put forward by conservative think-tanks opposed to ESG or using ESG to serve a political agenda on environmental (decarbonisation targets), social (abortion rights,

diversity & inclusion) or strategic (activities in China) issues.

As an engaged institutional investor, CDC has systematically opposed these anti-ESG resolutions, which undermine the proper consideration of ESG

⁴¹ Data from United Nations Principles for Responsible Investment (UNPRI), shown in the tables below.

issues among issuers and investors. Although the approval rates for these resolutions are relatively low compared to other external resolutions, their proliferation and virulence give cause to fear that this trend will increase and encourage certain issuers to scale back their ESG ambitions, whether they relate to decarbonisation efforts or diversity and inclusion programmes.

As in previous years, GDA is seeing a rise in emerging ESG themes linked to the environment (animal welfare, plastics, biodiversity, just transition), social issues (diversity & inclusion, working conditions, digital technology, public health) and governance (lobbying, taxation, charitable & political donations).

Environmental resolutions

Asset Management division positioning on external environmental resolutions					
Sub-themes	Number of resolutions	Breakdown	Asset Management division approval rate	Number of votes FOR	UNPRI approval rate
GHG targets	8	21.62%	87.5%	7	21.63%
Climate strategy	23	62.16%	69.6%	16	13.06%
<i>Of which anti-ESG</i>	3		0.0%	0	4.43%
<i>Excl. anti-ESG</i>	20		80.0%	16	18.53%
Climate reporting	5	13.51%	100.0%	5	13.78%
Just transition	1	2.70%	100.0%	1	24.02%
Total (excl. anti-ESG)	34		85.3%	24	18.94%
<i>Anti-ESG</i>	3		0.0%	0	4.43%

With a few exceptions, CDC supports resolutions calling for environmental efforts; we therefore support all requests for information, targets, increased ambition, certification, etc., that boost companies' environmental efforts.

Amongst the environmental resolutions not supported, three concerned a request from a conservative think tank in the USA (National Center for Public Policy Research) for the creation of a committee on the risks associated with decarbonisation or an audit to assess the relevance of achieving a Net Zero target. These resolutions aim to undermine companies' efforts to combat

climate change and are therefore diametrically opposed to the objectives of an engaged long-term institutional investor such as CDC. Although these resolutions are currently marginal (3/37 companies in CDC's portfolio) and poorly supported (on average 1.5% votes in favour), they illustrate the increasing politicisation of shareholders' meetings to roll back companies' ESG efforts and discourage them from implementing best practices.

The other resolutions that CDC voted against concerned climate strategies requiring the companies concerned to undergo a transformation that was either impossible or too radical.

Asset Management division positioning on external biodiversity resolutions					
Sub-themes	Number of resolutions	Breakdown	Asset Management division approval rate	Number of votes FOR	UNPRI approval rate
Animal welfare	7	50.00%	85.7%	6	13.88%
Water	1	7.14%	100.0%	1	7.83%
Plastic	6	42.86%	83.3%	5	24.47%
Total	14		85.71%	12	17.49%

Among the biodiversity resolutions that were not supported, one called for the revision of a United States bank's responsibility charter to include animal welfare. Although this is an important issue, the target bank already had procedures in place (e.g., Public Responsibility Committee) to cover this issue, and revising the charter could be seen as micro-management. The other resolution called for an end to the use of fibreglass components, without which the company in question would no longer be able to operate.

Social resolutions

The attention paid to social issues is also reflected in the monitoring of external resolutions. Once again this year, investors engaged with social issues and saw a broadening of the themes addressed, with an increase in the number of subjects: diversity & inclusion (36 external resolutions within the Asset Management scope), human rights (20) and public health (17). Diversified and interconnected, these issues targeted several companies, and the Asset Management division was able to carry out an analysis of each of these resolutions, systematically supporting those that encouraged companies to be more transparent or to take greater account of social issues.

Asset Management division positioning on external social resolutions

Sub-themes	Number of resolutions	Breakdown	Asset Management division approval rate	Number of votes FOR	UNPRI approval rate
Weapons	2	1.32%	100.0%	1	9.51%
Working conditions	5	3.29%	100.0%	5	22.96%
Cyber security	8	5.26%	87.5%	7	8.66%
Diversity & inclusion	36	23.68%	58.5%	21	13.87%
<i>Of which anti-ESG</i>	16		6.25%	1	1.31%
<i>Excl. anti-ESG</i>	20		95.0%	19	22.94%
Human rights	20	13.16%	100.0%	17	22.61%
Sensitive geographical areas	12	7.89%	8.3%	1	4.04%
<i>Of which anti-ESG</i>	12		8.3%	1	4.04%
Lobbying	34	22.37%	94.1%	32	24.84%
Stakeholders	16	10.53%	56.1%	9	6.84%
<i>Of which anti-ESG</i>	7		0.0%	0	1.34%
<i>Excl. anti-ESG</i>	9		100.0%	9	12.34%
Public health	17	11.18%	88.2%	15	19.66%
Taxation	2	1.32%	100.0%	1	17.70%
Total (excl. anti-ESG)	133		84.21%	112	21.68%
<i>Anti-ESG</i>	35		5.71%	2	2.20%

As with environmental issues, CDC supports external resolutions that allow companies to communicate more information, their ambitions and their work on social issues, which explains the high approval rate.

Once again this year, social resolutions were the largest in number and the most polarising. Three sub-themes account for most of CDC's objections:

Diversity & Inclusion (D&I): this topic is particularly targeted by anti-ESG investors; of the 15 resolutions (opposed by CDC) in this sub-theme, 14 were tabled by the National Center for Public Policy Research (NCPPIR). The latter uses the D&I argument to call for audits into the discrimination to which male employees identifying as white are supposedly exposed. This political agenda cannot be supported by an institutional investor, and D&I programmes must retain their primary aim of promoting diversity & inclusion while combating all forms of discrimination. Here again, overall shareholder support was very low (1.37%), with techniques used by applicants bordering on manipulation: for example, for the same issuer, there were two resolutions related to D&I with a similar title and content but a very different objective, which can lead to confusion among less scrupulous investors.

Sensitive geographical areas: the 11 resolutions tabled were all submitted by the National Legal and Policy Center (NLPC) or its affiliates. All call for an assessment of the risks of operating in China, and in particular the compatibility of companies' engagements with human rights in China. Once again, a political agenda underlies the resolutions, and it does not seem appropriate for an investor to adopt a position on these subjects (average approval rate of 4.04%), especially as the companies concerned all have a sufficient level of transparency on their activities in China.

Stakeholders: the seven resolutions that were not supported (out of a total of 16) came from politicised bodies (NLPC, NCPPIR, American Conservative Values) and presented demands that were akin to micro-management and did not take into account the transparency efforts already made by issuers. In addition to these sub-themes, others are emerging which illustrate the interests of investors:

Cybersecurity: the requests are varied (transparency of algorithms, rules of use or content moderation, government censorship) and mainly concern GAFAMs (7/8) and one player from the retail sector (1/8) for the use of private data. CDC supports such proposals if they reinforce transparency or requirements for target companies, but is opposed to those that are underpinned by a political agenda.

Public health: CDC supports shareholder resolutions aimed at improving public health (accessibility of products and patents, report on the impact of products), unless this request jeopardises the survival of the company (e.g., sharing patents without financial consideration). During the year, there was an increase in the number of requests for studies on the risks of limiting reproductive rights (five in 2023), driven by the political news in the United States. In addition, a political agenda is being pushed on this issue by the National Center for Public Policy Research via a resolution calling for an assessment of the risks of supporting the right to abortion.

External resolutions relating to the Controversies Committee

CDC also uses its role as a committed shareholder to support external resolutions on issues highlighted in controversy reviews. For example:

- support for a resolution on employee health and safety in a transport company;
- support for resolutions on employee health & safety, diversity & inclusion, equal pay and human rights in a food distribution company;
- support for a resolution on freedom of association in a catering company.

These examples illustrate the use of CDC's shareholder leverage through voting, in line with its analysis by the Responsible Investment department.

4.3.1.3. Say-on-Climate

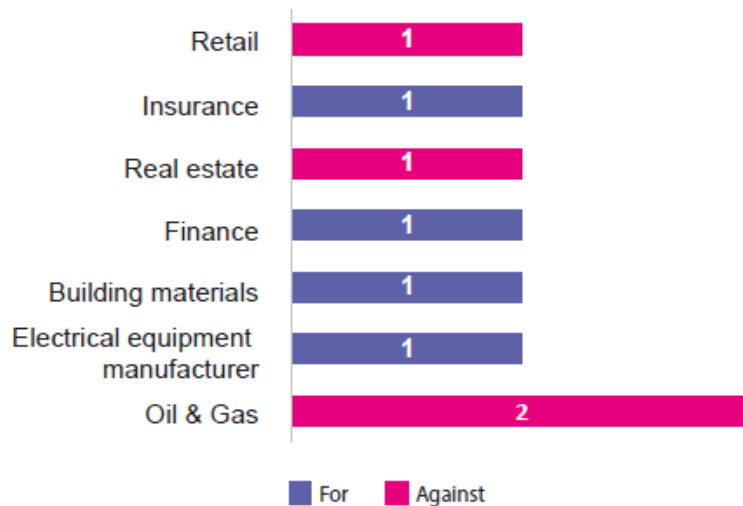
In 2021, the first year of Say-on-Climate in the portfolio, the Asset Management division aimed to encourage issuers to engage in their approach. The following year, it asserted its demands and voted more firmly. Out of a total of 20 resolutions in 2022, the Asset Management division voted in favour four times, abstained on seven resolutions and voted against nine resolutions. In 2023, the Asset Management division reiterated its ambition, placing particular emphasis on aligning its companies with a 1.5°C trajectory, in line with its climate policy.

- Over the years, to compare companies' climate ambitions, both ex-ante and ex-post, the Asset Management division has developed its specific Say-on-Climate analysis framework. The following were assessed: data accessibility, the carbon neutrality objective and the actions deployed to achieve it (continued CapEx investments, reasoned use of offsetting mechanisms), the effectiveness of the quantitative targets for reducing CO₂ emissions (scope, volumes of reduction, time horizon), and the monitoring of commitments and indicators (timetables for monitoring progress and approval by shareholders).

- In addition, the Asset Management division has drawn on its shareholder engagement to assess the sincerity of these climate ambitions and thereby refine its opinion, but also to send out a strong message on its climate ambitions. This year, the declared alignment of companies with a 1.5°C scenario, a key element of CDC's climate policy, was the subject of discussions with companies in advance of shareholders' meetings, in order to understand their reasoning and methodology and the indicators used. When the arguments proved unconvincing, the climate strategy was not approved.

Out of the **eight Say-on-Climate resolutions** of companies directly invested in by Asset Management division, after in-depth analysis, the Asset Management division voted in favour four times and voted against the remaining four resolutions, which were deemed unsatisfactory and for which shareholder engagement had not been successful. The Asset Management division therefore did not abstain in 2023, unlike in previous years. In France, the overall approval rate was up to 93.3% for CAC 40 companies, but with a high level of abstention compared with other voting categories.

Say-on-Climate theme



4.3.1.4. Investment strategy decisions (applicable to the Asset Management division only)

4.3.1.4.1. Implementation of the exclusion policy within the scope of article 29 of the French Energy and Climate Act

4.3.1.4.1.1. Voluntary exclusions linked to climate issues

Caisse des Dépôts' **thermal coal management policy**, which consists of four exclusion thresholds, was strengthened in 2023 in order to lower the threshold for exposure of revenue to thermal coal and to cover the entire investment portfolio. As a result, since 1 January 2023, Caisse des Dépôts has undertaken, for its portfolio of directly held investments, not to hold or invest directly in the listed shares and debt securities of companies:

- more than 5% of whose revenue is generated by thermal coal;
- whose annual coal-fired electricity production capacity exceeds 10 GW;
- with an annual coal production capacity of more than 10 Mt;
- developing new coal-fired power stations whose total exceeds 300 MW.

Companies that are unable to present a definitive plan for phasing out thermal coal by 2030 in the OECD, and 2040 in the rest of the world, are also excluded from directly managed portfolios.

The exclusion policy also applies to **unconventional hydrocarbons**. As of 2021, Caisse des Dépôts does not invest directly in the listed shares and debt securities of companies whose combined revenue from (i) hydraulic fracturing, (ii) Arctic gas and (iii) oil sands exceed 10%.

4.3.1.4.2. Voluntary exclusions linked to social and societal issues

Caisse des Dépôts excludes financing and investment in certain activities due to their proven or potential negative impact on human rights and social and societal inequalities. The following are excluded from the portfolios:

- companies in the **adult entertainment sector, resulting in the exclusion of 11 companies from the Asset Management division's investment activities in 2023**;
- companies whose main activity is the **manufacture, storage or sale of tobacco, resulting in the exclusion of 50 companies from the Asset Management division's investment activities in 2023**;
- companies whose main activity is **gambling, resulting in the exclusion of 148 companies from the Asset Management division's investment activities in 2023**.

In particular, in 2023, Caisse des Dépôts Asset Management division sold its stake in two companies with more than 5% exposure to thermal coal. In addition, overall, CDC has excluded 111 investees for exposure to coal, 274 for exposure to non-conventional oil and gas, and 13 for failure to align with 1.5°C scenarios in the Oil and Gas sector.

In addition to its Climate Policy, Caisse des Dépôts has adopted a **transport sector-specific policy** for 2023. As a result, Caisse des Dépôts' Asset Management division only invests in companies in the sector whose performance in terms of the intensity of current and future transport activity does not hinder the achievement of the portfolio's decarbonisation objectives, and whose reduction target is compatible with the trajectory for transport activity set in the recognised scenarios. In particular, **new investments in airlines are excluded**, unless their investment strategy is aligned with a 1.5°C scenario and their targets are based on a recognised methodology. **CDC excluded 45 airlines from its investment activities in 2023.**

Companies active in the **controversial weapons** sector are also excluded from the portfolios, in particular: the production, development, stockpiling, distribution, marketing or use of anti-personnel mines and cluster munitions, chemical weapons, depleted uranium weapons, nuclear weapons sold outside signatory countries of the Treaty on the Non-Proliferation of Nuclear Weapons, biological weapons, and marketing for use of incendiary weapons and blinding laser weapons.

In 2023, Caisse des Dépôts' Asset Management division sold its stakes in three companies linked to the weapons listed in CDC's Responsible Investment Charter. CDC also excluded 131 companies in the controversial weapons sector from its investment activities. It should be noted that to date there has been no assessment of companies producing blinding laser

weapons, due to the lack of data on this weapon type among ESG suppliers on the market.

4.3.1.4.3. Voluntary exclusions linked to biodiversity issues

From 31 December 2023, companies that manufacture or sell pesticide products, and where this activity accounts for more than 20% of their revenue, will be excluded from the portfolios.

In 2023, Caisse des Dépôts' Asset Management division sold its stake in two companies in the sector. CDC also excluded 23 companies involved in the manufacture or sale of pesticides from its investment activities.

Lastly, since 1 July 2023, the CDC Group's biodiversity policy has set exclusion guidelines for companies that produce or trade in commodities

(cocoa, coffee, soya, livestock, rubber, palm oil, wood and pulp) if they do not have a robust approach to combating deforestation.

In the last quarter of 2023, Caisse des Dépôts Asset Management division sold its stake in two companies in the sector. CDC also excluded 169 companies that fall under the Deforestation exclusion policy from its investment activities. It should be noted that Asset Management division's ESG data currently covers only four of the commodities targeted by the policy, namely soya, livestock, palm oil and wood.

4.3.2. Banque des Territoires' roadmap

Banque des Territoires is faced with two simultaneous challenges: one from European non-financial regulations that are forcing economic and financial players to reinvent themselves, the other from commitments made at Caisse des Dépôts Group level to move towards more sustainable and responsible finance. In response to the many short- and medium-term expectations of the various stakeholders, in 2023 it drew up a sustainable finance roadmap covering the five years from 2023 to 2028.

In order to determine the development strategy for this roadmap, an analysis of the context in which Banque des Territoires currently operates was carried out. This study combines the consideration of internal and external issues, making it possible to assess not only strengths and favourable situations, with the aim of maximising them, but also weaknesses and threats, in order to minimise their repercussions.

The paradigm shift linked to the increasing integration of sustainable development principles into the economy is creating new opportunities. It is a chance for companies and organisations to transform their existing business models to adapt to global challenges, particularly those linked to environmental and social issues, to innovate to meet current and future requirements, and to place people at the heart of decisions and systems. In this context, Banque des Territoires has the necessary assets to assert its leading role by including the principles of sustainable finance in all its practices

and by advancing the actions needed to become a social impact-based bank.

Caisse des Dépôts' corporate purpose and the Group's sustainable policies (climate policy, biodiversity, responsible finance charter, etc.), which are committed to rapidly and forcefully acting in favour of sustainable development issues, are among its intrinsic strengths. Its strong local roots and its strategic plan, broken down into flagship measures that place its financing activities at the heart of the ecological transition, are key strengths that help it to serve the public interest. In terms of non-financial reporting, Banque des Territoires complies with its disclosure requirements, particularly those relating to taxonomy, and manages ESG issues through a number of indicators based on its activities.

The external threats to Banque des Territoires are diverse and linked to societal and environmental crises. The increase in economic, social and regional inequalities, and the sometimes strong objections of civil society in search of a new model are giving rise to risks for the economic world. Companies that are no longer able to meet the expectations of end-users could jeopardise their previously sustainable activities, leading to a gradual disruption of the economy in the more or less short term. On another level, the issues associated with the intensification of climate change and the accelerating erosion of biodiversity are major pressures weighing on the economy in

general and finance in particular. There is also the increase in non-financial regulatory constraints, particularly in Europe; the European Commission's main objective is to guide the "third industrial revolution" through legislation.

In response to the external threats and internal weaknesses identified, Banque des Territoires has identified areas for improvement where it can optimise ESG management within its activities and in its financing commitments. To remedy the inconsistent roll-out of ESG efforts from one business line to another, the insufficient implementation and maturity of these issues by internal players and the mismatch between ambitions, commitments and resources, and to implement the measures needed to control and monitor the ESG impacts of the policy on financing management, a mapping exercise was carried out to assess the extent to which each ESG issue was taken into account. The exercise highlighted the priority focus areas for the action plan.

The strategy of the sustainable finance roadmap (2023-2028) is to ensure that internal and regulatory ESG issues are included in a consistent, deep-rooted and lasting manner in the activities and practices of Banque des Territoires in order to increase its positioning in terms of sustainable finance and its performance in impact finance.

It has four objectives:

1. apply operationally the Group's ESG policies across Banque des Territoires' strategy and business lines to integrate and measure ESG impacts in existing and future financing;
2. anticipate and develop an ESG/CSR approach in the light of current and new European regulations (e.g., taxonomy, CSRD);
3. bring Banque des Territoires employees up to speed on ESG issues and encourage upskilling;
4. identify needs and develop an adapted information, management, steering and monitoring system for non-financial data.

The objectives have been designed to segment the work to be carried out and should be considered as a whole, with the work of one objective feeding into that of the others. This is particularly true of the two cross-functional objectives, namely raising awareness of ESG issues and identifying information systems need. Each of the four objectives forms the basis for a specific action plan. The deliverables under each action plan are documented to describe the context and links with other deliverables, the measures and internal processes to be implemented, the organisation of contributions from parties concerned, and a schedule and follow-up summarising the progress of each action.

4.3.3. Update on the Management of Strategic Investments division's engagement strategy

4.3.3.1. Update on shareholder dialogue for 2023

In 2023, advances in shareholder dialogue on the various measures implemented by Management of Strategic Investments and detailed in 4.1.3 is as follows:

- **Annual guidance letters sent to the directors representing Caisse des Dépôts⁴²:** in 2023, guidance letters were drafted for the following entities: Arpavie, Bpifrance, CDC Biodiversité, CDC Habitat, Compagnie des Alpes, La Poste group, GRTgaz, Egis, Icade, Novethic, Sfil, RTE, Société Forestière, STOA, Théâtre des Champs-Élysées, Tonus Territoires, Transdev, SCET and Suez. As Coriance and Emeis entered the portfolio in October and December 2023

respectively, guidance letters will be sent from 2024 onwards.

The following priorities have been identified:

- **climate:** improving the measurement of the carbon footprint (in particular on Scope 3 and the measurement of financed emissions); monitoring the annual quantified objectives defined as part of the decarbonisation trajectories by 2030 for the strategic investments that have already adopted them and finalising the work of the strategic investments in the process of defining their decarbonisation targets.

⁴² For strategic investments attached to another CDC division, a letter of objectives is sent directly to the company's chief executive officer.

- **biodiversity**: definition of specific action plans, in particular through membership of coalitions of companies or financial players, and specific objectives for entities developing specific biodiversity or natural resource management offerings.
 - **social and HR issues**: monitoring of these issues has been strengthened through the inclusion of diversity objectives (gender equality in the workplace, employment of people with disabilities) for 14 entities in the portfolio.
 - ESG objectives are determined in conjunction with the Finance and Sustainable Development Policy Division,
- **Mid-year review meetings**: in 2023 (when these meetings were introduced), 16 meetings were held with major strategic investments: Bpifrance, CDC Biodiversité, CDC Habitat, Compagnie des Alpes, La Poste group⁴³, GRTgaz, Egis, Icade, Sfil, RTE, Société Forestière, STOA, Transdev, SCET and Suez.
 - **Reminder letter regarding Group standards and procedures**. In 2023, reminders were sent on the following issues:
 - the application of the Group's Climate policy;
 - gradual implementation of climate risk measurement and climate change adaptation measures in line with the Group's Climate Change Adaptation Action Plan;
 - the application of the Group's Biodiversity policy, in particular to begin work on measuring the biodiversity footprint;
 - for the financial entities in the portfolio (Bpifrance, La Poste group through La Banque Postale and CNP Assurances, Sfil, STOA), the implementation of the Group's Responsible Finance Charter adopted at the end of 2022;
 - the Group's exemplary approach to social issues, in the context of the Group's responsible employer declaration and the application of the duty of care for entities

the ESG teams and the management teams of each entity (during meetings held at the beginning of the year) and the directors representing CDC. They take into account the level of materiality of the various ESG issues depending on the activity and size of each entity.

The level of achievement of each objective is monitored annually through strategic reviews organised with the directors representing CDC and an annual **performance report** presented to CDC's Executive Committee and Supervisory Board.

subject to French law no. 2017-399 on the duty of care of parent companies and contracting firms.

- roll-out of the ESG rating framework for all investment projects submitted by a strategic investment to the Caisse des Dépôts Investment Approvals Committee.
- Monitoring ESG guidelines through governance:
 - **increased monitoring of ESG criteria in the variable remuneration of executives** as part of their approval by the governance bodies of each entity: in 2023, these criteria represented an average of 27% of the variable remuneration of executive officers (vs. 23% in 2022), including 14% environmental criteria (9% focusing specifically on climate issues) and 10% social criteria.
 - **follow-up on the creation of specialised ESG committees within the governance bodies of strategic investments**: by the end of 2023, such committees had been set up for Bpifrance, CDC Habitat, Coriance, Compagnie des Alpes, Emeis, Icade, La Poste group (La Poste and La Banque Postale), GRTgaz, RTE, Sfil, Suez and Transdev.

⁴³ Two meetings for La Poste group, including one with La Banque Postale group.

4.3.3.2. Say-on-Climate and Biodiversity – Management of Strategic Investments division scope

Across the Management of Strategic Investments division scope, a Say-on-Climate and Biodiversity resolution was filed by Icade in 2023 and approved by the shareholder Caisse des Dépôts.

This Say-on-Climate and Biodiversity resolution focused on:

- climate: reinforced objectives for its three business lines and the corporate office, covering Scopes 1, 2 and 3, aligned with a 1.5°C trajectory, a Net Zero ambition by 2050, and a 2022-2026 plan to invest €100 million in Tertiary Property to support this ambition.

- biodiversity: greening 100% of new buildings in real estate development and in tertiary property business parks by 2030, implementing biodiversity support solutions for 90% of tertiary property buildings, and voluntarily contributing to the restoration or conservation of ecosystems through rigorously selected programmes.

All these elements were the subject of a resolution that was approved at 98.33% at the shareholders' meeting.

5. Information on the EU taxonomy and fossil fuels

The Caisse des Dépôts Group
31 December 2023

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5.1

Information on the EU taxonomy

Article 29 of the French Energy and Climate Act (*Loi Énergie-climat*) requires financial institutions to disclose the proportion of their investments aligned with the EU taxonomy. On this basis, Caisse des Dépôts presents an analysis of the eligibility and alignment of its investment business lines, i.e., Asset Management, Banque des Territoires' investments and Management of Strategic Investments.

The analysis was conducted according to the same principles and methodologies as those set out in article 8 of Delegated Regulation (EU) 2020/852. Accordingly:

- only information disclosed by European counterparties subject to the NFRD is used for regulatory analysis;
- exposures to companies not subject to the NFRD are recorded as non-eligible and non-aligned, as are derivatives;
- exposures to sovereign issuers are excluded from the calculation.

The methodology used for regulatory analysis is also based on the rigorous collection of regulatory information disclosed by counterparties, which is collated by searching for the most recent information available. The methodological principles applied for the analysis, as described in the Caisse des Dépôts Group's Taxonomy Guidelines, are based as closely as possible on the principles of Delegated Regulation (EU) 2021/2178, as well as on the guidelines published by the European Commission. As such, by focusing on the most significant asset classes throughout the analysis and in line with article 29 of the French Energy and Climate Act:

- investments in companies subject to the NFRD are analysed based on counterparties' regulated documentation, in accordance with the transparency requirements governed by article 8 of Regulation (EU) 2020/852;
- debt securities, the proceeds of which are used to finance identified activities (e.g., green bonds), are analysed based on documentation explaining how the proceeds of the issue are

utilised (e.g., impact reports). In order to determine whether the security qualifies as sustainable, the analysis looks at whether explicit reference is made in the documentation to the level of taxonomy alignment;

- investment fund units considered covered in the numerator may be analysed in line with the EU Taxonomy, provided that the funds in question comply with article 8 or article 9 of Regulation (EU) 2019/2088, and that they disclose information relating to the EU Taxonomy in their periodic documentation, in the format governed by Annexes IV or V of Delegated Regulation (EU) 2022/1288. In a small number of cases where such documentation was unavailable, a questionnaire was sent to the asset management companies in order to collect the relevant regulatory information.

The analysis process and scope for the purposes of article 29 of the French Energy and Climate Act does not cover household loans or local authority financing, which make up a significant portion of the balance sheet covered by the Caisse des Dépôts Group's analysis process for the purposes of article 8 of the Taxonomy regulation. Information relating to this scope is disclosed in the Social Responsibility Report.

In addition to this regulatory approach, Caisse des Dépôts also has a **"voluntary" indicator**, which is based on the same rigorous sustainability analysis, but also covers the analysis of certain investments in companies not subject to the NFRD, where the investment theme can be identified (e.g., SPVs). This approach allows for better coverage of Banque des Territoires' investment scope. The analysis criteria used are as close as possible to the criteria set out in Delegated Regulation (EU) 2021/2139 *et seq.*

This voluntary approach, which essentially supports our policy to engage all of our counterparties, extends the scope of our analysis by 5% to include companies that are not subject to the NFRD, for which we carry out an analysis in line with EU Taxonomy principles.

5.1.1. Percentage of investments in Taxonomy-eligible or Taxonomy-aligned activities

According to the European Commission's classification, eligibility is the proportion of assets analysed that can be considered environmentally sustainable. Some 25% of the investment activities of the Asset Management division, Banque des Territoires and the Management of Strategic Investments division are considered eligible. Under the EU Taxonomy, these investments represent the authorised scope for analysing alignment.

However, the extended scope of analysis as part of our voluntary approach leads to a 3% increase in eligibility. While this voluntary approach may not lead to a significant increase, it nonetheless represents a strategic asset for Caisse des Dépôts,

as a means of engaging counterparties with regard to its goal of encouraging sustainability analysis in line with the EU Taxonomy.

Under the regulatory approach, 6.7% of Caisse des Dépôts' investments are considered Taxonomy-aligned for the counterparty turnover KPI, and 8.9% are considered Taxonomy-aligned for the capital expenditure KPI. These percentages reflect the sustainability of both the business models and the investments of our counterparties that are subject to the NFRD. The comparatively higher capital expenditure KPI reflects the financial resources allocated to the transition by investees.

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	22.44%	6.66%
	CapEx	25.98%	8.93%
Voluntary	Turnover	25.09%	7.38%
	CapEx	28.63%	9.65%

The percentage of assets considered environmentally sustainable with regard to the European Union's environmental objectives can be identified by comparing the eligibility ratio with the alignment ratio. This sustainability ratio is as follows for investment activities in the scope of the regulatory approach:

- Turnover: 29.6%;
- CapEx: 34.3%.

These sustainability ratios represent both the proportion of activities considered environmentally sustainable ("aligned") under the EU Taxonomy, as well as those that are "eligible" but yet to complete the transition to sustainable business models as defined by the EU Taxonomy. There are significant disparities depending on the asset class and the type of counterparty:

- Caisse des Dépôts' investments in non-financial entities are more mature with regard to the EU Taxonomy (eligible/aligned ratio of 44%) than investments in financial entities (eligible/aligned ratio of 17%);

- the bond scope is particularly mature in this regard, driven by the performance of sustainable bonds. However, the disparity between non-financial and financial entities' issuances is even greater (64% for non-financial entities, 16% for credit institutions). The analysis carried out by the business lines tends to indicate a reluctance by banking institutions to ensure that their methodological framework for bond issuances is aligned with the criteria of the EU Taxonomy;
- regardless of their SFDR classification (art. 6, 8 and 9), investment funds tend to report zero alignment with the EU Taxonomy.

Our voluntary approach allows us to include in our sustainability analysis certain assets that would otherwise be excluded from the calculation, including real estate and forestry assets, SPVs and SMEs. This approach increases Caisse des Dépôts' alignment rate, without distorting it. This approach makes it possible to take into account sustainability initiatives taken by certain counterparties and assets.

Management of Strategic Investments scope

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	41.22%	15.05%
	CapEx	41.08%	18.21%
Voluntary	Turnover	42.70%	15.56%
	CapEx	42.56%	18.72%

Banque des Territoires' investment scope

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	10.44%	1.28%
	CapEx	10.44%	1.28%
Voluntary	Turnover	53.74%	6.62%
	CapEx	53.74%	6.62%

Asset Management scope

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	18.78%	5.03%
	CapEx	23.38%	7.22%
Voluntary	Turnover	19.27%	5.52%
	CapEx	23.87%	7.72%

Central Sector scope

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	25.53%	7.83%
	CapEx	29.05%	10.48%
Voluntary	Turnover	30.10%	9.06%
	CapEx	33.81%	11.71%

Savings Funds scope

Approach	Weighting	Eligibility	Alignment
Regulatory	Turnover	18.91%	5.25%
	CapEx	22.24%	7.05%
Voluntary	Turnover	19.01%	5.35%
	CapEx	22.34%	7.15%

5.2

Exposure to fossil fuels

5.2.1. Main commitments applied to investment portfolios

The fossil fuel policy aims to gradually exclude the financing of thermal coal and to regulate the financing of oil and gas, particularly unconventional oil and gas, and oil expansion.

Sector	Main commitments regulating the financing of fossil fuels
Coal	<p>The Group excludes the following from its investment and financing portfolios:</p> <ul style="list-style-type: none"> • Companies whose exposure to thermal coal⁴⁴ represents more than 5% of revenue (from 2023) and who do not have a plan to exit the sector by 2030 (OECD countries) or 2040 (developing countries). • Companies developing new coal-fired power stations (from 300 MW of new capacity), or new coal mines or infrastructure. • Mining companies with annual thermal coal production volume in excess of 10 Mt. • Energy suppliers whose coal-fired power generation capacity exceeds 10 GW.
Hydrocarbons sourced from oil sands, shale or the Arctic	<ul style="list-style-type: none"> • By 2050, have zero exposure to unconventional fossil fuels and regularly review this exit date with a view to bringing it forward. • Portfolios of directly held companies: companies whose exposure to these energies represents more than 10% of revenue are excluded⁴⁵.
Oil and gas	<p>Exclusion of all oil and gas extraction (upstream) projects⁴⁶ and any associated transport infrastructure from the portfolio of direct investments and financing</p> <ul style="list-style-type: none"> • Freezing of exposure to companies developing new oil exploration or production projects⁴⁷. • New hydrocarbon production projects by portfolio companies restricted to less than 20% of developments worldwide⁴⁸. • Caisse des Dépôts has committed to excluding companies with no plan to reduce oil production from its investment portfolios.

TO FIND OUT MORE: see the Social Responsibility Report (Group scope)

⁴⁴ Thermal coal is used to fuel power plants.

⁴⁵ Excluding companies supplying oil-related products and services. Excluding green bonds, sustainable bonds, social bonds and companies mainly dedicated to gas transmission, storage and distribution in France and neighbouring countries performing regulated activities requiring them to provide free access to their infrastructure.

⁴⁶ With the exception of a company developing gas in France to reduce methane emissions from old coal mines. This commitment does not apply to regulated gas transmission entities or midstream regasification projects.

⁴⁷ As a percentage of the portfolio for Caisse des Dépôts and in terms of balance sheet value for CNP Assurances. Excluding green and sustainable bonds and the financing of projects not related to new oil projects. On a case-by-case basis and in line with companies' decarbonisation pathways, LBP AM is committed to including the development of new oil and fossil gas exploration and production projects in its exclusion list.

⁴⁸ Excluding LBP AM.

5.2.2. Results

Caisse des Dépôts uses a range of indicators to monitor the exposure of its investment portfolios to fossil fuels:

Exposure to fossil fuels in balance sheet value (scope under article 29 of the French Energy and Climate Act)

	Scope	2022	2023	Change 2023/2022
Proportion of exposure to thermal coal (weighted by revenue)	Asset Management division's equity and corporate bond portfolios	0.093% ⁴⁹	0.071%	-24%
	All Asset Management portfolios	0.024%	0.019%	-20%
	Banque des Territoires' investments – Management of Strategic Investments division	0.000%	0.000%	-
	Article 29 total	0.022%	0.017%	-22%
Proportion of exposure to companies active in fossil fuels (based on 100% of their activity)	Asset Management division equity and corporate bond portfolios	14.89% ⁵⁰	12.47%	-16%
	All Asset Management division portfolios	3.87%	3.40%	-12%
	Banque des Territoires' investments	-	0.00%	-
	Management of Strategic Investments division	-	2.05%	-
	Article 29 total:	3.71%	3.19%	-14%
Proportion of exposure to fossil fuels (weighted by revenue)	Asset Management division equity and corporate bond portfolios ⁵¹	-	6.46%	-
	All Asset Management division portfolios	-	1.76%	-
	Banque des Territoires' investments	-	0.00%	-
	Management of Strategic Investments division	-	2.00%	-
	Article 29 total:	-	1.74%	-
Proportion of assets held above the thresholds set out in the Coal and Oil & Gas policies	Asset Management division, Banque des Territoires' investments and Management of Strategic Investments division	0.00%	0.00%	

⁴⁹ The proportion of exposure to thermal coal for the Asset Management division in 2022 has been updated to reflect an additional €0.9 billion in exposure at the level of a company in the utilities sector generating 2.90% of its revenue from thermal coal. The subsequent impact on the proportion of exposure to coal was (i) +0.04% for the equity and corporate bond portfolios at balance sheet value and (ii) +0.01% for all CDC Asset Management portfolios at balance sheet value.

⁵⁰ The proportion of exposure to companies active in fossil fuels (based on 100% of their activity) for Asset Management in 2022 has been updated to reflect €0.65 billion in additional exposure to two companies in the utilities sector active in fossil fuels. The subsequent impact on the proportion of exposure to fossil fuels was (i) +0.81% for the equity and corporate bond portfolios at balance sheet value and (ii) +0.28% for all CDCC Asset Management portfolios at balance sheet value.

⁵¹ To calculate **the Asset Management division's exposure to thermal coal**, the exposure in balance sheet value is weighted by the percentage of revenue generated by thermal coal, based on data supplied either by a service provider or the companies' annual reports.

Scope		2022	2023	Change 2023/2022
New hydrocarbon production projects by portfolio companies represent less than 20% of developments currently underway worldwide	Asset Management division, Banque des Territoires' investments and Management of Strategic Investments division	☑	☑	
No increases in total exposure to companies developing new oil exploration or production projects ⁵²	Asset Management division, Banque des Territoires' investments and Management of Strategic Investments division	☑	☑	
Exclusion of companies without a plan in place to reduce oil production	Asset Management division, Banque des Territoires' investments and Management of Strategic Investments division	☑	☑	

See the Social Responsibility Report for information on the Group's exposure to fossil fuels

Asset Management's exposure to fossil fuels is measured using two indicators. In addition to exposure to coal, oil and gas producers, these two indicators cover exposure to **all players in the value chain** (upstream, midstream and downstream), including utilities and related network, transport and equipment services. They are calculated based on a combination of sector data and fossil fuel revenue data, supplied by two separate data providers.

The two indicators are presented below:

1. **Weighting based on 100% of the company's revenue:** In order to comply with the spirit of article 29 of the French Energy and Climate Act, the first exposure indicator used by Caisse des Dépôts takes into account 100% of the exposed company's revenue, without applying a weighting to solely reflect the proportion of fossil

fuel-related operations, i.e., excluding other operations or "green" operations. In particular, for Asset Management in 2023, this €9.2 billion exposure includes €1.1 billion in green bonds issued by companies in the utilities sector. Excluding these green bonds, the proportion of exposure would be reduced to 10.95% for the equity and corporate bond portfolios and 2.98% for all Asset Management portfolios.

2. **Weighting based on the percentage of the company's total revenue generated by fossil fuels (Asset Management only):** Starting this year, the Asset Management division has been supplementing this exposure analysis with an additional indicator in which, for an exposed company, the investment amount is weighted based on the percentage of the company's total revenue represented by fossil fuels.

⁵² As a percentage of portfolios at 31/12/2023.

6. Strategy for alignment with the international objectives of articles 2 and 4 of the Paris Agreement on lowering greenhouse gas emissions and financing the ecological transformation

The Caisse des Dépôts Group
31 December 2023

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6.1

Our climate commitment

6.1.1. At Group level

As an institution serving the public interest, the Caisse des Dépôts Group has set itself the goal of mobilising its levers of action and influence to promote a just and resilient ecological transformation, aiming to contribute to the emergence of a climate-neutral economy, preserving biodiversity and managing its resources sustainably.

This ambition is notably reflected in the Group's Climate Policy, which involves all of its financial and non-financial ecosystems in pursuing the following goals:

- incorporating climate change into our governance and all our action levers, including climate risks;
- assessing and managing climate risk;

- making our activities compatible with low-carbon development and, in particular, gradually aligning them with 1.5°C scenarios;
- strengthening shareholder dialogue on climate;
- strictly managing investment in fossil fuels;
- increasing the resilience of the Group and its regions to climate change (see Section 6.3.4);
- contributing to national climate objectives: in 2023, the Group set itself an increased target of committing €100 billion to the ecological transformation over the next five years, between 2024 and 2028.

Sector-based breakdowns have been drawn up and were updated in 2022 for fossil fuels, real estate and transport, and will be reviewed in 2024 and 2025.

Title	Scope	Latest version (date effective)
CDC Group Climate Policy	Group	2022
Group Policy on Oil and Gas Sector Financing	Group	2022
Sector Guidelines Real Estate	Group	2021
Sector Guidelines for the Transport Sector	Group	2022
Climate Change Adaptation Action Plan	Group	April 2024

These documents can be consulted in the ESG Library section of our website: <https://www.caissedesdepots.fr/en/you-are-investor/esg-library>

The Climate Policy, approved by the Group's Executive Committee, is the roadmap for the Caisse des Dépôts Group and applies to Caisse des Dépôts, its consolidated subsidiaries (including La

Poste Group) and its strategic partner Bpifrance. The main commitments are subject to annual monitoring presented to the governance bodies.

6.1.2. At the level of investor business lines

As part of its participation in the NZAOA, in 2022, Caisse des Dépôts set the following new 2030 decarbonisation targets in line with a 1.5°C scenario: a 55% reduction (vs. 31 December 2019) in the carbon intensity (CO₂ emissions per euro invested) of the directly held listed equities and directly held corporate bond portfolios, and a 50% reduction in carbon intensity (CO₂ emissions per sq.m) of its real estate investment portfolio. These objectives are supported by a proactive policy of shareholder engagement. The Caisse des Dépôts Group expects listed companies to:

- commit to carbon neutrality by 2050;
- implement an ambitious strategy to reduce Scope 1, 2 and 3 emissions, or, at the very least, offset them;
- set realistic quantitative targets for a significant proportion of their business;
- publish audited implementation information in accordance with TCFD recommendations;
- implement SBTi or equivalent commitments;
- have appropriate governance in place, encourage dialogue with their stakeholders and include these objectives in the remuneration criteria for senior management;
- take into account the challenges associated with the just transition, in particular by implementing skills management plans and providing appropriate training;
- commit to analysing the adaptation policies of counterparties and gradually introducing the objective of adaptation into their shareholder dialogue.

6.1.3. The role and use of assessments in the investment strategy

Caisse des Dépôts now formally integrates climate into its investment decision-making processes, in particular through environmental, social and governance (ESG) sustainability analyses. These sustainability analyses differ depending on the business line and the level of information available. For certain asset classes, they are derived from data published by external data providers (notably equities and bonds). In the case of Banque des Territoires' investments, they are carried out internally using an ESG analysis matrix. In addition, all projects (investments or loans) that are presented to the Investment Approvals Committee

(Caisse des Dépôts Group's highest decision-making body, for transactions worth more than €50 million) are also subject to an ESG analysis and opinion, based on a matrix completed by the business line, analysed by the Sustainable Development Policy department, which draws up an independent opinion. The aim is to inform governance of the positive and negative impacts of the project, so that it can incorporate these elements into its decision-making.

See Section 1.1.2 for further details.

6.2

Decarbonisation of the portfolios

6.2.1. Decarbonisation of the Asset Management, Management of Strategic Investments and Banque des Territoires' portfolios

A signatory of the Montreal Carbon Pledge since 2014, the CDC Group is committed to reducing the carbon intensity of its portfolios of listed equities and corporate bonds and of its real estate assets. In accordance with article 29 of the French Energy and Climate Act, this report sets out this commitment in the following sectors:

Investment property

For its real estate investments, Caisse des Dépôts aims to invest in assets with a high level of energy performance (at least RE2020), or in existing assets requiring retrofitting to support the energy transition by committing to carrying out work to significantly improve their energy performance in the short term in order to achieve decarbonisation pathways compatible with 1.5°C.

Infrastructure (Banque des Territoires)

The rating and detailed analysis of the various projects inform the decision-making process, helping to ensure that new investments are chosen strategically, with the aim of implementing measures to reduce their carbon footprint.

Unlisted companies (Banque des Territoires)

For its direct investments in unlisted companies, Caisse des Dépôts identifies key sectors and companies in order to assess and monitor changes in their impact, based on indicators directly related to the nature of the activities carried out.

At end-2023, Banque des Territoires launched work on measuring its carbon footprint. The aim of this project is to align with the market standards best suited to measuring the emissions from investments of financial institutions. Upon completion of this work, a preliminary plan for the 1.5°C alignment of its portfolios will be implemented.

Listed companies (asset management)

In line with its commitment to the Net-Zero Asset Owner Alliance (NZAOA), Caisse des Dépôts has set itself a target of reducing its carbon footprint for its listed equity portfolios (managed directly and indirectly) and corporate bond portfolios (including financial companies) (i) by 20% over the 2020-2025 period and (ii) by 55% over the 2020-2030 period.

6.2.2. Methodology

Source data: Carbon intensity (intCO₂eq/k€ invested) is estimated each year. The source data needed for the calculation is extracted from the most recent available Scope 1 and Scope 2 greenhouse gas emissions data published by the companies. Consequently, at 31 December 2023, carbon intensity was calculated based on the companies' 2022 greenhouse gas (GHG) emissions (year Y-1). The total amount of investment is calculated for 2023 (year Y). Carbon intensity at 31 December 2023 was calculated on the basis of securities held directly at that date.

For Asset Management, the benchmark year used corresponds to the carbon intensity calculated at 31 December 2019. If data is unavailable for one or more companies, the results obtained are recalculated in order to obtain a carbon intensity covering 100% of the portfolio (balance sheet value).

Integration of companies' Scope 3 emissions in the measurement of emissions from investments for the Asset Management division

The commitment to decarbonising asset management by 2030 covers Scopes 1 and 2 emissions of companies whose securities are held, which according to the GHG Protocol, constitutes an asset manager's Scope 3 emissions. The NZAOA is currently working on integrating companies' Scope 3 emissions into the measurement of emissions from investments (underlying Scope 3).

According to the Alliance, on average, 75% of an individual company's GHG emissions fall within Scope 3 (CDP, 2023). It is therefore essential for asset owners to take into account the Scope 3 emissions of the companies in which they invest (underlying Scope 3) in their steering and decision-making processes in order to **take effective climate action and thus play a key role in decarbonising the global economy**.

The NZAOA's commitment with regard to emissions from asset owners' portfolio companies applies to all business sectors. However, due to the unreliability of data on companies' Scope 3 emissions, **portfolio targets must cover the Scopes 1 and 2 emissions of the portfolio companies, while monitoring Scope 3 emissions is recommended**.

Integrating the Scope 3 emissions of portfolio companies into carbon accounting and the setting of targets represents a real challenge. Accounting is complex due to the **lack of a standardised methodology, over-reliance on estimation models**, the **limited availability of data** in the various sectors and companies' ability to select the emissions categories that concern them individually. The inclusion of underlying Scope 3 emissions in the setting of targets remains uncertain due to the instability of reference emission levels. To clarify and discuss how data gaps can be filled, the NZAOA will publish a discussion paper on the subject in 2024.

Currently, Alliance members recognise the role of portfolio company Scope 3 emissions in the target-setting protocol, calling for **monitoring of Scope 3 emissions at portfolio level**, but **do not yet plan to set targets until the data becomes more reliable and the interpretation of these emissions in a portfolio context becomes clearer**. It is therefore recommended that financial institutions pay attention to double counting when they include underlying Scope 3 emissions in their monitoring and targets, and **report underlying Scope 3 emissions separately**.

As a founding member of the Alliance, Caisse des Dépôts plays an active role in the NZAOA's working groups, particularly on the strategic issue of Scope 3 emissions.

6.2.3. 2023 results

The carbon intensity of investments is measured quarterly for the Asset Management portfolio and annually for the Management of Strategic Investments activities.

Results for 2023 are not shown for Banque des Territoires (work in progress).

Reduction in the carbon intensity of Asset Management portfolios compared with 31 December 2019 (Scopes 1 and 2)

Scope	Indicator	Unit	31.12.2019	2020	2021	2022	2023	2020-2025 target	2020-2030 target
Equity (directly held)	Carbon intensity in tCO ₂ /€1,000 invested in year Y (*)	tCO ₂ /€k	0.284	0.309	0.228	0.211	0.173		0.128
	Cumulative carbon intensity reduction compared with 31.12.2019 (risk appetite)	%		+8.7%	-19.8%	-25.8%	-39.0%	-20%	-55%
	Year-on-year change (risk appetite)	%		+8.7%	+26.2%	-7.5%	-17.8%		
Directly held bonds (excluding convertible bonds)	Carbon intensity in tCO ₂ /€1,000 invested in year Y (*)	tCO ₂ /€k	0.071	0.064	0.061	0.061	0.038		0.032
	Cumulative carbon intensity reduction compared with 31.12.2019 (risk appetite)	%		-9.0%	-14.0%	-13.3%	-46.0%	-20%	-55%
	Year-on-year change (risk appetite)	%		-9.0%	-5.5%	+0.9%	-38.0%		

Carbon intensity of the Management of Strategic Investments portfolio (Scopes 1, 2 and controllable Scope 3)

Scope	Indicator	Unit	2022	2023
Management of Strategic Investments division	Carbon intensity	tCO ₂ /€k	NA	0.58

Management of Strategic Investments division

The carbon intensity of the Management of Strategic Investments portfolio includes (i) all the emissions measured for the controlled entities of the Group, integrated at 100% of their valuation, and (ii) all the strategic entities in which CDC holds significant non-controlling stakes, integrated in the calculation of the table in proportion to CDC's share of ownership.

holdings and the inclusion of Scope 3 emissions. A total of 21% of the Management of Strategic Investments portfolio is made up of assets operating in the transport, logistics and mail sectors (Transdev and La Poste) and 18% of assets operating in the real estate sector (CDC Habitat, ICADE). These two sectors nonetheless account for nearly 70% of the portfolio's carbon footprint.

The carbon intensity of the Management of Strategic Investments portfolio also reflects its

Asset Management division

The carbon intensity of the listed equity and corporate bond portfolios has fallen since 31 December 2019, decreasing from 0.284 tCO₂/€k to 0.173 tCO₂/€k at 31 December 2022 for listed equities and from 0.071 tCO₂/€k to 0.038 tCO₂/€k for corporate bonds.

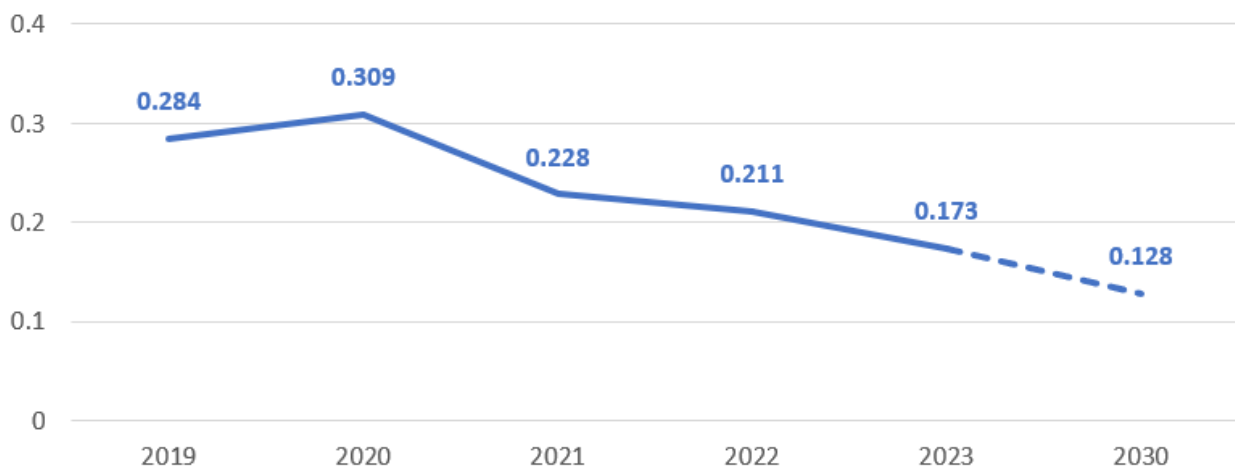
Since this year, the scope of corporate bonds has been extended to include financial companies. For methodological consistency, the pathway has been recalculated on a pro forma basis from 2019.

As CO₂ emissions are measured for Scopes 1 and 2, this explains the change in intensity: by way of illustration, for the year 2022, the intensity was 0.100 for the scope of non-financial corporate bonds

(figure published in the 2022 Responsible Investment Report) which decreased to 0.061 following the inclusion of financial companies in the calculation. Scope 1 and 2 CO₂ emissions from investments are highly concentrated by sector.

Within the scope of listed shares, 92.53% of emissions are produced by three sectors: Utilities (43.05%), Construction and Materials (32.70%) and Oil and Gas (16.78%).

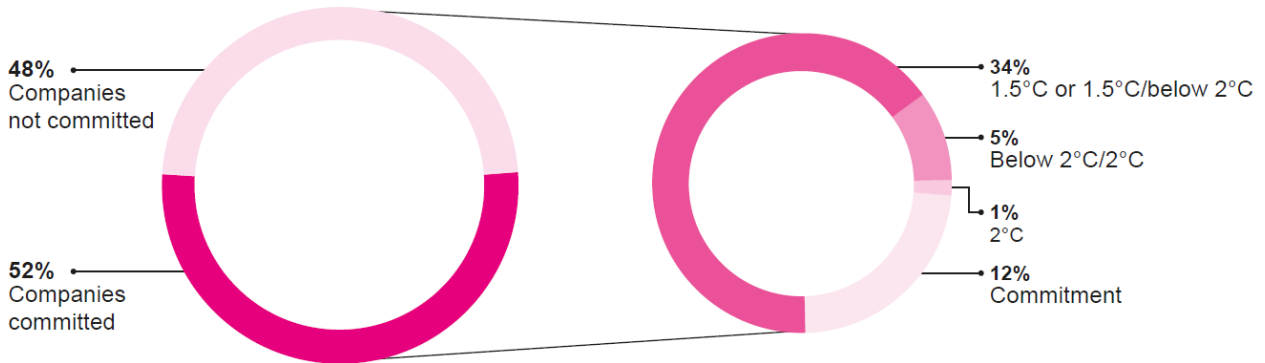
Carbon intensity of the Asset Management division's listed equity portfolios (Scopes 1 and 2, in tCO₂eq/€k)



Carbon intensity of the Asset Management division's corporate bond portfolios (Scopes 1 and 2, in tCO₂eq/€k)



6.2.4. Alignment of Asset Management equity and bond portfolios with SBTi pathways



52% of portfolio companies have committed to align themselves with a science-based low-carbon pathway, up from 40% in 2021 and 48% in 2022. However, eight companies in the portfolio have withdrawn their commitment to SBTi.

In terms of assets, the proportion of the portfolio committed to an approach is even higher: **63% in balance sheet value and 70% in market value.**

Temperature rating of portfolios: initial tests for the Asset Management division

In 2023, initial tests were carried out to assess the temperature alignment of the listed equity and corporate bond portfolios, and the sovereign holdings of the Asset Management division. The tests were conducted on balance sheet value and market value from two separate suppliers, using two different methodologies:

- aggregate portfolio temperature: the weight of each security in a given portfolio is considered to obtain an overall temperature for the portfolio;
- line-by-line temperature: by using the temperature provided for each security covering its three Scopes, weighted by its share of the portfolio concerned, we obtain weighted temperatures for each issuer, which, when added together, give the temperature of the portfolio.

Comparing these two data providers, **it appears that the methodologies could be improved and that the coverage remains incomplete. The Asset Management division intends to continue testing with various data providers in order to gain a comprehensive view of the methodologies available on the market. At this stage, the Asset Management division is unable to give serious consideration to this reporting alternative.**

6.2.5. Decarbonisation of Asset Management real estate portfolios

6.2.5.1. Regulatory environment

France's RE2020 environmental regulation provides for improvements in energy efficiency of buildings. It came into force on 1 January 2022 for new residential building projects for which an intermediary emissions objective of 15 kgCO₂eq/sq.m/year has been set for 2030 (based on a 2015 benchmark value of 35 kgCO₂eq/sq.m/year). For new tertiary investments, the RE2020 came into force in July

2022 and defines exemplary performance levels. For investment in existing real estate assets, the *Éco-Énergie Tertiaire* programme requires all assets to have reduced their energy consumption by 40% by 2030 (using 2019 as the benchmark year) or to comply with a cap on consumption and then achieve increasingly high performance levels until 2050.

Strategy implemented

For Caisse des Dépôts' investment property portfolio, the target of a 50% reduction in carbon intensity (CO₂ emissions per sq.m) has been set. To meet the Group's objectives, the management teams of CDC Investissement Immobilier (a specialised subsidiary integrated into the Asset Management division, which manages real estate investments) are working across the entire real estate asset portfolio to incorporate energy and carbon performance actions into their multi-year work programmes with a view to achieving alignment with regulatory and NZAOA pathways. Acquisition decisions are taken on the basis of the environmental performance of the real estate assets concerned and their capacity to align with set objectives.

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 assets' energy/carbon footprint and encourage the achievement of reduction targets in line with the 1.5°C goal.

New developments must be compliant with the RE2020, with a threshold of 14 kgCO₂eq/sq.m/year for residential properties and 10 kgCO₂eq/sq.m/year for offices. This threshold corresponds to the GHG emissions linked to the building's operational energy consumption, covering all energy uses. The decarbonisation policy for the portfolio has two focuses:

- portfolio rotation, with the acquisition of new energy-efficient assets (or existing assets with Capex plan in the acquisition business plan to improve their efficiency), and the disposal of less energy-efficient assets;
- carrying out projects and works on the buildings in the portfolio to bring them into line with the Group's ambitions.

6.2.5.2. Outcomes

All energy used in the operation of assets in the managed portfolio is recorded and monitored using a tool developed in-house, which enables the Group to assess the corresponding GHG emissions (Scopes 1 and 2, all energy uses). The monitoring scope covers more than 99% of the value of the portfolio. Where data on non-regulated energy uses is unavailable, standard values are applied. Data reliability is ranked as follows: regulatory energy performance diagnostics, design calculations, energy audits and, lastly, theoretical values from Ademe, the French Agency for Ecological Transition, which are used where other data sources are unavailable. GHG emissions are estimated using energy consumption data for buildings in operation. Consumption is established

using energy performance diagnostics. GHG emissions are used to qualify the reduction in the portfolio's emissions by 2030 (NZAOA) in terms of intensity (kgCO₂eq/sq.m/year).

Since 2014, the collection of new energy performance diagnostics has made it possible to retroactively update buildings' energy and carbon intensity. The indicators have therefore been updated in this report. CDC Investissement Immobilier has initiated actions (in particular, operation action plans and works programmes) with a view to achieving the 2030 NZAOA target, but these are not yet in effect and therefore not yet accounted for. Achieving the 2030 NZAOA target remains a strong and ambitious commitment, but is uncertain at this stage.

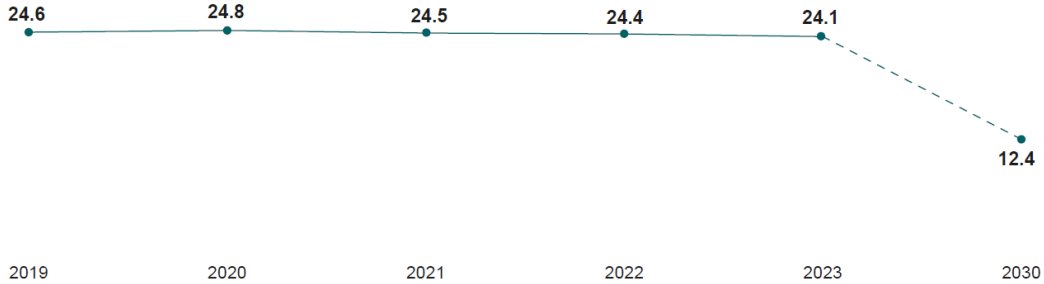
Changes in energy consumption and carbon intensity (Scopes 1 and 2) of the Asset Management division's real estate portfolio (CDCII)

	Unit	2014	2019	2020	2021	2022	2023	Target	
Reduction in the carbon intensity of the portfolios versus 31.12.2019: Directly controlled real estate assets	Carbon intensity per sq.m/year ⁵³	kgCO ₂ eq/sq.m/year	-	24.6	24.8	24.5	24.4	24.1	
	Change in carbon intensity (Scopes 1 and 2) versus the benchmark year (31.12.2019)	%	-		-0.8%	-0.3%	-0.7%	-2.0%	-15% between 2020 and 2025; -50% between 2020 and 2030 (NZAOA)
Energy consumption of the real estate portfolio	Energy intensity of the real estate portfolio	kWh/sq.m/year	409	362	364	358	356	349	
	Change in carbon intensity of the real estate portfolio versus the benchmark year (31.12.2014)	kWh/sq.m/year		-11%	-11%	-12%	-13%	-15%	-38% between 2014 and 2030 (GRECO)
	Primary energy intensity per sq.m/year	kWhPE/sq.m/year	409	362	364	358	356	349	

In 2023, the real estate portfolio's primary energy consumption (in kWhPE/sq.m./year) was 2% lower than in 2022 and 15% lower than in 2014. Carbon intensity (in kgCO₂eq/sq.m/year)

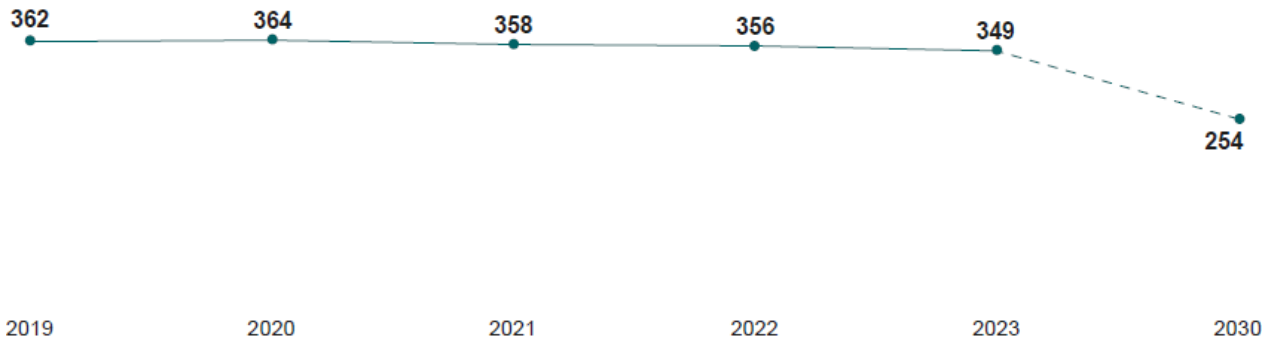
decreased by 2%, from 24.4 kgCO₂eq/sq.m/year in 2022 to 24.1 kgCO₂eq/sq.m/year in 2023, reflecting the quality of the real estate portfolio.

Carbon intensity of Asset Management real estate portfolios (in kgCO₂eq/sq.m/year)



⁵³ CO₂ emissions (Scopes 1 and 2) are calculated in relation to primary energy consumption per sq.m of floor space (kWhPE/sq.m/year) according to the uses set out in French thermal regulations (heating, DHW, cooling, lighting, ventilation, auxiliaries)

Energy intensity of the real estate portfolio (in kWh/sq.m/year)



6.2.6. Energy consumption of real estate assets backed by Banque des Territoires' sustainability bonds

Caisse des Dépôts issues green bonds based on several types of assets within the Group. The results presented below relate to Banque des Territoires' real estate assets at the end of 2022.

Banque des Territoires scope – Investments backed by sustainability bonds*

Energy consumption of the real estate portfolio – Investment	Real estate (controlling and non-controlling interests)	Energy savings relative to RT2012	kWhPE/year	4,891,447
		Average energy consumption: consumption of primary energy for all uses, per sq.m of floor space	kWhPE/year/s q.m	67.3
	Sheltered housing	Energy savings relative to RT2012	kWhPE/year	987,219
		Average energy consumption: consumption of primary energy for all uses, per sq.m of floor space	kWhPE/year/s q.m	78.5

*Data available at end-2022.

The average consumption figures of 67.32 kWhPE/sq.m/year for real estate and 78.5 kWhPE/sq.m/year for sheltered housing (real estate assets providing services for the elderly) correspond to the average energy consumption of

assets backed by green and sustainability bonds. In addition, in 2024, work will be carried out on all properties in the portfolio, which includes more than 500 real estate assets.

6.3

Alignment with France's National Low Carbon Strategy

6.3.1. Strategy implemented

As part of its Climate Policy, the Group is committed to aligning all its activities with a goal of net carbon neutrality by 2050, in order to help limit the increase in global temperature to 1.5°C.

This commitment includes its financial investment portfolios, and its financing and investments in regional projects and in companies. Through its investment activities, Caisse des Dépôts is therefore contributing to global carbon neutrality by 2050, which is based on the strict reduction and limitation of emissions from economic activities to a level in line with the objectives of the Paris Agreement and low enough to be offset by carbon sinks.

As a responsible investor, Caisse des Dépôts Group is committed to supporting its counterparties,

regions and businesses in their efforts to contribute to carbon neutrality and respond to transition risks.

The Group's 2022 policy is also its roadmap for gradually aligning its activities with these long-term objectives. Its aim is to give concrete form to its action, lend credibility to its ambition and convey the long-term reality confirmed by science. It applies to all business lines of the Caisse des Dépôts as a Public Institution (Banque des Territoires, Asset Management, Management of Strategic Investments and Social Policy). It thus serves to coordinate and consolidate the Caisse des Dépôts Group's climate action, not only as a major public financial institution, but also as an alliance of public and private economic players serving the general interest.

6.3.2. Outcomes for alignment with the Paris Agreement

In 2022, an indicator for monitoring the Group's climate objective of aligning all its activities with a 1.5°C scenario was added to the monitoring indicators for the Caisse des Dépôts Group's corporate purpose.

It was calculated in 2023 for the year 2022 for the first time on a scope that includes the following Group financial entities: the Caisse des Dépôts Public Institution, Bpifrance, La Banque Postale, La Banque Postale Asset Management, CNP

Assurances and SFIL (results can be found in the Social Responsibility Report, in French only).

It is presented here for the "article 29" scope of Caisse des Dépôts:

- Banque des Territoires' investment activities;
- Asset Management;
- Management of Strategic Investments.

6.3.2.1. Proportion of financial assets aligned with a 1.5°C scenario or covered by decarbonisation targets aligned with the objectives of the Paris Agreement within the scope covered by article 29 of the French Energy and Climate Act

This indicator aggregates the proportion of investments that fall into one of the following three categories:

- earmarked for assets that are "aligned" by definition, in particular in connection with the financing of the ecological transition (e.g. renewable energies, green bonds, etc.) or that meet the EU Taxonomy criteria;
- related to counterparties that have themselves set decarbonisation targets in line with the Paris Agreement;

- part of a portfolio for which an aligned target has been set according to a recognised methodology and, where possible, validated by a third party (see note on methodology in Appendix A2).

At 31 December 2023, this alignment indicator stood at 87%, based on a total asset value within the reporting scope covered by article 29 of €287 billion.

Scope of article 29 of the French Energy and Climate Act: Proportion of investor assets aligned with a 1.5°C scenario or covered by decarbonisation targets aligned with the objectives of the Paris Agreement⁽¹⁾	Situation as of 31 December 2023
	Investments (€bn)
<i>NB: the data presented below is also included in the Group's corporate purpose indicator (see Social Responsibility Report, in French only)</i>	
Total financial assets ⁵⁴	287
Value of portfolios covered by decarbonisation targets aligned with the objectives of the Paris Agreement	79
Value of assets whose counterparties have set decarbonisation targets aligned with the objectives of the Paris Agreement	167
Value of aligned assets (green assets, assets supporting the ecological transformation)	3
Total assets aligned with or covered by targets aligned with the objectives of the Paris Agreement	249
Proportion of assets aligned with or covered by targets aligned with the objectives of the Paris Agreement within the scope of the CDC Group activities covered by article 29 of the French Energy and Climate Act	87%

(1) See details on the methodology used in the methodological appendix to this report.

6.3.3. Green and sustainability bond issues

With an initial issue of green bonds in 2017 followed by issues of sustainability bonds every year since 2019 and two issues of sustainability bonds carried out in 2023, Caisse des Dépôts is a recurring issuer on the sustainable debt market.

Through these issues, the Group aims to contribute to structuring the sustainable finance market and promoting best practices.

The challenge now is to maintain a regular presence in this market, and the Group's ambition is to issue €1 billion a year in green, social or sustainability bonds.

Caisse des Dépôts' green and sustainability bonds aim to deliver additionality for the three priorities the Group has set for the coming years: the ecological transformation; energy, industrial, digital and financial sovereignty; and regional and social cohesion.

The assets backed by the issues are selected based on Caisse des Dépôts' investment expertise, with a focus on the following:

- equity and quasi-equity investments, loans, bonds and mezzanine financing;

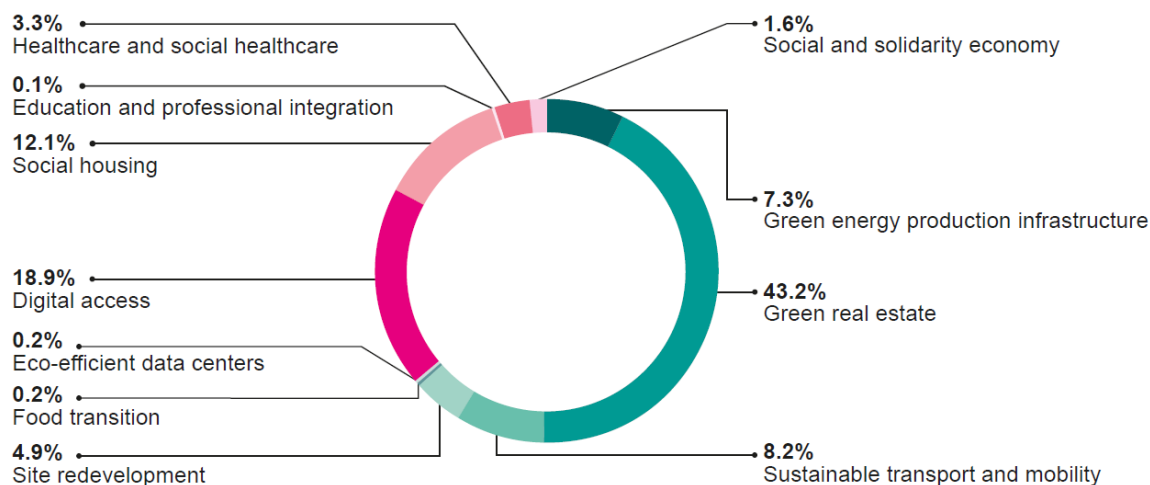
- regional projects in France that are not subject to any claims, have all the necessary authorisations and permits, and are not involved in any controversies following impact studies;
- generating a balanced distribution between: (i) financing and refinancing and (ii) future projects and projects in operation.

Caisse des Dépôts closely monitors all regulatory and practical developments in green and sustainable finance. It aims to align itself, wherever possible, with the requirements of the EU Taxonomy for green and sustainable finance.

In line with the commitments it has set itself in terms of transparency and exemplary conduct in its Green, Social and Sustainability Bond Framework, Caisse des Dépôts provides investors with an exhaustive list of eligible projects by name prior to the execution of each bond transaction and publishes an annual aggregate report presenting: (i) a statement attesting to the appropriate allocation of funds, (ii) certificates stating the projects' compliance with the eligibility criteria and (iii) the environmental and social performance and impact indicators relevant to the projects.

⁵⁴ Alignment indicator calculated based on the total financial assets of the Asset Management division, Banque des Territoires' investment activities and Management of Strategic Investments division without taking into account short-term rates (credit) and Asset Management's current accounts, which represent a total of €18 billion.

Amounts allocated by type of asset (%)



	Sustainability bond (2019)	Sustainability bond (2020)	Sustainability bond (2021)	Sustainability bond (2022)	Sustainability bond (May 2023)	Sustainability bond (October 2023)
ISIN	FR0013426426	FR0013534443	FR0014003RL9	FR001400DCH4	FR001400I3M4	FR001400LFC1
Format	EMTN	EMTN	EMTN	EMTN	EMTN	EMTN
Rating	Aa2 (Moody's)/AA (S&P)	Aa2 (Moody's)/AA (S&P)	Aa2 (Moody's)/AA (S&P)	Aa2 (Moody's)/AA (S&P)	Aa2 (Moody's)/AA (S&P)	Aa2 (Moody's)/AA (S&P)
Amount	€500m	€500m	€500m	€500m	€500m	€500m
Transaction date	12.06.2019	08.09.2020	25.05.2021	12.10.2022	23.05.2023	11.10.2023
Settlement date	19.06.2019	15.09.2020	01.06.2021	19.10.2022	31.05.2023	18.10.2023
Maturity date	19.06.2024	15.09.2025	01.06.2026	25.11.2027	25.05.2028	25.11.2030
Annual coupon	0.00%	0.01%	0.01%	3.00%	3.102%	3.387%

6.3.4. Climate Change Adaptation Action Plan

Climate change adaptation is the process of adjusting to current and expected climate change and its effects.

To manage the physical risks linked to climate change, in 2022, the Group launched its [Climate Change Adaptation Action Plan](#) (in French only), which was [updated in 2024](#). The plan is in the process of being rolled out by asset class and business, which will be completed by the end of 2025. Overseen by the Group's Sustainable Development Policy department, the Adaptation Action Plan aims to:

- integrate climate change adaptation for new assets;
- increase the climate change resilience of existing portfolio activities;

- ensure monitoring of risks and adaptation in management processes.

The Group's investors are therefore committed to:

- assessing the physical risks of the assets held in the portfolio before making an investment decision;
- mobilising, by asset class, the levers available to them to reduce the risks identified;
- monitoring changes in these risks over time and the level of adaptation of the assets and companies in which they invest.

The action plan, broken down by asset class, is described in the table below:

Adaptation Action Plan

Year	Action
2023	<p>Physical risk analysis for all portfolios.</p> <p>Equities and corporate bonds: the main levers identified for portfolio managers are qualitative analysis of the physical risks facing invested companies and their adaptation policies, as well as shareholder dialogue with companies considered high-risk.</p> <p>Real estate (CDC Investissement Immobilier): assets under management have been subject to risk analysis and adaptation measures since 2023.</p> <p>Banque des Territoires: climate change adaptation has begun to be incorporated into the management of invested real estate and infrastructure assets (non-controlling interests).</p> <p>Forestry assets held by Caisse des Dépôts and managed by Société Forestière: 100% of assets are subject to adaptation measures.</p> <p>Management of Strategic Investments: training in shareholder dialogue on adaptation for directors representing the Group.</p>
2024	<p>Real estate: systematisation of physical risks analysis before investment decisions are taken.</p> <p>Equities and corporate bonds: companies in highly vulnerable sectors presenting a Say on Climate resolution at their shareholders' meeting will be the subject of a qualitative analysis and Caisse des Dépôts will enter into dialogue with those that do not have a satisfactory risk study or adaptation plan.</p> <p>Management of Strategic Investments: annual monitoring of adaptation policies for subsidiaries and holdings by the Board of Directors.</p>
2025	<p>Adaptation will be included in this year's plan for shareholder engagement on climate.</p> <p>Sovereign bonds: a score for the level of adaptation will gradually be consolidated into the ESG score of issuers.</p> <p>Banque des Territoires: for the largest assets, for which the ownership percentage exceeds 20%, dialogue will be held with the developers/operators to improve knowledge of these risks and consider the adaptation measures to be taken.</p>

6.3.4.1. Asset Management division outcomes

This year, the Asset Management division measured the proportion of assets covered by an adaptation approach for making investment decisions and for stock monitoring purposes.

- 76% of assets are covered by an adaptation approach (sovereigns, direct real estate and forestry) for taking investment decisions;

- 60% of assets are covered by an adaptation approach (sovereigns, direct real estate and forestry) for monitoring portfolio assets.

6.3.5. Climate funds: review of the *Objectif Climat* market initiative

At the end of 2019, CDC's asset management teams launched the *Objectif Climat* (Climate Objective) initiative with the aim of developing innovative non-financial management methods for alignment with the objectives of the Paris Agreement. CDC's asset management teams worked together with 11 French institutional investors to deploy three investment funds dedicated to climate issues over a three-year period: two equity funds and one bond fund classified as article 8 and article 9 funds, based on three different methodologies. They benefited from the expertise of climate specialists Anna Creti (Université Paris Dauphine) and Michel Cardona (I4CE) to help them carry out their work and contribute scientific insight to the financial analysis.

These three funds represent **€689 million in assets under management at the end of 2023**.

Three years after the creation of these funds, CDC and the 11 investors published a report on their findings. The working groups brought together CDC fund management, investors and management companies with the aim of comparing three methodologies: Paris Aligned Benchmark (PAB), Net Environmental Contribution (NEC) and the internal methodology proprietary to the bond fund and representative of the real European economy.

The asset management teams were able to obtain data on the companies in which their funds have invested. The Asset Management division was involved in calculating the expected metrics for the three funds, including carbon footprint, brown/green share of assets, alignment with the EU Taxonomy, number of SBTi-approved companies and portfolio temperature test. In addition, to limit the biases associated with market variations, the theoretical quarterly carbon footprint of the portfolios was calculated as if no portfolio rotation had taken place during the analysis period, by calculating attribution effects only. The carbon footprint for Scopes 1 and 2 was presented separately from that for Scope 3. In the light of the positive assessment made at the end of this first period, the investors decided to extend the initiative by asking the management companies to reinforce the environmental criteria and the commitment to the invested companies for each of the three funds.

New investors will join the initiative in 2024 to reinforce the work of the existing experts. Their work will focus on standardised common reporting with a view to publishing a report resulting from this unique partnership between institutional investors, academic researchers and management companies. A final assessment will be issued at the end of the six-year collaboration.

6.4

Financing the ecological transformation

The Caisse des Dépôts Group committed to dedicating €60 billion to financing and investing in the ecological transformation over the 2020-2024

period. This target was exceeded in 2023, with nearly €80 billion deployed.

Breakdown by sector/operational scope of investment activities' contribution to the Group's ecological transformation objectives Scope covered by article 29

	% 2023	Amount committed/invested (€m)	
		2023	2020-2023
Banque des Territoires' investment activities	34.9%	1,415.43	4297
Real estate (new build with certification)	1.37%	56	414
Energy (including renewable energy)	23.40%	950	2309
Low-carbon transport	9.18%	373	1122
Water/Biodiversity/Circular economy	0.83%	34	450
Other (e.g. brownfield sites)	0.07%	3	3
Asset Management division	65.1%	2,645	8,904
Real estate (new construction with high environmental performance and energy renovation)	4.91%	200	1214
Water/Biodiversity (forests)/Circular economy	2.73%	111	208
Other (e.g. green bonds)	57.50%	2,335	6,672
Total	100.00%	4,060	12,391

The Asset Management division and Banque des Territoires will contribute directly to the Group-level target of €60 billion in ecological and energy transition (EET) flows over the 2020-2024 period set by the CDC Group, and to the new target of €100 billion over the 2024-2028 period. The contribution of the Group's financial subsidiaries (which form part of the Asset Management portfolio) is consolidated outside the scope of article 29.

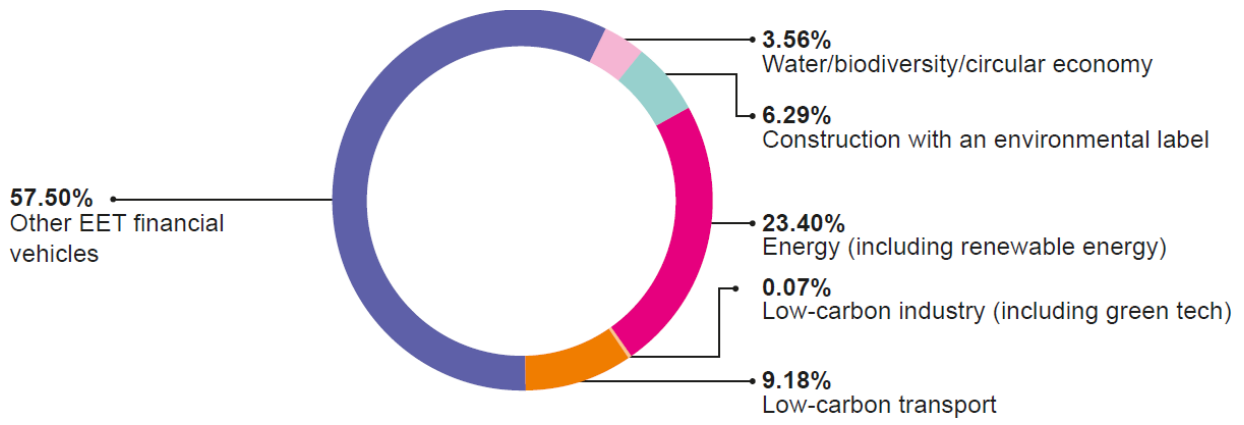
The overall contribution of the Asset Management division and Banque des Territoires (investment activities) over the 2020-2023 period amounted to €12.4 billion, i.e. 16% of the Group total (€79.6 billion). Asset Management green bonds accounted for a significant proportion of these flows (57.5%).

To ensure that assets underlying bonds contribute to the ecological transformation, Asset Management set up a green bond review committee in 2023.

In addition, the Asset Management division has developed an internal methodology based on information from two separate data providers and the EU Taxonomy. A watch list is in place for Asset Management green bonds. In the event of non-compliance with the criteria set, the green bonds may be downgraded to standard bonds. Certain limitations have nevertheless been identified, including the still incomplete coverage of the green bonds analysed. The Asset Management division has also carried out additional in-depth research on each security, using the most up-to-date information provided by the issuer.

For Banque des Territoires, contributions are measured and monitored by systematically analysing real assets and their level of contribution to the objectives identified as priorities in the Group's strategy. Investment activity in the energy sector (23.4%) and low-carbon transport (9.2%) remain the primary areas of investment contributing to the ecological transformation.

Amounts allocated by type of asset (%)



7. Strategy for alignment with long-term biodiversity goals

The Caisse des Dépôts Group
31 December 2023

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7.1

Strategy for alignment and contribution to the international objectives of the Convention on Biological Diversity

7.1.1. Inclusion of biodiversity in the investment policy

In 2022, the Group adopted a biodiversity policy covering all its activities – financial and non-financial, as well as internal operations – and including the topics of water and the circular economy, taking care to address as far as possible the five major pressures on nature, as defined in 2019 by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES): land-use change, pollution, natural resource use and exploitation, climate change and invasive species.

Published for the COP 15 biodiversity conference in Montreal, the Group's biodiversity policy is structured around four key areas:

1. Measuring its biodiversity footprint
2. Reducing direct and indirect negative impacts on biodiversity
3. Increasing its positive impacts on biodiversity
4. Supporting research and training, in particular through financing provided by Banque des Territoires to the Economy and Biodiversity mission led by CDC Biodiversité (€7.9 million over 2020-2024), as well as through programmes run by the CDC Institute for Research and Société Forestière

The Group's financial business lines are also contributing to collective initiatives in the financial sector in support of nature as signatories to the Finance for Biodiversity Pledge.

Several of the commitments made as part of the Group's biodiversity policy are in line with international objectives to protect biodiversity. In particular, the Group contributes to some of the targets of the Kunming-Montreal Global Biodiversity Framework adopted following the COP 15 negotiations, as outlined in the table below:

Kunming-Montreal Global Targets (COP 15)	Biodiversity policy contributions
<p>Target 1 “[...] bring the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, close to zero by 2030, while respecting the rights of indigenous peoples and local communities.”</p>	<ul style="list-style-type: none"> • Exclusion of activities that have too great an impact on sensitive areas, including the Natura 2000 network, UNESCO World Heritage sites and key biodiversity areas, as well as other protected areas. • Sustainable forest management. • Dialogue and exclusions linked to deforestation. • Definition by La Banque Postale of a biodiversity indicator related to land artificialisation in the Impact Weighting Factor for property loans.
<p>Target 2 “Ensure that by 2030 at least 30 percent of areas of degraded terrestrial, inland water, and coastal and marine ecosystems are under effective restoration, in order to enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity.”</p>	<ul style="list-style-type: none"> • Financing directed by Banque des Territoires towards ecological restoration projects (such as objectives for limiting land take, nature-based solutions, and preservation of the quality and quantity of water resources). • Participation in the Nature 2050 programme, which aims to preserve and restore biodiversity in France’s regions through the implementation of nature-based solutions by 2050.
<p>Target 5 “Ensure that the use, harvesting and trade of wild species is sustainable, safe and legal, preventing overexploitation, minimising impacts on non-target species and ecosystems, and reducing the risk of pathogen spill-over, applying the ecosystem approach, while respecting and protecting customary sustainable use by indigenous peoples and local communities.”</p>	<ul style="list-style-type: none"> • Exclusion of activities that do not comply with CITES principles. • Shareholder dialogue on the topic of responsible fisheries and aquaculture products with the fishing, catering, food and distribution sectors.
<p>Target 6 “[...] reducing the rates of introduction and establishment of other known or potential invasive alien species by at least 50 percent, by 2030 [...]”</p>	<ul style="list-style-type: none"> • Shareholder dialogue on reducing the risks of introducing invasive alien species. • Forestry practices dedicated to this issue for forests managed and owned by the Group.
<p>Target 7 “Reduce pollution risks and the negative impact of pollution from all sources, by 2030, to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects, including: reducing excess nutrients lost to the environment by at least half including through more efficient nutrient cycling and use; reducing the overall risk from pesticides and highly hazardous chemicals by at least half including through integrated pest management, based on science, taking into account food security and livelihoods; and also preventing, reducing, and working towards eliminating plastic pollution.”</p>	<ul style="list-style-type: none"> • Exclusion of companies with more than 20% of revenue dependent on pesticides starting from the end of 2023. • Shareholder dialogue with companies to reduce the use of pesticides and chemical fertilisers. • Dialogue to address the issue of plastic and light pollution, where applicable. • Shareholder dialogue with companies to reduce negative impacts, including plastic pollution.
<p>Target 8 “Minimise the impact of climate change and ocean acidification on biodiversity and increase its resilience through mitigation, adaptation, and disaster risk reduction actions, including through nature-based solution and/or ecosystem-based approaches, while minimizing negative and fostering positive impacts of climate action on biodiversity.”</p>	<ul style="list-style-type: none"> • A climate policy and sector-specific policies for fossil fuels and transport. • Diverse use of nature-based solutions (e.g. provided for in the “nature” financing budget of Banque des Territoires: nature in cities, ecological restoration and rewilding).

Kunming-Montreal Global Targets (COP 15)	Biodiversity policy contributions
<p>Target 10 “Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the application of biodiversity friendly practices, such as sustainable intensification, agroecological and other innovative approaches contributing to the resilience and long-term efficiency and productivity of these production systems and to food security, conserving and restoring biodiversity and maintaining nature’s contributions to people, including ecosystem functions and services.”</p>	<ul style="list-style-type: none"> • Adoption of sustainable management practices for the Group's forestry assets, and promotion of these best practices by Société Forestière for its other institutional and private customers. • Shareholder dialogue to increase the proportion of agroecological products. • Investment by Banque des Territoires in initiatives supporting the ecological transformation of the agricultural sector (Terre de Liens: €6 million invested/8,000 hectares acquired and farmed organically).
<p>Target 11 “Restore, maintain and enhance nature’s contributions to people, including ecosystem functions and services, such as regulation of air, water, and climate, soil health, pollination and reduction of disease risk, as well as protection from natural hazards and disasters, through nature-based solutions and/or ecosystem-based approaches for the benefit of all people and nature.”</p>	<ul style="list-style-type: none"> • Financing and deployment of nature-based solutions by various Group entities (including Banque des Territoires). • Nature 2050 programme run by CDC Biodiversité. • STOA aims to fund one or two nature-based solution pilot projects. • Participation by CNP Assurances and La Banque Postale in the Nature Impact Fund managed by the WWF with the objective of conserving French forest ecosystems.
<p>Target 12 “Significantly increase the area and quality and connectivity of, access to, and benefits from green and blue spaces in urban and densely populated areas sustainably, by mainstreaming the conservation and sustainable use of biodiversity, and ensure biodiversity-inclusive urban planning, enhancing native biodiversity, ecological connectivity and integrity, and improving human health and well-being and connection to nature and contributing to inclusive and sustainable urbanisation and the provision of ecosystem functions and services.”</p>	<ul style="list-style-type: none"> • Participation by Banque des Territoires in the Ginkgo Fund (an investment platform dedicated to sustainable urban regeneration in Europe), which aims to strengthen climate resilience and promote biodiversity through brownfield site remediation.
<p>Target 15 “Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions:</p> <p>(a) (a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains and portfolios”.</p>	<ul style="list-style-type: none"> • Goal of measuring the biodiversity footprint (in intensity or absolute terms) of Group entities, particularly financial entities. • Development of footprint measurement tools by the CDC Biodiversité subsidiary, particularly for financial institutions. • Global shareholder dialogue: counterparties of the Group's financial business engaged on biodiversity issues and encouraged to disclose their impacts, dependencies, risks and opportunities (IDROs) linked to nature.
<p>Target 16 “[...] by 2030, reduce the global footprint of consumption in an equitable manner, halve global food waste, significantly reduce overconsumption and substantially reduce waste generation [...]”.</p>	<ul style="list-style-type: none"> • Promoting energy efficiency and the circular economy as Group-wide principles. • Shareholder dialogue to promote the circular economy and the economical use of resources. • Direct contributions and dedicated funding for the various pillars of the circular economy.

Kunming-Montreal Global Targets (COP 15)	Biodiversity policy contributions
<p>Target 19 “[...] by 2030 mobilising at least 200 billion United States dollars per year, including by: (a) Increasing total biodiversity-related international financial resources [...] to developing countries [...] to at least US\$ 20 billion per year by 2025, and to at least US\$ 30 billion per year by 2030 [...]”.</p>	<ul style="list-style-type: none"> • Dedicated financing (investments and loans) from various entities mentioned in the policy (including Banque des Territoires): €4.7 billion dedicated to biodiversity, water and the circular economy from 2020 to 2023 and €6 billion to be allocated to these issues from 2024 to 2028.

7.1.2. Exclusion policy

As part of the Group's biodiversity policy, the Asset Management division, Banque des Territoires and Management of Strategic Investments division have committed to exclude from their portfolios all companies generating 20% or more of their revenues from the sale or production of pesticides. This commitment has been fulfilled to date for the Asset Management and Management of Strategic Investments divisions and is currently being verified for Banque des Territoires.

The Group's financial businesses have similarly undertaken, subject to data availability, to exclude from their investment and financing activities producers and traders of agricultural commodities with a high biodiversity risk (soy, palm, rubber, cocoa, coffee, livestock and timber) unless they have implemented a recognised policy to prevent deforestation. This commitment has been

implemented by the Asset Management division for commodities for which data is available (soy, palm, livestock and timber). The acquisition of more comprehensive databases (such as Forest IQ, developed by the British NGO Global Canopy) for rubber, cocoa and coffee.

Lastly, the Group expects the companies it finances or in which it invests to pay particular attention to sensitive areas⁵⁵ by excluding operations that have the greatest impact on these sites. This principle also guides investment in physical assets. Compliance with this commitment is not easy due to the lack of robust data linking an asset in the portfolio to its location in sensitive areas. Some entities should be able to meet this commitment by purchasing databases in 2024. Others are looking at other solutions to enable them to effectively comply.

7.1.3. Policy for shareholder engagement in the area of biodiversity

As part of their shareholder dialogue, the Group's investor business lines are committed to helping portfolio companies reduce their impact on forest ecosystems and soil.

In this respect, the Group expects the companies it finances or invests in to:

⁵⁵ These include Natura 2000 areas in Europe, key biodiversity areas, areas designated as UNESCO Natural World Heritage sites, and the IUCN red and green lists.

- ensure that their operations do not contribute directly to deforestation, and reduce their impact and offset impacts that they are unable to reduce;
- adopt zero deforestation policies in their value chains when concerned by the various commodities linked with high deforestation risk (same list as the exclusion commitment explained above).

The Group also supports the companies in which it invests in achieving the “zero net artificialisation” objective by promoting solutions to limit land take.

More generally, the Group’s investor business lines are committed to translating the Group’s policy into their internal guidelines by adopting a policy for shareholder engagement on biodiversity issues. This involves addressing specific issues (such as plastic pollution, noise or light pollution, over-exploitation of natural resources, and invasive alien species) during exchanges with their counterparties depending on their business sectors and the challenges they face as part of their ecological transformation.

See [Section 4.3.1](#) for more information on the outcomes of shareholder dialogue.

7.1.4. Investments in support of biodiversity

For Banque des Territoires, investment in support of biodiversity is first and foremost focused on responsible development that limits land take. This approach, aimed at preparing to make the transition to the investments of the future, will involve selectively the most favourable projects based on the criterion of artificialisation.

Banque des Territoires has set aside an investment portfolio of €10 million over a two-year period (2023-2024) to invest in:

- local carbon cooperatives that bring together carbon sequestration projects based on biodiversity restoration initiatives (Coopérative Carbone de Paris and Coopérative Carbone de Poitou Charente);
- a land piggybacking vehicle, which will acquire land in France that can be leased to biodiversity offset operators;
- corporate ventures dedicated to the concept of living capital, on a case-by-case basis, depending on opportunities.

Banque des Territoires’ investments also contribute to the preservation of biodiversity through its offers in support of the agricultural and food transition (organic farming) and the circular economy (ocean, the fight against single-use plastic, etc.).

Banque des Territoires offers regional development services focused on the implementation of projects, as part of the Advise-Finance-Operate value chain, resulting in a range of complementary services. For example:

- the launch of a plan to support regions in dealing with the consequences of climate change (see Chapter V – Taking climate risks into account): a development budget of €100 million can be mobilised to support local and regional players in implementing the transition in terms of development, infrastructure, buildings and nature protection, in three priority areas: coastal, mountain and urban;
- the launch of a plan to support regions in their efforts to reduce land take: a budget of €70 million can be mobilised to support sustainable land management strategies aimed at optimising the use of land to help combat the artificialisation of land, support projects to redevelop existing sites (brownfield sites, reversibility, etc.) and support the restoration of environments, compensation or renaturation.

7.1.5. Participation in investor coalition Nature Action 100

Given the complexity of the financial sector's response to the biodiversity challenge, the Group and its subsidiaries have joined numerous collective industry initiatives in favour of nature. The Group's investor business lines have joined the Nature Action 100 international coalition led by CERES and the Institutional Investors Group on Climate Change (IIGCC), supported by the expertise of Finance for Biodiversity and Planet Tracker. This initiative, announced in December 2022 in conjunction with COP 15, was officially launched in the last quarter of 2023.

The coalition's aim is to:

- amplify the voice of investors by formulating clear, high-level expectations for companies;
- focus efforts on sectors, regions and companies that have an impact on nature loss;
- inform and support commitments between participating investors and Nature Action 100 companies;
- track companies' progress against the main benchmark indicators and provide annual updates on progress made.

The Public Institution's asset managers joined the ranks of investors in this coalition from the outset, which aims to engage with 100 companies from eight key sectors, i.e., those with the greatest impact on nature.

7.1.6. Financial support for the *Mission Économie de la Biodiversité* (MEB)

Banque des Territoires provides significant financial support to the *Mission Économie de la Biodiversité* (MEB) initiative through a multi-year partnership agreement. Led by CDC Biodiversité, MEB publishes applied research on issues relating to the reconciliation of economic development and biodiversity.

Banque des Territoires also coordinates the agreement signed between Caisse des Dépôts and the French biodiversity agency (*Office français de la biodiversité* – OFB), which focuses on the preservation and promotion of biodiversity in France, research, and the deployment of ecological restoration initiatives and actions to help regions adapt to climate change through nature-based solutions. One of the challenges of this agreement for Banque des Territoires is to encourage the emergence of more local biodiversity projects through close collaboration with the OFB's regional offices.

Under a grant agreement covering the 2021-2025 period, Banque des Territoires is making a financial contribution to the Nature 2050 programme launched in 2016 by CDC Biodiversité. The

programme is the first to concretely apply the recommendations of the Paris Agreement (COP 21) to all natural, agricultural and forestry areas in France, with the aim of restoring biodiversity in these areas and helping them adapt to climate change. The programme is in line with France's national action plan for climate change. As part of this programme, CDC Biodiversité has made the following commitment: €5 paid = 1 sq.m of land restored and adapted to climate change until 2050. In terms of financing, Banque des Territoires addresses the issue of biodiversity through two approaches:

- as an external factor inherent in all regional development projects, biodiversity must be taken into account in all projects that Banque des Territoires supports;
- biodiversity is targeted through the development of a range of financing solutions, engineering services and specialised services to support projects whose primary objective is the preservation or restoration of biodiversity.



7.2

Analysing biodiversity risks

See section [8.1.1](#) on risks.

7.3

Measuring the biodiversity footprint

As part of the Group's biodiversity policy, the Public Institution and its subsidiaries have undertaken to

measure the footprint of the Group's financial portfolio by the end of 2024.

7.3.1. Methodology used to measure the biodiversity footprint

The GBS tool developed by CDC Biodiversité, a wholly owned subsidiary of the Caisse des Dépôts Group, is used to analyse the contribution to reducing the main pressures and impacts on biodiversity defined by the IPBES⁵⁶. The BIA-GBS database for listed assets, which was co-developed with Carbon4 Finance, is based on the **Global Biodiversity Score** (GBS) methodology.

The Global Biodiversity Score is a unique indicator of a company's biodiversity impact, designed to play the same role for biodiversity as the tonne of CO₂ equivalent (tCO₂e) plays for the climate.

The methodology is based on the Mean Species Abundance (MSA) metric and the IMAGE⁵⁷ and

GLOBIO⁵⁸ models, validated by the IPCC and the Convention on Biological Diversity (CBD).

However, it should be noted that the Global Biodiversity Score does not perfectly cover the five IPBES pressures on the three ecosystems (terrestrial, freshwater and marine). In particular, the marine ecosystem is not covered and the fifth pressure relating to invasive alien species is not covered for any ecosystem. Lastly, the sub-themes of the four pressures covered for terrestrial and freshwater ecosystems are not exhaustive and will be added to as the tool evolves.

⁵⁶ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

⁵⁷ IMAGE (Integrated Model to Assess the Global Environment) is an integrated assessment modelling framework that simulates the environmental consequences of human activities worldwide. It represents interactions between society, the biosphere and the climate system to assess sustainability issues such as climate change, biodiversity and human well-being. The objective of the IMAGE model is to explore the long-term dynamics and impacts of global changes that result from interacting socio-economic and environmental factors.

⁵⁸ GLOBIO (GLObal BIOdiversity model) calculates local terrestrial biodiversity intactness, expressed by the Mean Species Abundance (MSA) indicator, as a function of six human pressures: land use, road disturbance, fragmentation, hunting, atmospheric nitrogen deposition and climate change. The core of the model consists of quantitative pressure-impact relationships that have been established based on extensive terrestrial biodiversity databases. GLOBIO combines the pressure-impact relationships with data on past, present or future pressure levels, typically retrieved from the IMAGE model.

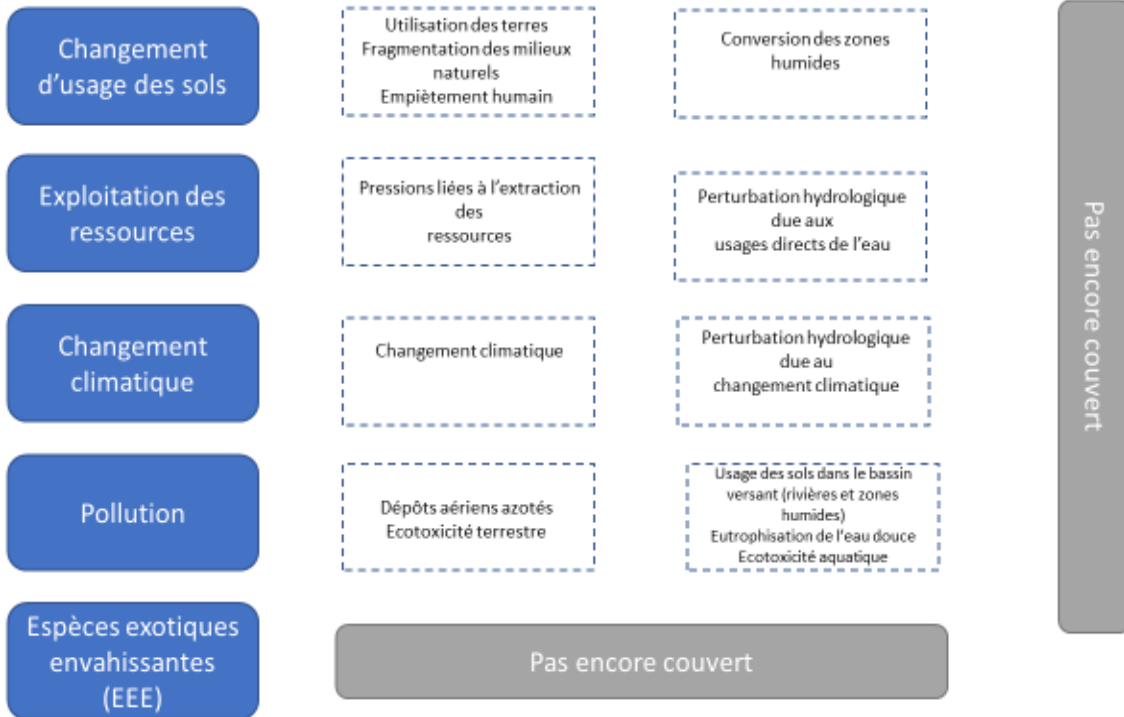


Facteur de pressions

Terrestre

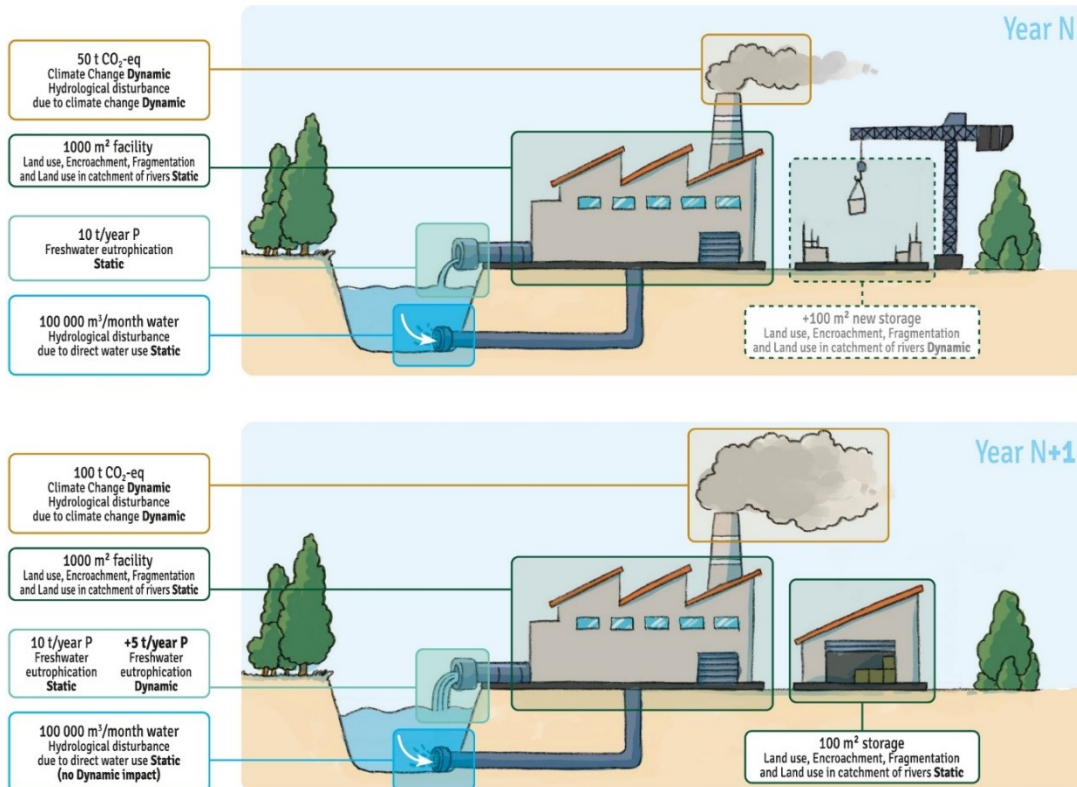
Aquatique

Marin



IPBES (2019)

The GBS accounts separately for static impacts (stocks) and dynamic impacts (flows)



CDC Biodiversité (2021)

The impact is expressed in MSA.sq.m. MSA (Mean Species Abundance) is a metric recognised by the scientific community for measuring the average abundance of species at a given location. The tool uses financial or operational data to estimate the pressures, by breaking down the inputs

used to generate the revenue of the company concerned. It may also use data on pressures reported directly by companies, such as their carbon footprint.

7.3.2. Outcomes

7.3.2.1. Intensity of biodiversity impact in MSA.sq.m per €k of revenue

Result for the Asset Management division and Banque des Territoires (investment activities)

Intensity of biodiversity impact per €k of revenue in MSA.sq.m			
		2022	2023
Asset Management division: Listed equities (direct management) and Credit	Dynamic terrestrial impact	29*	45
	Static terrestrial impact	267*	207
Banque des Territoires' investment activities	Dynamic terrestrial impact	3	-
	Static terrestrial impact	84	-

(*) 31 December 2022 data adjusted.

These results are obtained from the BIA GBS score for the Asset Management division (C4F database for listed assets) and Banque des Territoires (GBS FI for unlisted assets).

Interpretation of the results:

- For Banque des Territoires: to generate €1,000 in revenue, the activities of the organisations financed by Banque des Territoires have a (static) impact on terrestrial biodiversity of 84 MSA.sq.m and create a new (dynamic) impact of 3 MSA.sq.m. This can be compared to the use of an existing 84 sq.m car park and its extension by 3 sq.m during the year per €1,000 of revenue generated.
- For Asset Management: to generate €1,000 in revenue, the activities of the organisations financed by the Asset Management division have a (static) impact on terrestrial biodiversity of 207 MSA.sq.m and create a new (dynamic) impact of 45 MSA.sq.m. This can be compared to the use of an existing 207 sq.m car park and its extension by 45 sq.m during the year €1,000

of revenue generated. Annual variations are significant. At this stage, they reflect methodological developments and impact factors attributed to companies by the service provider used by the Asset Management division. It is important to remember that the measurement of the biodiversity footprint is still a recent exercise and that the tools need to be developed further. For example, some pressures are not covered (e.g. invasive alien species), while others are only partially covered (e.g. pollution). It is also important to note that most of the data used in the calculations consist of estimated sector data, and not data from the companies themselves. For these reasons, Caisse des Dépôts believes that it is impossible at this stage to set a reduction target based on this type of measurement tool.

- For the Asset Management portfolio, the initial data should be published as part of 2024 reporting, pending the deployment of this type of tool by the Group's entities and depending on the data available, in line with the objective set by the Group's biodiversity policy.

7.3.2.2. Intensity of biodiversity impact in MSA.sq.m per €k of revenue

Sovereign debt	31 December 2023
Dynamic terrestrial impact	2
Static terrestrial impact	269

To generate €1,000 of GDP, the activities of sovereign, supranational and agency issuers (SSAs) financed by Asset Management have a (static) impact on terrestrial biodiversity of 269 MSA.sq.m and create a new (dynamic) impact of 2 MSA.sq.m. When applied to artificialisation, this is comparable to the use of an existing 269 sq.m car

park and its extension by 2 sq.m during the year per €1,000 of GDP generated by the SSA issuers financed by Asset Management.

This data is published for the first time in this report.

8. Incorporating environmental, social and governance quality criteria into risk management

The Caisse des Dépôts Group
31 December 2023

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8.1

Definition of ESG risks and dedicated governance

Since 2022, the Caisse des Dépôts Group has given priority to working on climate risks – the ESG risks that are attracting the most attention

from the regulator, and on which extensive research, data and analyses already exist.

8.1.1. Environmental risks (climate and biodiversity)

8.1.1.1. Climate risks

There are two main categories of climate risk:

- physical risks correspond to the risk of financial loss caused by the occurrence of extreme climate events (e.g., heatwaves, floods, storms, droughts) or by the consequences of gradual climate change (e.g., rising sea levels, changes in rainfall patterns). These risks require the Group to analyse the exposure and vulnerability of economic players and activities to future climate conditions.
- transition risks represent the risk of financial loss caused by the transition to a low-carbon economy. These may take the form of tax incentives (e.g., carbon tax, emissions quota trading scheme), sector-specific regulations (e.g., ban on the sale of new internal combustion vehicles from 2035) or changes in consumer preferences. These risks require the Group to analyse the greenhouse gas emissions profile and decarbonisation commitments of economic players and activities.

All asset classes and all counterparty types are potentially affected, with the risks being transmitted via different channels, as shown in the table below.

Analysis of climate risk transmission channels

Asset class	Transition risks	Physical risks
Corporates	<ul style="list-style-type: none"> • Increase in the production costs and operating expenses of companies whose business model is based on high-emission inputs or whose activity is highly energy-intensive (carbon tax) • Decrease in 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 highest emitting sectors • Increase in financing costs for companies with high emissions • Increase in investment to reduce emissions in the production process • Increase in R&D expenditure to support the transition • Increase in expenditure to support employees in the transition (training) 	<ul style="list-style-type: none"> • Destruction of key assets of the company or its value chain (customers and suppliers) leading to production interruption, lower revenues and higher costs, impacting its profitability and its ability to generate cash flow • New investment required to replace damaged assets, generating additional debt, or to adapt them to new climate conditions • Increase in insurance costs • Increase in financing costs for businesses or companies in their value chain located in areas exposed to extreme weather events
Sovereign bonds	<ul style="list-style-type: none"> • Decrease in tax revenue and foreign currency inflows linked to the decline of emission-intensive industries • Increase in capital expenditure to adapt infrastructure to a low-carbon trajectory • Increase in expenditure to support industries in their transition to low-carbon technologies (R&D) • Increase in expenditure to support populations made vulnerable by the low-carbon transition (social assistance, vocational training, etc.) 	<ul style="list-style-type: none"> • Decrease in tax revenue due to disruption of supply chains and economic activity and industries particularly exposed to weather events (agriculture, tourism) • Increase in expenditure to cover damage (role of insurer of last resort) and to invest the necessary funds to rebuild destroyed assets or adapt them to new climate conditions • Increase in expenditure to maintain the supply of energy and food to avoid social risks • Increase in the cost of maintaining and operating public infrastructure
Real estate assets	<ul style="list-style-type: none"> • Increase in capital expenditure to bring real estate assets up to standard • Decrease in income linked to the ban on renting real estate assets with poor energy performance • Decrease in value of assets with poor energy performance 	<ul style="list-style-type: none"> • Stranded assets due to climate disasters – loss of value • Increase in maintenance costs following damage • Increase in costs to adapt assets
Infrastructure	<ul style="list-style-type: none"> • Decrease in profitability due to higher energy prices • Increase in investment to reduce emissions in the production process • 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 less emissions-intensive infrastructure 	<ul style="list-style-type: none"> • Stranded assets due to climate disasters – loss of value • Increase in maintenance costs following damage • Increase in costs to adapt assets • Decrease in profitability due to changes in climate conditions (e.g., hydroelectricity)

8.1.1.2. Nature risks

There are two main categories of nature risk:

- physical risks: these are the risks of financial losses caused by the disruption of ecosystem services on which economic players are dependent (collapse of their diversity or productivity) or of their transformation in the long term. The Group must therefore analyse the dependency of the economic player or economic activity on nature;
- transition risks: these are the risks of financial losses linked to the consequences of the

transition to a nature-“positive” economy, related to changes in regulations (e.g., the discontinuation of subsidies for activities that are harmful to nature, regulations on water quality or access, establishment of protected areas, measures to prevent deforestation), the market (changes in consumer preferences), and reputation. The Group must therefore analyse the impact of the economic player or activity on nature.

8.1.2. Other ESG risks

Social and societal risks

Social risks are all the issues likely to have a negative impact on an entity’s financial performance. There are many social factors to take into account, such as human rights, the well-being and interests of individuals and communities, the fight against inequality, health, inclusion, working relationships, occupational health and safety, and human capital.

Governance risks

Governance risks are defined as all issues relating to measures, rules and decision-making, information and supervisory bodies that could have a negative impact on an entity’s financial performance. They cover subjects such as executive remuneration, audit, internal control, tax evasion, independence of the Board of Directors, shareholders’ rights, corruption and any other compliance issues, as well as the way in which companies and entities incorporate environmental and social factors into their policies and procedures.

8.1.3. ESG risk governance and roadmap

A dedicated ESG Risk Steering Committee was set up in 2022 to manage ESG risks. Its role is to define the roadmap for measuring and managing ESG risks, approve the development of tools for measuring these risks and ensure that they are implemented internally. This multi-year roadmap is based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), which focuses on integrating climate risks into governance, strategy and risk management. The TCFD plans to carry out further work on measuring biodiversity risks in 2024.

The committee meets quarterly and is jointly led by the Group's cross-functional Risk Management

division and the Sustainable Policy division. It brings together the various divisions of the Public Institution.

Interaction with the subsidiaries takes place through the ESG risk network, which is managed by the Group's cross-functional Risk Management division. These meetings provide an opportunity to discuss the progress made and the methodological difficulties encountered. The work of the Oversight Committee is presented at least annually to the Executive Committee, the Audit and Risk Committee and the Supervisory Board.

8.2

Incorporating ESG risks into the Group's risk map

The Group's risk map is a financial and operational risk management tool used to identify and evaluate all of the significant risks faced by the Caisse des Dépôts Group and the entities which are consolidated for accounting and solvency reporting purposes given its structure and its activity. In 2022, all of the environmental, social and governance risks presented in the non-financial information statement (NFIS) were included in the risk map, making them easier to manage. The decision was made not to create a separate NFIS risk category but to allocate such risks across the risk categories

present in the Group's risk map: strategic and business risks, organisational and governance risks, operational risks and compliance risks. However, two new risk categories were created within strategic and business risks: (i) risks related to the ecological and climate transition, which could lead in particular to financial risks, (ii) societal risks, defined as the risk of failing to incorporate social issues and respect for human rights into the entity's strategy, which may lead to reputational and financial risks.

8.2.1. Rating method

The CDC Group's risk map is updated annually. The methodology used by the Group Risk Management division to rate risks combines two approaches:

- a bottom-up approach: each entity assesses all its major risks, according to its own risk map as approved by its governance bodies, by cross-referencing impact and probability of occurrence. All the risks reported by the subsidiaries and by the Public Institution's divisions are consolidated by the Risk Management division;

- a top-down approach: the results are reviewed by the owners of the different risk areas (the business lines with an overall view of these risks) to refine their risk rating. The views of Executive Committee members are also taken into account when updating the Group's strategic risk assessment.

The Group risk map classifies risks according to their gross and net criticality, taking into account the risk management systems in place.

8.2.2. 2023 rating results and associated risk management system

The risks associated with the ecological and climate transition, which include climate risks and biodiversity risks, are classified as a major risk (net risk). The risk management system includes various policies. In 2023, the Group adopted a climate risk policy that applies to Caisse des Dépôts and its financial subsidiaries (BPI, LPB and Sfil). The aim of this policy is to establish a general framework for managing the risks arising from climate change and to contribute to the ecological transformation of the Public Institution and the regulated financial entities.

The Group has also implemented climate and biodiversity policies, as well as sector-based policies on fossil fuels, real estate, transport and an adaptation action plan, which help to reduce the Group's exposure to climate risks. Several initiatives have been carried out within the Public Institution to estimate and reduce these risks: the creation of a dedicated team within the Risk Management division, the development of a climate risk rating tool, the development of an ESG analysis

framework for projects presented to the Investment Approvals Committee, the inclusion of transition risk indicators in the risk appetite framework, an initial study on exposure to biodiversity risks, and exploratory climate stress tests.

Societal risk is classified as a moderate risk (net risk).

Although a formal policy is not yet in place for this risk at Group level, it is taken into account thanks to the following measure: the increasing inclusion of ESG issues in decision-making processes, through ESG rating frameworks for all projects submitted to the Investment Approvals Committee (by subsidiaries or business lines), the ESG analysis of Banque des Territoires' investment activities, the evaluation of societal risks in lending decisions at Sfil, and the existence of a process for monitoring social controversies in some of the Group's financial entities.

8.3

Measuring climate risks

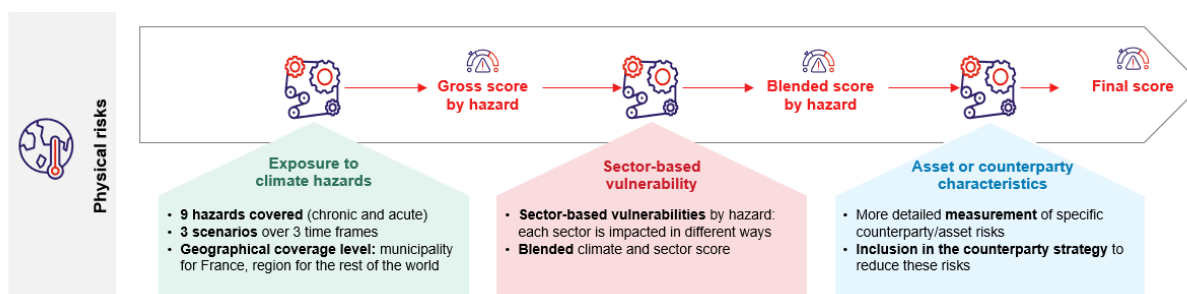
In 2023, the work of the ESG Risk Steering Committee focused on producing a tool for measuring the climate risks faced by

the Public Institution. It has been made available to subsidiaries wishing to use it.

8.3.1. Methodologies

In 2023, the Group Risk Management, Finance and Sustainable Policy divisions developed a climate risk rating tool that can be used both for the Public Institution's portfolio and for new financing and investments.

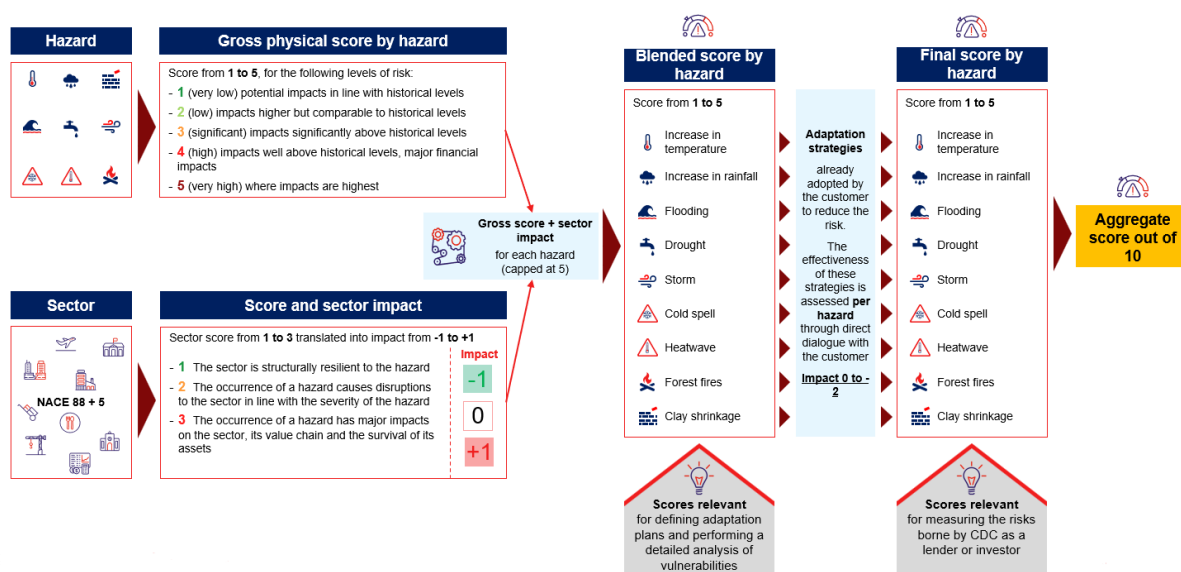
For physical risks, the analysis takes place in three stages:



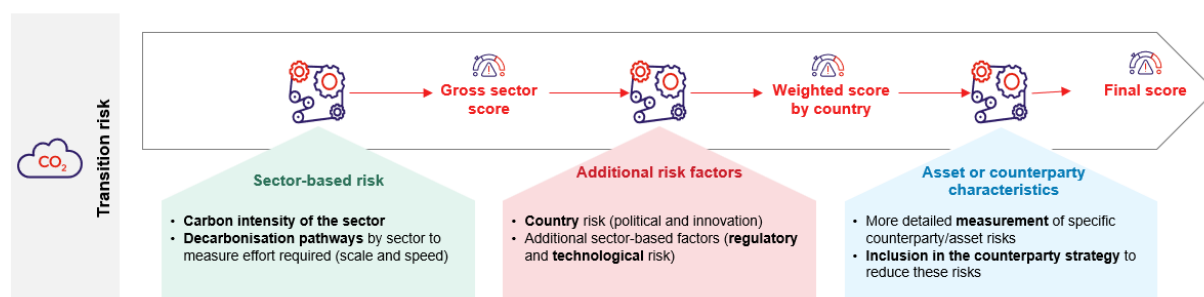
1. analysis of exposure to climate hazards: future climate data are estimated according to three climate scenarios (Representative Concentration Pathways 2.6, 4.5 and 8.5) for nine climate hazards⁵⁹ and three time periods (2020-2041, 2041-2070, 2071-2100) depending on the location of the assets;
2. sector-specific vulnerabilities to different hazards, with some sectors being structurally resilient to the occurrence of a climate event, while others are structurally vulnerable;
3. data relating to the adaptation measures taken by the counterparty to reflect as accurately as possible the counterparty's level of risk is taken into account to assess the final score.

⁵⁹ Rising temperatures, rising rainfall, heatwaves, cold snaps, storms, forest fires, shrinking or swelling of clays, floods, drought, and coastal flooding.

Methodology for aggregating physical risk scores

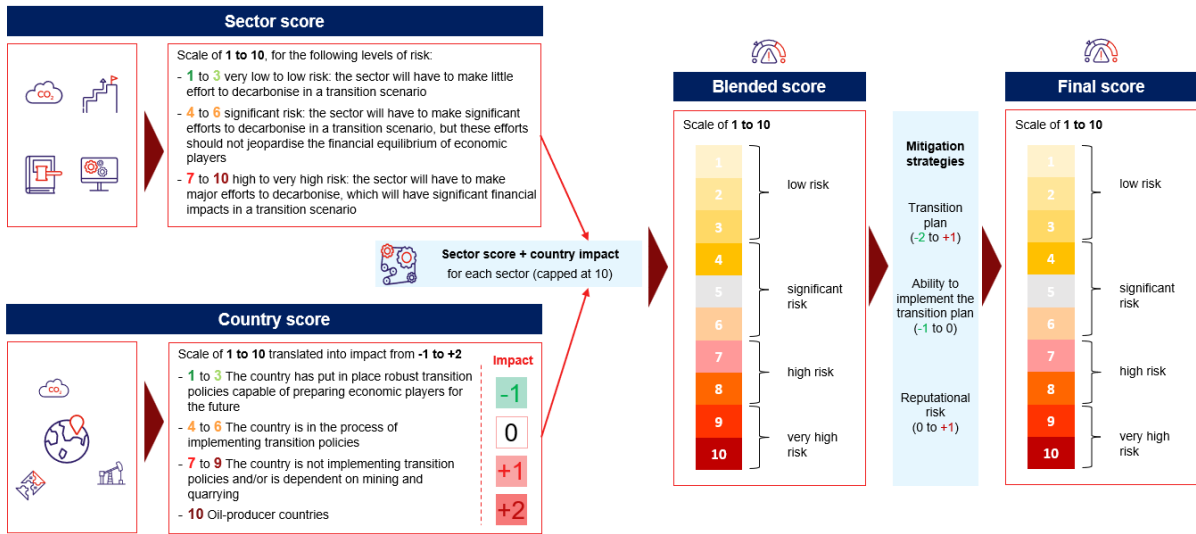


Transition risks are analysed as described below



1. sector-based risk is determined through an analysis that includes measuring the current carbon intensity of each sector and the decarbonisation efforts they will have to make to achieve net-zero emissions in 2050;
2. the transition efforts of the counterparty's host country or the country where the project is located are integrated through an additional risk factor: a country committed to transition gives greater visibility to economic players, meaning that they are less exposed to transition risks;
3. lastly, data on the counterparty's actual emissions and its potential decarbonisation strategy (transition plan) are taken into account to adjust the score in order to reflect the level of risk represented by the counterparty as accurately as possible.

Methodology for aggregating transition risk scores



These tools and the underlying methodology have been shared with the Group's subsidiaries (some of which have created similar methodologies) and will

be rolled out in 2024 to the Public Institution's risk teams and business lines.

8.3.2. Results

Results of the climate risk analysis for the Public Institution within the scope of article 29 of the French Energy and Climate Act

Presentation by proportion of assets representing a high risk (€294bn in investments)

	Public Institution	o/w Savings Funds (€192bn)	o/w Central Sector (€102bn)	
Physical risks	<p>19%</p> <p>of assets covered by the analysis represent a high risk</p> <p>Moderate risk</p>	<p>8%</p> <p>of assets covered by the analysis represent a high risk</p> <p>Low risk</p>	<p>38%</p> <p>of assets covered by the analysis represent a high risk</p> <p>High risk</p>	<ul style="list-style-type: none"> > o/w 52% Banque des Territoires > o/w 38% Asset Management > o/w 34% Management of Strategic Investments
Transition risk	<p>10%</p> <p>of assets covered by the analysis represent a high risk</p> <p>Moderate risk</p>	<p>5%</p> <p>of assets covered by the analysis represent a high risk</p> <p>Low risk</p>	<p>18%</p> <p>of assets covered by the analysis represent a high risk</p> <p>Moderate risk</p>	<ul style="list-style-type: none"> > o/w 28% Banque des Territoires > o/w 20% Asset Management > o/w 10% Management of Strategic Investments
Explanations	<ul style="list-style-type: none"> > Physical and transition risks concentrated in Banque des Territoires' investment portfolio 	<ul style="list-style-type: none"> > Low physical and transition risks due to the high proportion of sovereign bonds in the Savings Funds portfolio 	<ul style="list-style-type: none"> > For Banque des Territoires, physical risks are concentrated in French overseas territories, in south-eastern France and in the Paris region. Transition risk on the real estate investment portfolio. > For Asset Management, physical risks are concentrated in France, Japan and the United States. Transition risk concentrated in manufacturing and hydrocarbon extraction. > For Management of Strategic Investments, high physical risks for certain subsidiaries and transition risks in the water sector. 	

Main physical risk results

According to the RCP 8.5 scenario, 8% of the Savings Funds portfolio, fully invested in bonds (mainly sovereign bonds) and equities, is comprised of high-risk assets (with an aggregate physical risk score of 7/10 or more). 30% of the portfolio is highly or very highly exposed to at least one climate hazard. The hazards to which the portfolio is most exposed are heatwaves and floods.

For the Central sector portfolio, 38% of assets are high-risk (aggregate score greater than or equal to 7/10). 70% of the portfolio is highly or very highly exposed to at least one climate hazard. The most material hazards are heatwaves, floods and rising temperatures.

The differences in exposure to climate risks between the Savings Funds and the Central Sector portfolios can be explained by the difference in the nature of the assets held: the risk scores of the Savings Funds are positively impacted by the holding of sovereign bonds.

Main transition risk results

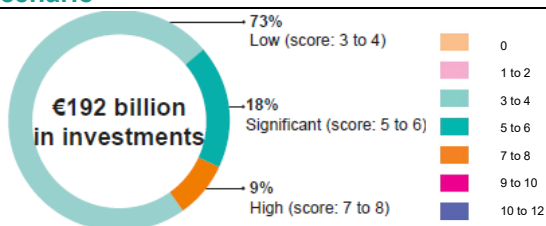
5% of the Savings Funds portfolio is rated high or very high risk. 18% of the Central Sector portfolio is rated high or very high risk (score of 7 or more). The sectors with the greatest transition risks, in descending order, are the chemical industry, electricity and gas production and distribution, oil and gas extraction, real estate and the automotive industry.

Detailed presentation of the results for each of the Caisse des Dépôts balance sheets (Savings Funds and Central Sector)

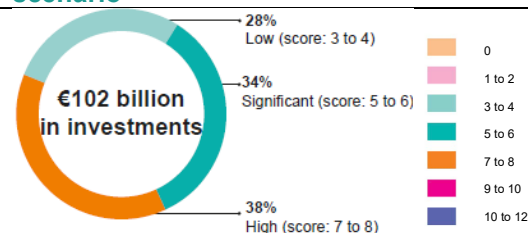
Presentation of the Savings Funds portfolio				Presentation of the Central Sector portfolio			
A climate risk analysis was performed on €192 billion worth of assets. The entire Savings Funds portfolio, within the scope of article 29, is made up of bonds and equities managed by the Asset Management division.				A climate risk analysis was performed on €102 billion worth of assets. The Central Sector portfolio, within the scope of article 29, is made up of Banque des Territoires' investments (8%), investments held by the Management of Strategic Investments division (27%), and the bonds, shares and property held by the Asset Management division (65%).			
Top 10 Savings Funds sector concentrations				Top 10 Central Sector sector concentrations			
Rank	NACE	% in value terms	NACE description	Rank	NACE	% in value terms	NACE description
1	84	68%	Public administration	1	84	28%	Public administration
2	64	19%	Financial service activities	2	64	19%	Financial service activities
3	35	2%	Gas and electricity supply	3	68	8%	Real estate activities
4	21	1%	Manufacture of basic pharmaceutical products and pharmaceutical preparations	4	53	5%	Postal and courier activities
5	29	1%	Manufacture of motor vehicles, trailers and semi-trailers	5	35	5%	Gas and electricity supply
6	61	1%	Telecommunications	6	14	4%	Manufacture of wearing apparel
7	14	1%	Manufacture of wearing apparel	7	20	3%	Manufacture of chemicals and chemical products
8	6	1%	Extraction of crude petroleum and natural gas	8	26	2%	Computer and electronic products
9	26	1%	Computer and electronic products	9	21	2%	Manufacture of basic pharmaceutical products and pharmaceutical preparations
10	20	1%	Manufacture of chemicals and chemical products	10	6	2%	Extraction of crude petroleum and natural gas

Physical risks

Savings Funds aggregate results – RCP 8.5 scenario

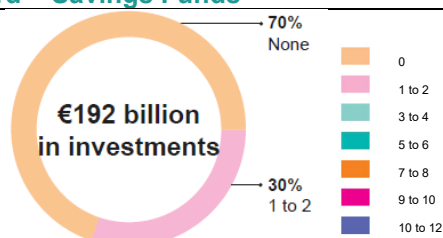


Central Sector Aggregate results – RCP 8.5 scenario

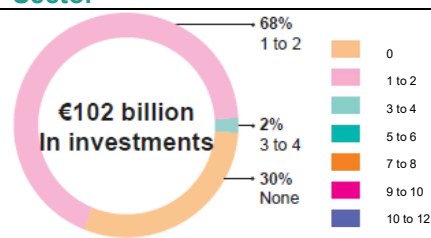


The results take into account climate data based on location⁶⁰ and the sector-based vulnerability of the assets in the portfolio (gross risk). They do not take into account any potential risk reduction measures taken by the counterparties in the portfolio (net risk). This view of net risk will only be available for new commitments from 1 January 2025. The graphs below provide an overview of the portfolio weighted by exposure, by aggregating all the climate hazards (weighted beforehand according to their potential impact on economic activities) and by integrating the sector-based vulnerability scores, for a given emissions scenario and a given time scale. Scores range from 1 to 10. These results provide a single physical risk indicator for a portfolio, but this should be interpreted with caution as it aggregates indicators that can be very different (droughts and floods, for example).

Proportion of the portfolio exposed to a high or very high risk from at least one climate hazard – Savings Funds

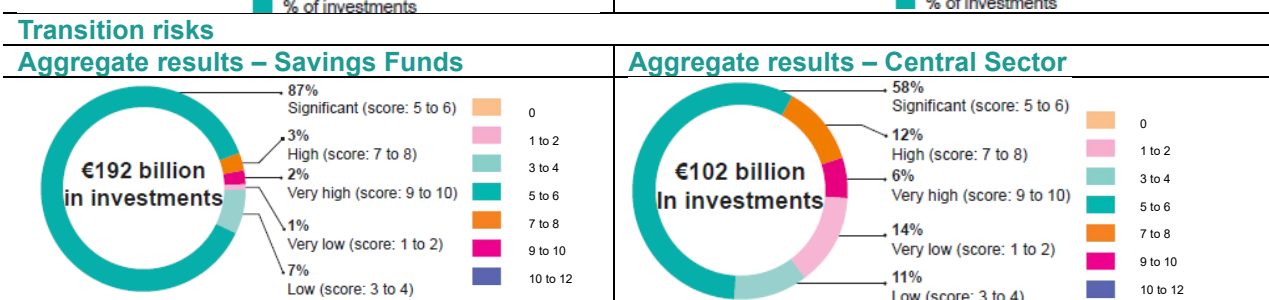
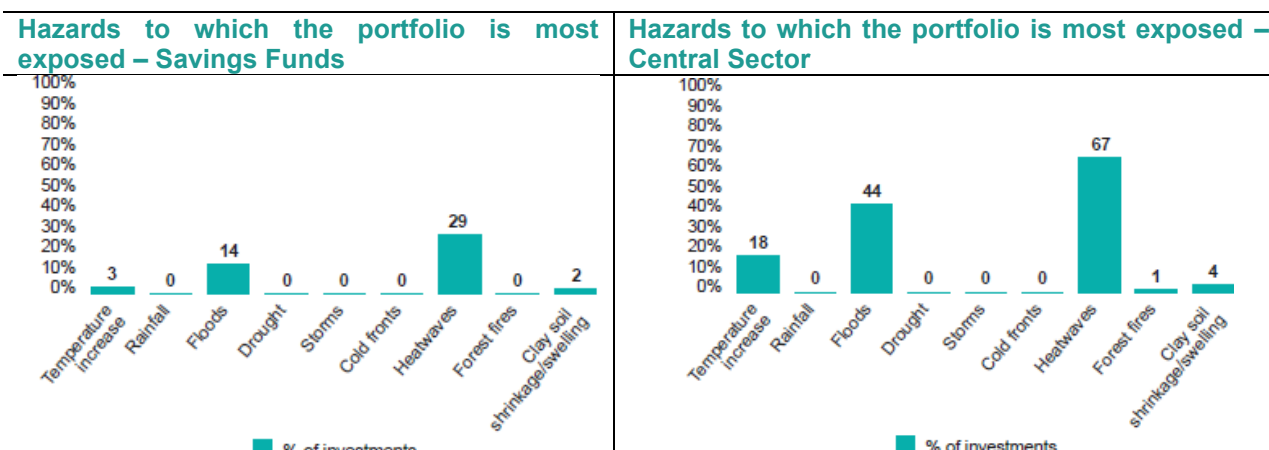


Proportion of portfolio exposed to a high or very high risk from at least one climate hazard – Central Sector



The graph above shows, for a given climate scenario, the proportion of the portfolio with a high or very high physical risk rating (including sector-based vulnerability) and the number of hazards to which the asset is highly or very highly exposed (the result also takes sector-based vulnerability into account). It enables the counterparties that are most exposed to risk to be identified. The rating scale runs from 1 (low risk) to 5 (high risk).

⁶⁰ For Banque des Territoires' investment portfolios, the analysis is based on the municipality or municipalities in which the assets are located. For the Asset Management portfolios, the analysis is based on the countries in which companies generate revenue.



The results take into account the main activity sectors of CDC's counterparties and their main countries of operation (gross risk). They also take into account risk mitigation measures (i.e., counterparty transition plans) for all listed assets, for which this analysis can be automated. For unlisted assets, this view of net risk will only be available for new commitments from 1 January 2025. The assessment of climate risks is therefore conservative, as it does not systematically take into account the risk mitigation measures put in place at counterparty level. Scores range from 1 to 10.

rank	NACE	Investment amount (€bn)	NACE description
1	29	1.8	Manufacture of motor vehicles, trailers and semi-trailers
2	35	1.5	Electricity & gas supply
3	6	1.2	Extraction of crude petroleum and natural gas
4	20	1.2	Manufacture of chemicals and chemical products
5	64	0.9	Financial service activities
6	68	0.7	Real estate activities
7	21	0.5	Manufacture of basic pharmaceutical products and pharmaceutical preparations
8	26	0.5	Computer and electronic products
9	27	0.3	Manufacture of electrical equipment
10	28	0.2	Manufacture of machinery and equipment

rank	NACE	Investment amount (€bn)	NACE description
1	20	3.6	Manufacture of chemicals and chemical products
2	68	2.2	Real estate activities
3	35	2.0	Electricity & gas supply
4	6	1.8	Extraction of crude petroleum and natural gas
5	51	1.4	Air transport
6	26	1.2	Computer and electronic products
7	29	0.9	Manufacture of motor vehicles, trailers and semi-trailers
8	36	0.7	Water collection, treatment and supply
9	64	0.6	Financial service activities
10	70	0.6	Activities of head offices; management consultancy activities

8.3.3. Stress test

The Public Institution took part in the stress test organised by the French Prudential Supervisory and Resolution Authority (*Autorité de contrôle prudentiel et de résolution* – ACPR) in 2020. La Banque Postale, Sfil and BPI took part in the stress test

organised by the ECB in 2022. In 2022 and 2023, the Public Institution updated this work on the equity, real estate and infrastructure portfolios, with the aim of estimating the additional working capital requirements linked to climate risks.

8.4

Measuring nature-related biodiversity risks

8.4.1. Methodology

In 2023, the ESG Risk Steering Committee carried out an initial sector-based analysis of the balance sheet's exposure to nature risks.

Physical risks (dependencies)

The analysis of the balance sheet's exposure to physical nature risks was carried out using the ENCORE database⁶¹. This is based on an assessment of the degradation of ecosystem services, which underpin the economy by providing the necessary inputs for human activity, as a result of environmental change factors (natural or man-made pressures). The ENCORE analysis tool is used to measure the dependency of sectors on different ecosystem services. By focusing on the goods and services that nature provides to enable economic production, ENCORE improves understanding of how businesses in all sectors of the economy potentially depend on nature.

Nevertheless, the tool has a certain number of limitations: for the main sectors of concentration in the portfolios analysed, the dependency analyses are incomplete (lack of data).

Transition risks (impacts)

The analysis of transition risks was carried out using the SBTN analysis tool⁶² which measures the direct impacts of pressure factors on biodiversity. The SBTN assigns a score by sector for 12 negative impact factors defined as a measurable quantity of a natural resource used as an input in production contributing to the five pressures⁶³ harmful to biodiversity defined by the IPBES⁶⁴. The SBTN indicates a materiality threshold. The analysis was based on this materiality threshold. The tool also has limitations: not all pressure factors per sector are assessed by the SBTN.

8.4.2. Results within the scope of article 29 of the French Energy and Climate Act

The results presented in this document are prepared based on FINancial REPorting (FINREP) standards at 31 December 2023, with results presented separately for the Savings Funds and Central Sector balance sheets. **The approach is**

sector-based, focused on operations (it excludes value chains) and does not take account of location, which would enable a more precise analysis. These results are preliminary.

⁶¹ ENCORE: Exploring natural capital opportunities, risks and exposures, a tool developed by the Natural Capital Finance Alliance in partnership with Unep-WCMC.

⁶² Science Based Targets Network (a network that publishes guidelines and produces tools for companies to measure their impacts on biodiversity).

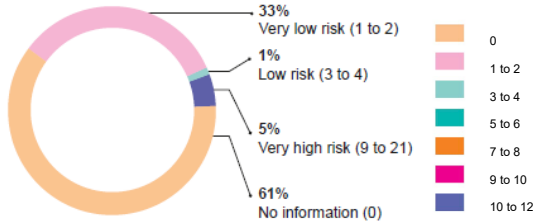
⁶³ Changing use of sea (tourism, urbanisation of coastal areas) and land (agricultural expansion, urbanisation), direct

exploitation of organisms (over-fishing, poaching, excessive harvesting of certain tree species, etc.), climate change, pollution (including plastic, chemical, noise and light pollution), and invasion of alien species (leading to changes in ecosystems, predators and disease).

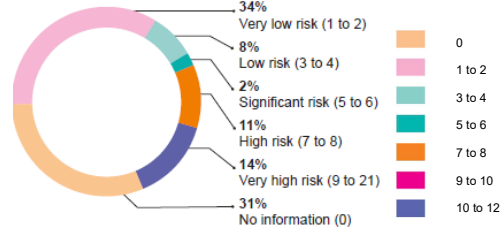
⁶⁴ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

Physical risks (dependencies)

Proportion of portfolio dependent on ecosystem services classified by number of dependencies – Savings Funds



Proportion of portfolio dependent on ecosystem services classified by number of dependencies – Central Sector

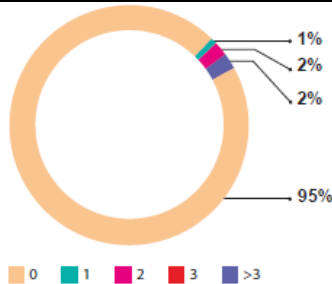


The graphs above show the proportion of the portfolio by number of dependencies on ecosystem services. This means that if a service on which the sector depends were to collapse, it would have major difficulties in continuing to operate.

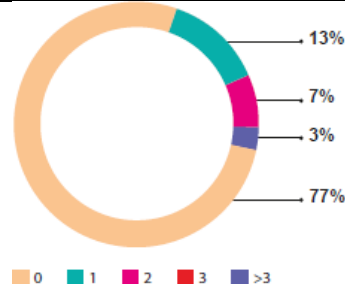
The ENCORE database does not provide data for 60% and 31%, respectively, of the sectors to which the Savings Funds and the Central Sector are exposed. The results are therefore underestimated.

5% of the Savings Funds portfolio and 27% of the Central Sector are exposed to sectors dependent on at least five ecosystem services.

Proportion of the portfolio with high and very high dependencies (by number of dependencies) – Savings Funds



Proportion of the portfolio with high and very high dependencies (by number of dependencies) – Central Sector



The graphs above show the proportion of the portfolio with high or very high dependency on ecosystem services. 5% of the Savings Funds portfolio and 23% of the Central Sector portfolio are highly or very highly dependent on at least one ecosystem service.

We deem these results to be underestimated: all investments are very highly exposed to the various ecosystem services. When they are not directly exposed (which is what the tools available to date capture), they are indirectly exposed, through the needs of employees, customers and suppliers.

Ecosystem services on which the portfolio is most dependent – Savings Funds

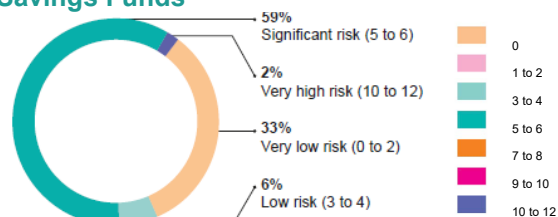
- Erosion control
- Surface water
- Groundwater
- Climate regulation
- Flood protection
- Bioremediation
- Filtration by organisms

Ecosystem services on which the portfolio is most dependent – Central Sector

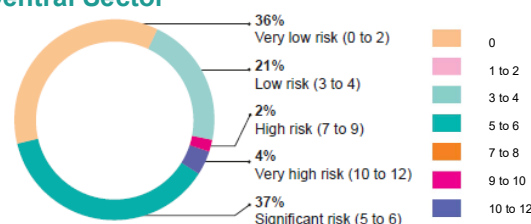
- Erosion control
- Surface water
- Groundwater
- Flood protection
- Bioremediation
- Filtration by organisms
- Noise and pollution control

Transition risks (impacts)

Proportion of portfolio with direct material impacts by number of pressure factors – Savings Funds



Proportion of portfolio with direct material impacts by number of pressure factors – Central Sector



The graphs above show the proportion of the portfolio according to the number of material impacts on the 12 biodiversity pressure factors. 61% of the Savings Funds portfolio covered by the analysis and 43% of the Central Sector portfolio are exposed to a sector with at least five material negative impacts on the 12 biodiversity pressure factors.

Pressure factors on which the portfolio has the greatest negative impact in descending order in terms of assets – Savings Funds

- Soil pollution
- Water pollution
- Water use
- Greenhouse gas emissions
- Solid waste

Pressure factors on which the portfolio has the greatest negative impact in descending order in terms of assets – Central Sector

- Soil pollution
- Greenhouse gas emissions
- Water pollution
- Water use
- Solid waste
- Biological interference
- Land use

Viewpoint – Dependency on biodiversity: what is the real risk?

Ecosystem services are vital for the existence and prosperity of human societies. Nature provides the following services:

- Supplies (food, materials, medicines, etc.)
- Regulation (climate, flooding, pollination, etc.)
- Socio-cultural (aesthetic, spiritual, recreational, etc.)
- Support (water and carbon cycles, soil formation, primary production, etc.)

The Asset Management division considers that all its investments are highly exposed to the various ecosystem services. When they are not directly exposed (which is what the tools available to date capture), they are indirectly exposed, through the most basic needs of employees, customers, beneficiaries or partners.

We do not believe that we should try to reduce dependency on biodiversity and nature: building with wood depends more on biodiversity than building with inorganic materials, natural fibres depend more on biodiversity than synthetic fibres, and agroecology depends more on biodiversity than conventional agriculture.

We believe that introducing a metric to monitor exposure to high levels of dependency on biodiversity can further our knowledge of certain risks in the event of the depletion of a given ecosystem service and, in this case, fuel shareholder dialogue, but this should not result in asset managers favouring, at best, the sectors with the most indirect (but not necessarily the least) dependency as the measurement tools remain incomplete, and at worst, the least environmentally friendly processes (avoiding any use of renewable and bio-based materials or other types of natural processes). Moreover, the principle of “nature-based solutions”, encouraged by Caisse des Dépôts, illustrates the desire to increase dependency on nature, but in the best possible way, when its ecosystem services are in good health.

We believe that our efforts should be focused on reducing the negative impacts of portfolio companies, as well as generating positive impacts. The Asset Management division will take care to ensure that these metrics are properly applied.

8.5

Risk appetite indicators

Several climate transition risk management indicators that apply to different asset classes have been incorporated into the Group's risk appetite framework, enabling them to be monitored and overseen by the Group's governance bodies. These

include, in particular, the proportion of exposure to companies active across the fossil fuel value chain and the reduction in the carbon footprint of securities portfolios, as well as the energy performance of the real estate portfolio.

Extract of risk appetite indicators for transition risk

Indicator	Scope	Alert threshold	Limit	Level at 31.12.2022	Level at 31.12.2023
Proportion of exposure to companies active across the fossil fuel value chain	Asset Management	∅	∅	14.89%	12.47%
Reduction in the market securities portfolio's carbon footprint	Asset Management – equities	Alert if the cumulative linear target is not met or if the trend deteriorates by >10%	∅	-25.8%	-39%
	Asset Management – corporate bonds			-13.3%	-46%

Exposure to companies active across the fossil fuel value chain fell in 2023 to 12.47%. This represents 6.46% of the portfolio of listed equities and corporate bonds, weighted by revenue related to fossil fuel activities only. In addition, the trajectory of

the reduction in the carbon footprint of the market securities portfolios is aligned with and exceeds the linear target. The interim target of a 20% reduction in the carbon footprint by 2025 has already been exceeded for both portfolios.

9. Continuous improvement plan

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Article 29
continuous
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9.1

Article 29 continuous improvement plan

Reference in article D. 533-16-1 of the French Monetary and Financial Code (<i>Code monétaire et financier</i>) Information required by article D. 533-16-1 of the French Monetary and Financial Code	Indicate which chapters and pages of the report cover the topic	If the information is not presented: provide a clear explanation outlining why this is the case, together with a presentation of the improvement plan	
		Comments	Improvement plan
6° Alignment strategy with the international objectives of articles 2 and 4 of the Paris Agreement on lowering greenhouse gas emissions and, where applicable, for the financial products for which the underlying investments are all made in France, its National Low Carbon Strategy as mentioned in article L. 222-1 B of the French Environment Code (in line with d) of 2 of article 4 of the SFDR)			
A quantitative goal between now and 2030 which will be reviewed every five years until 2050. The goal shall be revised at least five years prior to its end date. The goal shall include direct and indirect greenhouse gas emissions in absolute value or in value of intensity in relation to a reference scenario and a reference year. It may be expressed by measuring the implicit rise in temperature or by the volume of greenhouse gas emissions.	6.1 Our climate commitment 6.1.1 At Group level 6.1.2 At the level of investor business lines 6.2 Decarbonisation of the portfolios 6.2.1 Decarbonisation of the Asset Management, Management of Strategic Investments and Banque des Territoires' portfolios 6.2.2 Methodology 6.2.3 2023 results 6.2.4 Alignment of Asset Management equity and bond portfolios with SBTi pathways 6.2.5 Decarbonisation of Asset Management real estate portfolios 6.2.6 Energy consumption of real estate assets backed by Banque des Territoires' sustainability bonds	1. Real estate: the Group is committed to gradually aligning its portfolio of real estate investments under operational control with decarbonisation pathways compatible with 1.5°C using recognised approaches, in line with the NZAOA framework 2. In line with its commitment to the Net-Zero Asset Owner Alliance (NZAOA), CDC's asset management objective is to achieve carbon neutral investment portfolios by 2050, with a target of a 55% reduction in listed portfolios (equity and corporate bond portfolios) between 2020 and 2030.	
When the entity uses an in-house methodology, components of this methodology to assess the investment strategy's alignment with the Paris Agreement or with the National Low Carbon Strategy.	6.3 Alignment with France's National Low Carbon Strategy 6.3.1 Strategy implemented 6.3.2.1 Proportion of financial assets aligned with a 1.5°C scenario or covered by decarbonisation targets aligned with the objectives of the Paris Agreement within the scope covered by article 29 of the French Energy and Climate Act Appendix 2	The Group uses recognised methodologies, such as the "Below 1.5°C" and "1.5°C Low OS" scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the "Net Zero" scenario of the International Energy Agency (IEA), as well as the roadmap set out in the French Multiannual Energy Plan (MEP) relating to the reduction of oil- and gas-related emissions. The Asset Management division calculates the carbon footprint of financial portfolios by taking into account the direct and indirect emissions linked to the energy consumption required to manufacture the product (Scopes 1 and 2). The most recent carbon data (Scopes 1 + 2) is preferred; after that, the following order of priority applies: CDP (Carbon Disclosure Project) > Bloomberg > MSCI or the issuer directly. The scope for calculating the carbon footprint currently covers 100% of investments in listed equities, 100% of directly held real estate and 100% of listed corporate bonds (including bonds issued by banks but excluding asset-backed securities). Simulation work has been carried out on the emissions pathways of sovereign debt, which accounts for a very large proportion of the Asset Management division's assets under management, but as the figure obtained is not reliable, it has not been published. In 2022, an indicator for monitoring the Group's climate objective of aligning all its activities with a 1.5°C scenario was added to the monitoring indicators for the Caisse des Dépôts Group's corporate purpose. It is presented in the "article 29" scope of Caisse des Dépôts	
Quantification of the results using at least one indicator.	6.3.2 Outcomes for alignment with the Paris Agreement 6.3.2.1 Proportion of financial assets aligned with a 1.5°C scenario or covered by decarbonisation targets aligned with the objectives of the Paris Agreement within the scope covered by article 29 of the French Energy and Climate Act		
For entities managing index funds, information on use of the EU Climate Transition and Paris Agreement Benchmarks as defined in Regulation (EU) 2015/2089 of the European Parliament and of the Council of 27 November 2019.	Not applicable	Not applicable	
The role and use of assessment in the investment strategy and, in particular, the extent of complementarity between the selected assessment method and the other indicators on the environmental, social and governance quality criteria more broadly used in the investment strategy.	6.1.3 The role and use of assessments in the investment strategy		Aside from regulatory commitments, as a long-term investor serving the public interest, the Group strives to invest in counterparties undergoing transition or in companies aligned with 1.5°C scenarios, and, regarding the physical risks of climate change, to identify assets or counterparties that may require specific action or adaptation plans. In order to contribute to the low-carbon transition, the Group's ambition is therefore to take French and global economy decarbonisation scenarios into account in its decisions, and reflect such scenarios in its portfolios and activities, and in turn support any changes deemed necessary by the National Low Carbon Strategy, particularly in France.
Changes to the investment strategy relating to alignment with the Paris Agreement and the policies introduced with an eye to gradually phasing out use of coal and non-conventional hydrocarbons and specifying the chosen schedule for withdrawal and the proportion of total assets managed or held by the entity covered by these policies.	5.1.2 Exposure to fossil fuels 5.2.1 Main commitments applied to investment portfolios 6.3.4 Climate Change Adaptation Action Plan	See Chapter 4, footnote in 6.1.3	The policy is currently being reviewed within the Group in order to update its ambitions and increase its compliance in light of regulatory developments (CSRD) – a focus on the various asset classes may also be integrated in H2 2024-H2 2025.
Any initiatives for monitoring outcomes and the changes having occurred.			A dedicated strategic ambitions monitoring process is currently being implemented in order to better manage the Group's medium- and long-term climate objectives.
The frequency of the assessment, the projected dates for updates and the relevant selected development factors.			Planning and decarbonisation pathway work is currently ongoing, with the objective of managing various pathways from 2025 onwards in order to meet the ambitions of the Paris agreement.

Appendices: Methodology and Glossary

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A.1

Methodology for the article 29 report

The Caisse des Dépôts Group's article 29 reporting falls within the scope of decree no. 2021-663 of 27 May 2021, issued pursuant to the French Energy and Climate Act (*Loi Énergie-climat*) of 8 November 2019, in line with the French regulatory framework (article 173-VI of France's law on Energy Transition for Green Growth (*loi relative à la Transition Énergétique pour la Croissance Verte*)). It supplements certain

provisions of the Sustainable Finance Disclosure Regulation (SFDR). The article 29 report is designed to increase transparency relating to financial institutions' ESG practices, and, in particular, how they take into account climate and biodiversity risks. It covers all information relating to the ESG risks, policies and impacts of the investments and financing in which the Group's financial entities engage.

Reporting scope and period covered

Reporting scope

The scope of article 29 covers the following Caisse des Dépôts Group financial entities:

- Asset Management (including CDC Investissement Immobilier, CDC Croissance and Société Forestière);
- Banque des Territoires' investments;
- Management of Strategic Investments;

The reporting period covered by this report is the calendar year, running from 1 January

2023 to 31 December 2023 (unless stated otherwise).

Collection of sustainability indicators

The ESG information published in this report was collected as part of the Group's responsible finance reporting campaign. The campaign is conducted each year ahead of the report production phases, in the fourth quarter of the year to be covered by the reports. In addition to the planning phase, the campaign also includes a review of the scope, and an update to the related mapping and frameworks.

The "Group responsible finance" mapping (i.e., the list of information collected) is recorded in two documents:

- A self-supporting "sensitive indicators" Excel file, which lists the entity's sensitive indicators and incorporates automatic calculations and historical data.
- An "FR mapping" Excel file, which lists the indicators integrated into the RstratE software.

N.B.: the RstratE application was unavailable during the 2023 article 29 responsible finance reporting campaign. As such, an alternative process was put in place for the collection and consolidation of data for this report.

Data consolidation and verification

Once the data has been verified, it is consolidated at Group level by DFID/the Responsible Finance team.

Quantitative information is consolidated by applying a consolidation formula (total or average), provided that the indicators have been provided using the same definition. Unless explicitly stated otherwise in the descriptions or indicator records, data is consolidated without prorating or applying a weighting. Consistency checks are carried out on all

of the qualitative and quantitative data reported by the entities. Pre-consolidation checks include:

- comparing the entity's data with its prior-year data and, wherever significant differences arise, enquiring as to the cause of the change;
- comparing data for a given indicator between entities, and identifying any inconsistencies;
- verifying the consistency of the data reported with the data published in the article 29 report of the entities in question.

A.2

Methodology used to calculate the carbon footprint and alignment of the Caisse des Dépôts Group's activities with a 1.5°C scenario

The Group uses recognised methodologies, such as the "Below 1.5°C" and "1.5°C Low OS" scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the "Net Zero" scenario of the International Energy Agency (IEA), as well as the roadmap set out in the French Multiannual Energy Plan (MEP) relating to the reduction of oil- and gas-related emissions.

The Asset Management division calculates the carbon footprint of financial portfolios by taking into account the direct and indirect emissions linked to the energy consumption required to manufacture the product (Scopes 1 and 2).

The most recent carbon data (Scopes 1 + 2) is preferred; after that, the following order of priority

applies: CDP (Carbon Disclosure Project) > Bloomberg > MSCI or the issuer directly.

The scope for calculating the carbon footprint currently covers 100% of investments in listed equities, 100% of directly held real estate and 100% of listed corporate bonds (including bonds issued by banks but excluding asset-backed securities).

Simulation work has been carried out on the emissions pathways of sovereign debt, which accounts for a very large proportion of the Asset Management division's assets under management, but as the figure obtained is not reliable it has not been published.

A.3.

Calculating the proportion of investments aligned with – or covered by targets aligned with – the objectives of the Paris Agreement

The consolidated entities included in the calculation of investments covered by targets aligned with the Paris Agreement correspond to the entities that fill within the scope of article 29: Asset Management, Banque des Territoires' investments and

Management of Strategic Investments. The indicator concerns the proportion of financing and investments, in terms of balance sheet value at 31 December, meeting one of the following three criteria:

Criterion	Example
Be earmarked for green assets or assets aligned by definition, in particular in connection with the financing of the ecological transition or meeting the criteria of the EU taxonomy.	Targeted investment focused on renewable energy projects, amounts invested in green bonds.
Be put in place with counterparties that have themselves set decarbonisation targets in line with the Paris Agreement (i.e., in line with a 2°C or lower scenario) and, where possible, validated by a third party.	Amounts invested in shares of companies committed to an SBTi approach with validated targets. Amounts invested in sovereign bonds of a list of EU member states (+ the United Kingdom) with national strategies aimed at achieving net carbon neutrality by 2050 at the latest.
Be part of a portfolio for which a decarbonisation target aligned with the Paris Agreement (i.e., in line with a 2°C or lower scenario) has been set according to a recognised methodology and, where possible, validated by a third party.	Amounts invested in listed equities and bonds covered by decarbonisation targets validated by the Net-Zero Asset Owner Alliance (NZAOA).

Each entity or financial business line contributing to the indicator defines the asset classes and/or portfolios that make up the 100% base used to calculate the indicator, with the aim of making this

base as broad as possible. An asset can only be counted under one criterion. The indicator is calculated based on "balance sheet value", i.e., the financial commitment actually made/disbursed.

$$\text{Indicator} = \frac{\sum_{e \in \{GDA; BDT; GPS\}} BSV \text{ of } invest_e^{\text{Aligned assets}} + BSV \text{ of } invest_e^{\text{Aligned ptf}} + BSV \text{ of } invest_e^{\text{Aligned counterparties}}}{\sum_{e \in \{GDA; BDT; GPS\}} \text{Total BSV of } invest_e}$$

The values used for the formula are:

$BSV \text{ of } invest_e^{\text{Aligned assets}}$	Value of the entity's financing and investments whose physical underlyings are "green" or aligned by definition
$BSV \text{ of } invest_e^{\text{Aligned ptf}}$	Value of the entity's asset portfolios for which a decarbonisation target has been set
$BSV \text{ of } invest_e^{\text{Aligned counterparties}}$	Value of the entity's financing and investments whose counterparties have set decarbonisation targets
$\text{Total BSV of } invest_e$	Total value of the financial entity's financing and investments analysed for the calculation of the indicator

A.4

Methodology for calculating the carbon intensity of a portfolio holding

For equities, the carbon footprint of a portfolio holding is equal to the CO₂ emissions of the company concerned at the end of year Y-1 multiplied by the Group's stake in the company at the end of year Y. For bonds, the emissions are

multiplied by the Group's holding in the company's total debt. For the portfolio, the portfolio's total weighted emissions is divided by the amounts invested based on balance sheet value.

Carbon footprint of the "equity" portfolio

- Absolute (in tCO₂eq):

$$\sum_{i \in \text{Equity Ptf}} \text{Absolute carbon footprint}_{\text{security } i}$$

Absolute carbon footprint of a security (in tCO₂eq.) = the company's carbon emissions * CDC's % interest in the company's share capital

The percentage interest takes into account the different markets and classes of outstanding shares, and is calculated as follows:

$$\frac{\text{No. of securities held}}{\text{Total no. of outstanding securities}}$$

- Relative (tCO₂eq./€1 million invested):

$$\frac{\sum_{i \in \text{Equity Ptf}} \text{Absolute carbon footprint}_{\text{security } i}}{\text{BSV of Equity Ptf}} * 1e6$$

Carbon footprint of the "credit" portfolio

- Absolute (in tCO₂eq):

$$\sum_{i \in \text{Credit Ptf}} \text{Absolute carbon footprint}_{\text{security } i}$$

Absolute carbon footprint of a security (in tCO₂eq.) = the company's carbon emissions * CDC's % interest in the company's total debt

The % interest in the company's debt is calculated as follows:

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

- Relative (tCO₂eq./€1 million invested):

$$\frac{\sum_{i \in \text{Credit Ptf}} \text{Absolute carbon footprint}_{\text{security } i}}{\text{BSV of Credit Ptf}} * 1e6$$

Data adjustments

If CO₂ data is unavailable for one or more companies, the results obtained are recalculated in order to obtain a carbon footprint covering 100% of

$$\frac{\text{Absolute footprint}}{(1 - \% \text{ of ptf not covered})} = \text{Adjusted absolute footprint}$$

$$\frac{\text{Adjusted absolute footprint}}{\text{Balance sheet value of portfolio}} = \text{Adjusted relative footprint}$$

An analysis of changes in the carbon footprint of the various portfolios is carried out quarterly and integrated into the monthly investment management committee meeting. This process enables the Group to identify, among other things, the reasons for quarterly changes, such as an increase or

the portfolio (balance sheet value). These recalculations are as follows:

decrease in companies' CO₂ emissions, increases or decreases in quarterly changes, such as an increase or decrease in companies' CO₂ emissions, or an increase or decrease in exposure to one or more companies (non-exhaustive list).

Focus on Banque des Territoires' methodology

At the end of 2023, Banque des Territoires launched a project to measure the carbon footprint of its portfolios and to prepare for 1.5°C alignment. The aim of the project is to align with the market standards best suited to measuring the emissions from investments of financial institutions.

The project's main objectives are to:

- develop a methodological framework aligned with best market standards and adapted to measuring the carbon footprint of Banque des Territoires' portfolio (Scopes 1, 2 and 3, and broken down by sector);
- ensure that said framework takes into account the specific characteristics of each of Banque des Territoires' business lines and use data available for the projects financed, as published by the counterparties financed, and/or where this is not possible, use a robust statistical calculation or extrapolation model;
- make recommendations on the carbon impact of each project in order to make estimations wherever data is not available. The tools developed by the business lines will enable Banque des Territoires to take standardised measurements of the carbon emissions of each

of the projects it finances, and will ultimately provide for a more accurate measurement of its portfolio's overall carbon footprint.

- develop a methodological framework aligned with best market standards and adapted to measuring the carbon footprint of Banque des Territoires' portfolio (Scopes 1, 2 and 3, and broken down by sector);
- ensure that said framework takes into account the specific characteristics of each of Banque des Territoires' business lines and use data available for the projects financed, as published by the counterparties financed, and/or where this is not possible, use a robust statistical calculation or extrapolation model;
- make recommendations on the carbon impact of each project in order to make estimations wherever data is not available. The tools developed by the business lines will enable Banque des Territoires to take standardised measurements of the carbon emissions of each of the projects it finances, and will ultimately provide for a more accurate measurement of its portfolio's overall carbon footprint.

A.5

Methodology for calculating the proportion of investments subject to ESG analysis

The following consolidated entities are included in the calculation of the proportion of investments subject to ESG analysis: Asset Management,

Banque des Territoires and Management of Strategic Investments.

Action	Definition
Conduct ESG analysis	Application of an ESG approach to the investment/financing under consideration based on an internal procedure aimed at minimising the ESG risk of the investment/financing. Depending on the case, this analysis may be based on compliance with an exclusion policy or a detailed analysis based on internal tools or non-financial ratings from recognised agencies.

For each entity e concerned (Asset Management, Banque des Territoires or Management of Strategic Investments division), it involves calculating the total market value of investments in issuers held in the portfolio that are subject to an ESG analysis.

$$ESG \text{ analysis of } invest._e = \sum_{\substack{\text{issuers } i \in \\ ESG \text{ analysis}}} MV \text{ of } invest_i$$

This exposure is then divided by the total market value of all investments held by the entity (Asset Management, Banque des Territoires or Management of Strategic Investments division).

$$\% ESG \text{ analysis}_e = \frac{ESG \text{ analysis of } invest._e}{Total \text{ MV of } invest._e}$$

At consolidated level, for all entities included in the scope of article 29 of the French Energy and Climate Act, the following calculation is applied:

$$\% ESG \text{ analysis}_{Art.29 \text{ LEC}} = \frac{\sum_{e \in \{GDA, GPS\}} ESG \text{ analysis of } invest._e}{\sum_{e \in \{GDA, GPS\}} Total \text{ MV of } invest._e}$$

A consolidated indicator for the proportion of Banque des Territoires' investments subject to ESG analysis (decision-making and monitoring) could not be obtained. This is due to the fact that the proportion of investments subject to ESG analysis for decision-making and monitoring are measured through two very distinct approaches. For decision-making purposes, investments include the amounts committed during the year, while for monitoring purposes, investments include the amounts disbursed. It is not possible to combine the two without the risk of counting the same project twice. For

example, amounts committed to a project in 2023 may have been partially disbursed in the same year. For this reason, Banque des Territoires' investments were excluded from the 2023 scope of consolidation.

N.B.: However, the indicators showing the proportion of investments or financing subject to ESG analysis for decision-making or monitoring are calculated using the same methodology, and include Banque des Territoires' investments in the scope of consolidation.

A.6

Methodology for calculating the proportion of companies (investments) with which the Group has engaged in shareholder dialogue

Scope of shareholder dialogue

Action	Scope
Asset Management	Discretionary and systematic listed equities Corporate and Financial Credit, including Secured Credit Convertible bonds

N.B.: indicators relating to the proportion of portfolio companies (investments) with which the Group has engaged in shareholder dialogue in the area of Climate Change/Biodiversity/Social Cohesion/Governance issues are calculated using the same methodology.

Important to note: any interactions that do not seek to change practices or encourage the disclosure of information are not considered engagement

actions. Examples include (i) interactions with companies in order to collect data and/or for research purposes related to buy/sell/hold decisions, (ii) standard questionnaires sent to companies to collect information and make investment decisions, and (iii) attendance at a company presentation, shareholders' meeting or any other meeting that does not involve interaction or discussion.

Action	Definition
Dialogue	Interaction initiated by an investor to improve the ESG practices of the current/prospective issuer

The Asset Management division calculates the total balance sheet value of the portfolio companies with which the Group has engaged in shareholder dialogue on ESG issues.

$$ESG \text{ dialogue invest.}_e = \sum_{\substack{\text{company } i \in \\ ESG \text{ dialogue}}} BSV \text{ of invest.}_i$$

This exposure is then divided by the total balance sheet value of all of the Asset Management division's investments included within the scope of shareholder dialogue.

$$\% \text{ of } ESG \text{ dialogue}_e = \frac{ESG \text{ dialogue invest.}_e}{BSV \text{ of invest. in dialogue scope}_e}$$

A.7

Methodology for calculating exposure to companies active in the fossil fuel sector

The following Group entities are included in the calculation of exposure to companies active in the fossil fuel sector: Asset Management, Banque des Territoires and Management of Strategic Investments.

Exposure to fossil fuels is measured using two indicators. In addition to exposure to oil and gas producers, these two indicators cover exposure to all players in the value chain, including utilities and related network, transport and equipment services.

Indicator	Methodological principles
Exposure to companies active in fossil fuels based on 100% of their operations	In order to comply with the spirit of article 29 of the French Energy and Climate Act, 100% of an exposed company's revenue is taken into account, without applying a weighting to reflect the proportion of solely fossil fuel-related operations, i.e., excluding other operations or "green" operations.
Exposure to companies active in fossil fuels weighted based on percentage of revenue	The investment is weighted based on the percentage of revenue that the activity in the fossil fuel industry value chain represents out of the company's total revenue.

Exposure to companies active in fossil fuels based on 100% of their operations

For each entity e concerned (Asset Management, Banque des Territoires and Management of Strategic Investments), the balance sheet value of portfolio companies active in fossil fuels is calculated.

$$100\%_e \text{ exposure to fossil fuels} = \sum_{\substack{\text{company } i \in \\ \text{fossil fuel sector}}} BSV \text{ of } invest._i$$

This exposure is then divided by the total balance sheet value of all the entity's (Asset Management, Banque des Territoires or Management of Strategic Investments) portfolios.

$$\% \text{ of } 100\%_e \text{ exposure to fossil fuels} = \frac{100\%_e \text{ exposure to fossil fuels}}{\text{Total BSV of } invest._e}$$

At consolidated level, for all entities included in the scope of article 29 of the French Energy and Climate Act, the following calculation is performed:

$$\% \text{ of } 100\% \text{ exposure to fossil fuels}_{Art.29 LEC} = \frac{\sum_{e \in \{GDA, BDT, GPS\}} 100\%_e \text{ exposure to fossil fuels}}{\sum_{e \in \{GDA, BDT, GPS\}} \text{Total BSV of } invest._e}$$

Exposure to companies active in fossil fuels weighted based on revenue

For each entity e concerned (Asset Management, Banque des Territoires and Management of Strategic Investments), the balance sheet value of portfolio companies active in fossil fuels is calculated and weighted based on the percentage of revenue generated by fossil fuels.

$$\text{Exposure to fossil fuels based on \% of rev.}_e = \sum_{\substack{\text{company } i \in \\ \text{fossil fuel sector}}} \text{BSV of invest.}_i \times \% \text{ of fossil fuel rev.}_i$$

This exposure is then divided by the total balance sheet value of all the entity's (Asset Management, Banque des Territoires or Management of Strategic Investments division) portfolios.

$$\% \text{ exposure to fossil fuels based on \% of rev.}_e = \frac{\text{Exposure to fossil fuels based on \% of rev.}_e}{\text{Total BSV of invest.}_e}$$

At consolidated level, for all entities included in the scope of article 29 of the French Energy and Climate Act, the following calculation is performed:

$$\% \text{ exposure to fossil fuels based on \% of rev.}_{\text{Art.29 LEC}} = \frac{\sum_{e \in \{GDA; BDT; GPS\}} \text{Exposure to fossil fuels based on \% of rev.}_e}{\sum_{e \in \{GDA; BDT; GPS\}} \text{Total BSV of invest.}_e}$$

Exposure to thermal coal

The following Group entities are included in the calculation of the exposure to thermal coal: Asset Management, Banque des Territoires and Management of Strategic Investments.

This indicator represents the proportion of these entities' investments in companies involved in thermal coal according to the selected data provider, and companies added manually where this data was not supplied by the provider. The balance sheet value of the investments is weighted based on the percentage of revenue that thermal coal represents out of the company's total revenue.

For each entity e concerned (Asset Management, Banque des Territoires and Management of Strategic Investments), the balance sheet value of portfolio companies active in fossil fuels is calculated and weighted based on the percentage of revenue generated by fossil fuels.

$$\text{Exposure to coal}_e = \sum_{\text{company } i} \text{BSV of invest.}_i \times \% \text{ of coal rev.}_i$$

This exposure is then divided by the total balance sheet value of all the entity's e (Asset Management, Banque des Territoires or Management of Strategic Investments) investments.

$$\% \text{ of exposure to coal}_e = \frac{\text{Exposure to coal}_e}{\text{Total BSV of invest.}_e}$$

At consolidated level, for all entities included in the scope of article 29 of the French Energy and Climate Act, the following calculation is performed:

$$\% \text{ of exposure to coal}_{\text{Art.29 LEC}} = \frac{\sum_{e \in \{GDA; BDT; GPS\}} \text{Exposure to coal}_e}{\sum_{e \in \{GDA; BDT; GPS\}} \text{Total BSV of invest.}_e}$$

ACPR	French Prudential Supervisory and Resolution Body (<i>Autorité de contrôle prudentiel et de résolution</i>).
ACT	Assessing low Carbon Transition (Ademe).
Ademe	French environment and energy management agency (<i>Agence de l'environnement et de la maîtrise de l'énergie</i>).
Af2i	French association of institutional investors (<i>Association Française de l'Assurance</i>)
AMF	French financial markets authority (<i>Autorité des marchés financiers</i>).
AML-CFT	Anti-money laundering and countering the financing of terrorism.
Article 8 fund and Article 9 fund	The SFDR distinguishes between two types of ESG investments. Article 8 funds promote the social and/or environmental characteristics of the products offered as part of the investment process, while Article 9 funds – which are more ambitious – must specifically have sustainable investment as their objective and must contribute to an environmental or social objective, without causing significant harm to any other environmental or social objectives.
BDF	Banque de France.
Capex	Capital expenditure.
CBD	Convention on Biological Diversity.
CDC	Caisse des Dépôts.
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora.
Climate change adaptation	The process of adjusting to current and expected climate change and its effects.
CSR	Corporate social responsibility.
DNSH	Do No Significant Harm (EU taxonomy criterion).
DPE	Energy performance diagnostics (<i>Diagnostic de performance énergétique</i>).
ECB	European Central Bank.
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure.
ESG	Environmental, social and governance criteria.
ET	Ecological transformation.
EU	European Union.
French Energy and Climate Act	Adopted on 8 November 2019, the French Energy and Climate Act sets targets for France's climate and energy policy. Comprising 69 articles, it enshrines the objective of carbon neutrality by 2050 in response to the climate emergency and in line with the Paris Agreement.
FSC	Forest Stewardship Council: a label certifying forests that are responsibly and sustainably managed.
FTE	Full-time equivalent.
GBF	The Kunming-Montreal Global Biodiversity Framework.
GBS	Global Biodiversity Score.
GHG	Greenhouse gas.
GLOBIO	Global biodiversity model for policy support.
IDROS	Impact, dependencies, risks and opportunities.
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards.

IMAGE	Integrated Model to Assess the Global Environment.
Investment Approvals Committee	The purpose of CDC's Investment Approvals Committees is to (i) authorise transactions submitted to them in accordance with their respective rules of procedure, (ii) verify, encourage and adopt a common strategy for all subsidiaries and affiliates, in line with the Group's overall vision, and (iii) authorise CDC's representative to take a position within the entity's governance bodies, it being specified that the Investment Approvals Committees do not replace the management bodies of the subsidiaries and affiliates.
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.
IPCC	Intergovernmental Panel on Climate Change.
MEB	CDC's Biodiversity Economy unit (<i>Mission Économie de la Biodiversité</i>).
MRV	Measurement, Verification, Reporting.
MSA index	Mean Species Abundance index: a metric for combining different types of pressure factors on biodiversity.
NCPPR	National Center for Public Policy Research.
NEC	Not Environmental Contribution
NFIS	Non-financial information statement (2017 to 1 December 2022) – French transposition of the NFRD.
NFRD	Non-Financial Reporting Directive.
NZAOA	Net-Zero Asset Owner Alliance.
Opex	Operating expenses.
PAB	Paris Aligned Benchmark.
Paris Agreement	International agreement on global warming adopted in December 2015 by 195 states at the Paris Climate Change Conference (COP 21). The agreement calls for global warming to be kept well below 2°C compared to pre-industrial levels by 2100, and for continued action to limit the rise in temperature to 1.5°C.
PEFC	Programme for the Endorsement of Forest Certification.
(UN)PRI	Principles for Responsible Investment.
R&D	Research and development.
Risk appetite	Maximum level of risk that the Caisse des Dépôts Group is prepared to accept in order to achieve its strategic objectives.
RWA	Risk-weighted asset.
Say on Climate	Resolution at shareholders' meetings of listed companies – shareholder voting on specific strategic climate action plans.
SBTi	Science Based Targets initiative.
SBTN	Science Based Targets Network.
Scopes 1, 2 and 3	The Greenhouse Gas Protocol provides an international framework for measuring and managing greenhouse gases, that has existed since the early 2000s. It distinguishes between three types (scopes) of emissions for entities or organisations: – Scope 1 covers all direct GHG emissions from sources (fixed or mobile) that are owned or controlled by the organisation; – Scope 2 covers indirect GHG emissions generated from the production of electricity, heat or steam that is purchased or otherwise brought into the entity or organisation's activities; – Scope 3 covers other indirect GHG emissions produced by the organisation's activities that are not included in Scope 2 but which occur in the organisation's value chain (upstream and downstream), such as the purchase of raw materials, services or other products, employee travel, upstream and downstream transport of goods, management of waste generated by the organisation's activities, use and end-of-life of products and services sold, and the capitalisation of goods and production equipment.
SDG	United Nations Sustainable Development Goals.
SF	Société Forestière.

SFDR	Sustainable Finance Disclosures Regulation: Regulation (EU) 2019/2088 on sustainability disclosures in the financial services sector came into force in 2021. It establishes harmonised rules for financial market participants and financial advisers on the transparency of sustainability risks and the consideration of negative sustainability impacts in their processes and describes the conditions attached to the definition and obligations of Article 8 and Article 9 funds.
SFIL	Société de financement local.
Shareholder engagement	Exercise of voting rights at general meetings of listed companies and dialogue with the management of listed companies on ESG issues.
SIF	French Sustainable Investment Forum (<i>Forum pour l'Investissement Responsable – FIR</i>).
Single materiality/Dou- ble materiality	Examining the sustainability of a company's activities can be approached from two angles: – internally, to measure the impact of deteriorating social and environmental conditions on the company's development, performance and results; – externally, by taking into account the negative or positive impacts of the company on its economic, social and natural environment.
SSE	Social and solidarity economy.
Taxonomy	The EU taxonomy classifies economic activities that have a positive impact on the environment. Its aim is to direct investment towards green activities. The basic principles were laid down in Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to promote sustainable investment.
TCFD	Task Force on Climate-related Financial Disclosures.
tCO ₂ eq. or teq.CO ₂	Tonnes of CO ₂ equivalent.
TNFD	Task Force on Nature-related Financial Disclosures.
UNEP FI	United Nations Environment Programme Finance Initiative.
UNGC	United Nations Global Compact.
VEFA	Off-plan real estate sales (<i>vente en état futur d'achèvement</i>).

Entities included in the scope of article 29 of the French Energy and Climate Act

Banque des Territoires.
Banque des Territoires' investments.
Asset Management.
Management of Strategic Investments.

Entities cited in the report (non-exhaustive)

Arpavie
BdT LD (Banque des Territoires – loan division)
Bpifrance (public investment bank)
CDC Biodiversité
CDC Croissance
CDC Habitat
CDCII (CDC Investissement immobilier)
CNP Assurances
Compagnie des Alpes
Coriance
Egis
Emeis

Euroclear

GRTgaz

Icade

I4CE (Institute for Climate Economics)

LBP (La Banque Postale)

LBP AM (La Banque Postale Asset Management)

SCET

Louvre Banque Privée

Novethic

Sfil

Société Forestière

STOA

Suez

Théâtre des Champs-Élysées

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