

Responsible Investment Report

2024

REPORT PREPARED IN COMPLIANCE
WITH THE ENERGY AND CLIMATE LAW

LBPAM 



LA FINANCIÈRE
DE L'ÉCHIQUIER

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Editorial



**Emmanuelle
Mourey**

Chairwoman of the
Management Board
of LBP AM



**Olivier
de Berranger**

Chief Executive
Officer, La Financière
de l'Échiquier

The year 2024 marks a major milestone, with La Financière de l'Échiquier (LFDE) becoming part of the LBP AM group and Tocqueville Finance merging with LFDE.

This development is part of a shared desire to strengthen their position as committed players in sustainable finance in France and Europe. While retaining their identities, LBP AM and LFDE affirm their shared ambition to build a consistent strategy based on a long-term vision of responsible investment: creating financial and societal value by taking environmental, social and governance issues into account in a rigorous and transparent manner in our daily investment activities.

This strategic collaboration is reflected in a wide range of responsible investment solutions designed to meet the diverse needs of our clients. They are guided by a common set of policies and tools and a shared ambition

to build portfolios in line with the objectives of the Paris Agreement. This foundation, which guarantees transparency and consistency in the consideration of sustainability issues for all assets under management, is complemented by additional tools and practices to offer products with a high level of sustainability.

This report aims to present these common approaches, which are reflected in particular a joint governance of responsible investment, the continuous development of our proprietary methodological expertise, the methods used to integrate sustainability issues into

our investment products, the combined resources made available, and their results. It will also highlight the specific characteristics of each management company. In 2024, LBP AM and LFDE focused their efforts on three cross-functional initiatives: rolling out the new version of the SRI label; developing an ambitious climate transition plan for the entire group; and aligning and developing internal methodologies to strengthen the LBP AM group's positioning. Despite some headwinds in sustainability at the end of the year, the LBP AM group reaffirmed its direction and commitments, turning them into concrete actions.

"This strategic collaboration is reflected in a wide range of responsible investment solutions designed to meet the diverse needs of our clients."

Editorial

Presentation of the LBP AM Group

The LBP AM group is a leading asset manager in France and Europe in the management of European listed and private assets. For nearly three decades, the group has been recognized for its responsible management with more than 15 SRI professionals, a rigorous and systematic consideration of non-financial factors in all its management activities, and strong commitments through the implementation of ESG policies.

It is currently owned as follows:

75%

by La Banque Postale

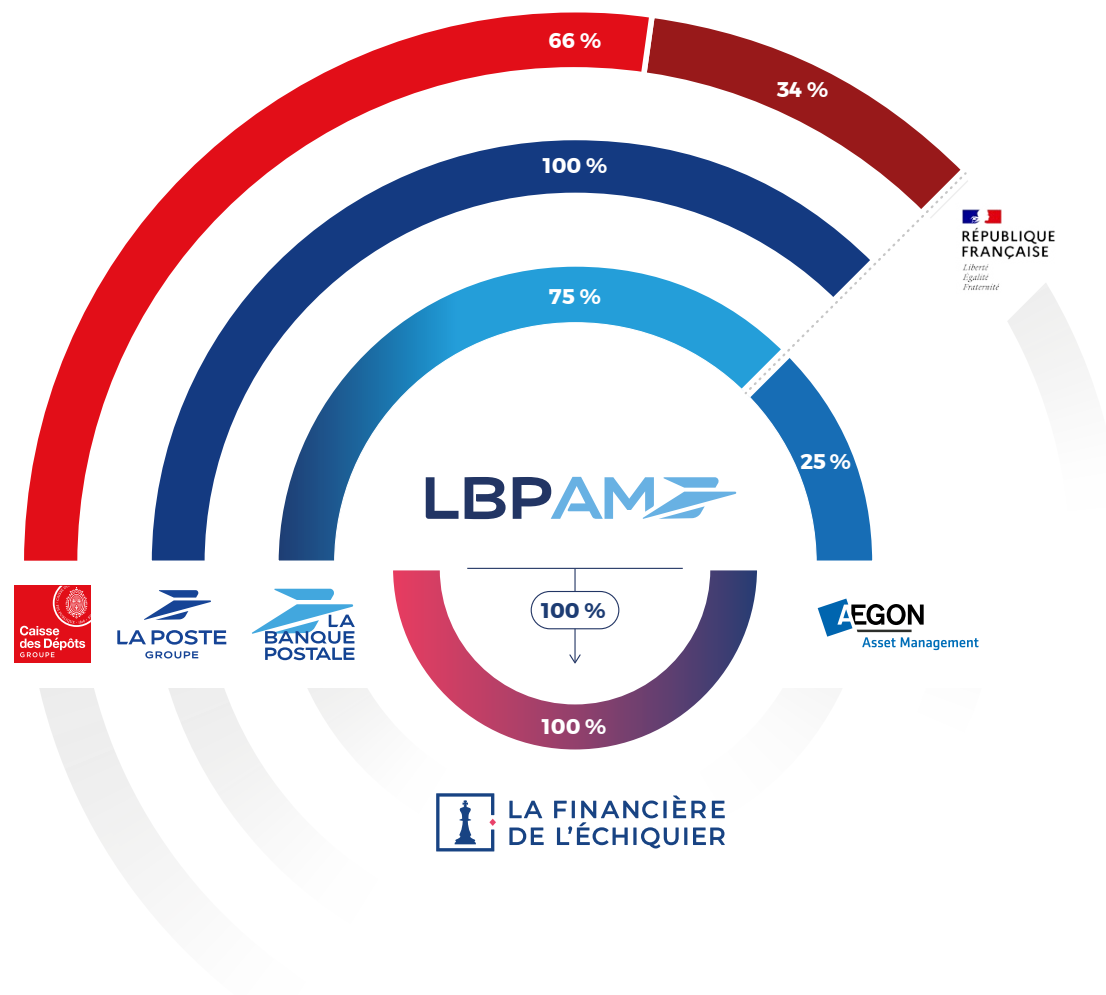
25%

by Aegon Asset Management.

The acquisition by LBP AM of LFDE, one of France's leading entrepreneurial asset management companies, finalized in July 2023 has created a new leader in conviction-driven asset management in France and Europe. As of December 31, 2024, the LBP AM group's consolidated assets under management and distribution (LBP AM and La Financière de l'Échiquier) amounted to €74 billion.

This report covers the LBP AM and LFDE scope.

A SOLID SHAREHOLDER AND PARTNER ECOSYSTEM



Investment Expertises

A multi-specialist conviction-driven manager and pioneer in SRI, the LBP AM group is organized around four investment areas:



Multi-asset & Absolute Performance

- Multiple areas of expertise to tailor investment objectives and risk profiles
- A long-standing track record in building dedicated solutions

Dynamic allocation; Convertible bonds; Optimized diversification under constraints; Absolute return and multi-asset strategies



Quantitative Solutions

- An alliance of human intelligence and technology
- Structured management to diversify assets with tailor-made objectives

Smart beta; Structured management



European Private Assets

- Helping to accelerate economic and environmental transitions for a more sustainable economy
- A Capital Solutions division dedicated to designing and distributing tailor-made solutions.

Private debt Infrastructure, Real estate, Corporate SME/mid-cap, Solutions



Conviction by La Financière de l'Échiquier

- Fundamental knowledge of companies and those who run them

Equities, Credit & Multi-Asset Direct Access

Key Facts 2024

01

Development of a transition plan

In 2024, the LBP AM group reaffirmed its climate ambition by extending its decarbonization target across the group. By 2030, it aims to align 80% of its total assets under management with the goal of carbon neutrality by 2050. To achieve this ambition, it has developed a "Transition Plan"¹ to ensure the strategic management of the decarbonization roadmap. This forward-looking and operational document sets out the decarbonization targets for all business lines and support functions, as well as the associated action plans. The group's commitment is part of two leading international initiatives: the Net Zero Asset Managers Initiative (NZAMI), which defines pathways compatible with the Paris Agreement, and the Glasgow Financial Alliance for Net Zero (GFANZ), whose guidelines structure the presentation of transition plans in line with the European CSRD framework.

02

Preparation for the rollout of the third version of the French government's SRI label²

The French government's SRI label is a mark of quality, validating and signaling the effective existence of a selection process based on ESG criteria. LBP AM had adopted it on a large scale since 2018 and LFDE also offered conviction-based products with the label. The transition to the third version of this label has resulted in stricter requirements in three key areas: engagement and controversy management, strengthening of ESG selection, and specific requirements on a number of themes, particularly in the areas of energy and ecological transition. Capitalizing on its ESG products, policies, and tools, the LBP AM group has carried out a major technical and commercial project to implement these requirements and offer a comprehensive range of certified products. As of January 1, 2025, the LBP AM group is the leading player in terms of the number of labeled funds for listed assets.

03

Standardization of policies and methodologies

Cross-functional work was carried out in 2024 to identify the common DNA of ESG policies and practices and to share and develop the highly complementary tools developed by the two investment companies. This exercise made it possible, in particular, to:

- 1 to define common exclusion, voting and engagement policies and pool their implementation;
- 2 roll out the proprietary GREaT ESG assessment across the entire group;
- 3 share a common regulatory vision, including the implementation of a single method for qualifying sustainable investments;
- 4 enrich and deploy the GREaT360 and Phoenix management platforms across the group;
- 5 adopting common SRI governance through joint committees.

This convergence process, which will continue until 2025, ensures the consistency and effectiveness of SRI actions by capitalizing on the contributions of both investment companies.



Responsible Investment by LBP AM and LFDE evaluated and rewarded

In 2024, the ESG practices of LBP AM and LFDE were assessed and awarded on several complementary dimensions:

For their Responsible Investment strategy

- PRI scores of 91/100 for the SRI policies of LBP AM and LFDE

For their ESG brand

- LBP AM and LFDE ranked "Avant-Gardistes" in the 2024 edition of the Responsible Investment Brand Index (RIBI), **LBP AM: Top 10 best French management companies.**

For their Responsible Investment technology

- LBP AM Award for the best initiative in the integration of innovative technologies and Transparency Label 2024

For their financial performance

- Grand Prix des Sicav – Mieux vivre votre Argent 2024: label of excellence for LBP AM SRI Actions Small Cap Euro (C & D units) and LBP AM SRI Actions Small Cap Euro C/D, performance label for Tocqueville Euro Equity SRI and LBP AM SRI Actions Euro Focus Emergent E
- Regularity Label for LBP AM SRI Diversifié Plus R and LBP AM SRI Human Rights R

For their climate action

- The LBP Group has been awarded an A rating by the CDP, a rating that substantially incorporates the climate and results of the LBP AM Group

¹ See page 3.1.1 page 62 of the report

² See focus section on page 13 of the report

01

Responsible Investment Strategy

Committed to responsible investment for nearly three decades, the LBP AM group places responsibility at the heart of its strategy, as evidenced by its mission statement: "Enhancing financial, natural and human capital and supporting our clients' sustainable transitions."

In the early 2010s, LBP AM and LFDE took a decisive turn in their commitment to responsible investment by becoming signatories of the PRI. These commitments materialised in 2018 with distinct but foundational decisions on ESG-related client commitments: the creation of an asset management company dedicated to responsible investment for LBP AM, aligning its open-ended funds with the SRI label, and the launch of a diversified range supported by ESG minimum requirements for LFDE.

In 2021, both companies set a new strategic course towards the carbon neutrality of their portfolio.

In 2023, they joined forces to pursue their shared ambition of becoming a leading European player in responsible investment, based on their common convictions and respective expertise. This is why the ESG convergence process, launched in 2024, was one of the first steps in this strategic alignment.

This chapter provides a detailed presentation of the LBP AM group's responsible investment policy. It explains how these commitments are embedded in the corporate governance of LBP AM and LFDE, as well as in their tools, products, areas of expertise, and day-to-day operations.

"Enhancing financial, natural, and human capital and supporting our clients' sustainable transitions."

1.1 Responsible Investment Policy

1.1.1 SRI Convictions

The LBP AM group is guided by strong convictions: the energy and ecological transition is essential, and factoring in sustainability is not optional but necessary for the long-term performance of investments. This vision underpins the group's responsible investment objectives, firmly rooted in a double materiality approach..

- Protecting the value of investments through active sustainability risk management
- Contributing to the transition of the economy towards more sustainable practices and assets

As a specialist in responsible investment, the LBP AM group thus occupies a distinctive position among European asset management companies, seeking a rare balance

between a commitment to sustainability and high financial performance, two dimensions that are far from being opposed but rather reinforce each other.

To achieve this, approaches and practices are based on a solid foundation:

- Expert teams,
- Cross-functional, ambitious and transparent ESG policies,
- Robust tools and innovative methodologies tailored to each asset class.

This positioning is based on the following three levers and is reflected in a comprehensive and diversified offering of open-ended funds and expertises that we use to build tailor-made solutions for our clients' sustainability needs.

◆ Focus



Double Materiality

The principle of double materiality is an essential analytical framework for socially responsible investment (SRI) approaches and is fully in line with European regulatory requirements, in particular the CSRD Directive. It is based on two complementary dimensions:

- **Financial materiality**, which aims to identify the impacts of environmental, social and governance (ESG) issues on the economic situation, performance and valuation of the companies in which the portfolios are invested;
- **Impact materiality**, which examines the effects that companies' activities may have on their natural, social or societal environment, whether in terms of risks or externalities.

◆ Focus

Financial and ESG Performance

Numerous academic studies show that there is a positive correlation between the integration of ESG criteria and the financial performance of portfolios.

For example, the study "ESG and Financial Performance: Uncovering the Relationship by Aggregating Evidence (NYU Stern - 2021)"¹ shows that out of 245 studies published between 2016 and 2020, 58% found a positive correlation between financial performance (measured by ROE, ROA or share price) and corporate sustainability performance, and 13% found a neutral effect. This outperformance increases when studies focus on the long term: long-term studies are 76% likely to find a neutral or positive result for sustainability on financial performance, all other things being equal.

This study establishes that ESG integration approaches (i.e. e. the addition of environmental, social, and governance factors to investment decisions) lead to better performance than simple ESG exclusions (i.e. e. not investing in certain polluting or unethical sectors of the economy, such as controversial weapons or oil). Other observable factors enable better financial performance in terms of sustainability, particularly for companies: the presence of a decarbonization

strategy and ESG performance criteria (such as an effective reduction in GHG emissions) that go beyond mere transparency indicators. These factors appear to contribute to innovation, operational performance, and risk management in companies.

According to Friede, Busch & Bassen (2015)², this positive correlation also depends on the type of actor and the ESG factors taken into account: it tends to increase for bonds and real estate; governance and environmental factors are given greater weight, and emerging markets are more sensitive to them.

In order to assess the financial performance of its own responsible investment parameters and methodology, the LBP AM group has developed attribution studies that isolate the specific impact of these factors. The application of all LBP AM Group exclusions, ESG selectivity of 20% based on the proprietary GREaT selection methodology, and the two most commonly used ESG performance KPIs on LBP AM funds have led to outperformance of the traditional regional index by 1% in Europe over five years (0.3% in 2024), 0.1% in North America (-0.2% in 2024), and 0.6% in emerging markets (-0.2% in 2024).

¹ NYU-RAM_ESG-Paper_2021 Rev_0.pdf

² Friede et al (2015): ESG and Financial performance: aggregated evidence from more than 2000 empirical studies

1.1.2 Three Responsible Investment Levers

01



The analysis and integration of sustainability issues, according to the proprietary GREaT methodology

The objective: identify companies that manage sustainability responsibly and offer products or services that help address key societal challenges, particularly a just transition, and those with less robust practices in these two areas. To do this, the proprietary GREaT analysis methodology is based on four pillars:

- **G** responsible Governance,
- **R** sustainable management of natural and human Resources,
- **E** Energy transition,
- **T** Territorial development.

The GREaT approach has been applied to all asset classes and enables the sustainable development practices of nearly 12,000 companies to be rated.

These analyses are incorporated into the investment selection process through contractually formalized quantitative thresholds, in accordance with the French market authority (AMF) rules on ESG communication for open ended funds. These thresholds are heightened and their proper application is audited for LBP AM and LFDE funds benefitting from the SRI label. The GREaT global ESG analysis can be supplemented by in-depth analyses on specific topics, such as governance (LFDE), biodiversity (LBP AM and TFSA branded products), and compliance with international ethical standards (LBP AM and LFDE).

02



Engagement with companies to encourage them to improve their practices in these four areas

LBP AM - LFDE's engagement policy is one of the levers for implementing responsible investment. This year-round dialogue aims to deepen the understanding of companies' sustainability practices and encourage progress in specific areas. Meetings with companies are linked to LBP AM - LFDE's voting decisions at general meetings. These are based on a proprietary voting policy and are disclosed all year round.

The engagement policy is consistent with thematic ESG policies, which define the objectives, principles, action methods, priorities and expectations for the companies in which we invest:

- Voting policy of LBP AM & LFDE
- Coal policy, set out in the exclusion policy of LBP AM & LFDE
- Oil and gas policy of LBP AM & LFDE
- LBP AM biodiversity policy (and LFDE products under the Tocqueville Finance brand)
- LBP AM Human Rights Policy (and LFDE products under the Tocqueville Finance brand)

The engagement policy also sets out the framework for dialogue with other types of stakeholders. (see. 1.3.3)

03



Exclusion of companies that are not on a sustainable path

The LBP AM group has established an exclusion policy to limit the exposure of LBP AM and LFDE to issuers whose activities, policies or practices (i) are not compatible with their vision of a responsible economy, and (ii) they consider unlikely to change. It applies to all open-ended funds managed by LBP AM and LFDE. For dedicated funds and institutional mandates, the policy applies in whole or in part, depending on the investors' choice.

It is based on the four main types of exclusion listed below.

In 2024, a convergence exercise was carried out between LFDE and LBP AM to define common criteria, sources, and procedures for developing and implementing the exclusion policy for the LBP AM group. These elements are detailed in the group's published policy

This policy is supplemented by additional exclusions applied to a number of products, in particular funds with SRI labels.

Main Types of Exclusions

Instrument

Speculative instruments on agricultural commodities

Norm-based

Companies for which there is **an unacceptable risk that they cause, contribute to or are linked to particularly serious violations of LBP AM's fundamental ethical standards, or which are subject to serious, proven and repeated controversies**, for which exclusion is the most effective lever to reduce the risk of continued and future violations of standards.

Companies excluded on the basis of normative provisions relating to **governance of anti-money laundering and terrorist financing**.

Materiality

Companies whose practices, particularly in terms of social responsibility, environmental responsibility and good governance, present a risk of severe financial impact for the company, with a view to managing sustainability risk.

Activities

Companies whose products or services, or the way in which they manage these activities, present risks of serious human rights or environmental harm and/or are not aligned with LBP AM's ESG performance objectives in the following areas:

- **Controversial weapons**
- **Gambling**
- **Tobacco**
- **Thermal coal**
- **Oil and gas**
- **Pesticides**
- **Biodiversity** (within high-impact sectors)
- **Deforestation** (within high-impact sectors)
- **Pornography**

"The LBP AM Group has established an exclusion policy to limit the exposure of LBP AM and LFDE to issuers whose activities, policies or practices [...] are not compatible with their vision of a responsible economy."

1.1.3 The LBP AM and LFDE Fund Range: a Minimum ESG Standard and ESG Selections to Meet All Needs

In 2018, LBP AM and LFDE made separate but fundamental decisions to integrate sustainability issues into their product ranges. LBP AM positioned itself as a management company dedicated to responsible investment by aligning its open-ended funds with the SRI label, while LFDE offered a broad range with varying levels of sustainability. Today, they have come together to offer a range of products with varying degrees of ESG intensity, with a focus on applying the highest standards to each of these sustainability nuances.

In line with LBP AM's strategic focus on responsible investment and its commitment to educating individual investors about sustainable finance, the LBP AM group had historically obtained SRI label for all of its eligible open-ended funds. The French SRI Label, which has a comprehensive set of standards and requires certification by an independent audit, provides assurance that the ESG criteria applied by the funds had a real, systematic, and significant impact on their investment

decisions. Its cross-functional rollout led to significant mobilization and investment by LBP AM to implement robust and auditable responsible investment practices. LFDE also offered some labeled funds since 2010.

The SRI label specifications were enhanced for the first time, leading to new developments in practices, and then again in 2024, when the label was repositioned from a minimum quality standard to a true signal of best practices.

Capitalizing on the investments made by LBP AM, Tocqueville Finance, and LFDE, the LBP AM group was able to quickly consult its clients during the financial year on the anticipated impact of these developments on the profile of the funds and to begin the necessary adaptation work. Following this work, it has retained the label on more than 100 funds, continuing to offer the most comprehensive range of labeled products among listed funds³.

³ Source: <https://www.lelabelisr.fr/comment-investir/fonds-labellees/>

◆ Focus

Changes to the French SRI Label

With this new version, commonly referred to as "label v3," the French SRI label's framework retains its generalist ambition but has been significantly strengthened in terms of selectivity, shareholder engagement, and controversy management. It also emphasizes support for the energy transition by requiring a systematic analysis of the transition plans of investee companies, a minimum proportion of investment in companies with robust plans, and finally the exclusion of issuers in the fossil fuel sector whose activities are incompatible with the recommendations for meeting the Paris Agreement targets..

Thanks to its experience with the ESG label, impact simulation, and the concomitant development of its responsible investment practices in recent years in terms of shareholder engagement, voting, normative analysis, and the integration of climate issues, the LBP AM group has been able to quickly carry out impact tests on its funds to inform

its clients' decisions on whether or not to maintain the label. At the same time, it has also developed its platforms to ensure the industrialization of the application of the new label criteria.

By the end of 2024, it has been able to offer a complete range of v3-labeled products: LFDE offers a wide range of stock picking strategies (blend, growth, value, tech, EU, US, environmental and social themes...) and LBP AM offers quantitative (or "low TE") strategies across all geographies (France, EU, Europe, US, Asia, Emerging Markets), credit strategies, diversified and multi-management strategies, as well as convertible and absolute return strategies.

For more information

SRI label website: [SRI Label – For sustainable and responsible investments](#)

The reform of the SRI label, or V3 label, will come into force on January 1, 2025. | LBP AM

La Financière de l'Échiquier grouped its product offering into three levels of ESG integration:

- **ESG integration:** a common foundation that consists of taking into account Environmental, Social and Governance criteria to gradually align the practices of the entire investment team with those implemented within the framework of SRI-labeled UCITS.
- **Sustainable convictions:** a reinforced approach within its SRI-labeled funds, notably through certification by recognized labels.
- **Impact Investing:** dedicated to financing companies that make a positive and significant contribution, notably through the first mutual fund launched in 2017 to contribute to the UN Sustainable Development Goals.

In 2024, to address the varying ESG expectations of its clients, the LBP AM group restructured its product offering, drawing inspiration from the product segmentation implemented by LFDE.

This four-tiered segmentation, from a shared minimum level of ESG practices to the most advanced, will be implemented starting in 2025 :

- "ESG Foundation" funds, applying the group's sector and normative exclusions as well as ESG analysis aimed at supporting sustainability risk management by fund managers,
- "Selectivity" funds, incorporating formalized quantitative rules for taking analysis into account in portfolio construction,
- "SRI label" funds, which have been awarded the French label
- "Impact and thematic ESG" funds, consisting of Article 9 funds seeking either to generate an impact on an identified sustainability issue (climate, biodiversity, health...) or to select assets that meet a specific sustainability theme (energy transition, human rights...).

Finally, the LBP AM group offers customized responsible investment solutions to support its institutional clients in the deployment of their own increasingly sophisticated ESG strategies.



1.2

Corporate Governance Designed for Responsible Investment

1.2.1 Tailor-Made Decision-Making Bodies to Guarantee our Responsible Investment Approach

At LBP AM and LFDE, the definition and implementation of the responsible investment policy is overseen by a cross-functional governance structure at the highest level, supported by senior management.

Chaired by Emmanuelle Mourey, LBP AM's Executive Board is composed of members with extensive experience in asset management, particularly within asset management companies specializing in Responsible Investment. They also play active roles in professional associations (AFC) and commissions (AMF) involved in the development of French and European ESG regulatory standards. LFDE has an executive committee composed of nine members and a board of directors of

six people with extensive experience in asset management.

This governance structure is anchored in several dedicated committees with complementary missions.

The sustainable finance committee

This committee brings together members of the LBP AM Executive Board and the CEO of LFDE, the heads of the investment and research teams, the sales and risk teams, and CSR to define strategic guidelines for sustainable finance and oversee their implementation.

Reporting to the LBP AM Chief Investment Officer and composed of 17 ex officio members representing all key areas of expertise and business lines within the investment companies, the committee meets every three weeks and is responsible for guiding and approving LBP AM - LFDE's ESG policies.

It also validates key decisions on the application of these policies, such as new ESG commitments made by LBP AM and LFDE, major methodological changes, and principles for the development of procedures or structural tools.

Finally, this committee monitors and shares information on regulatory and market developments and disseminates LBP AM and LFDE's ESG policies, actions and results. To facilitate decision-making, specific projects are examined by working groups set up for this purpose. The supporting documents for deliberations are prepared by the head of the SRI Solutions team.

The GREAT Committee

Chaired by the Chief Investment Officer, this committee brings together the heads and representatives of the investment, analysis and risk teams on a quarterly basis to validate the implementation of the exclusion policy, deliberate on investment actions following enhanced sustainability due diligence, and steer the rollout of the engagement policy. It comprises two colleges, voting respectively for LBP AM and LFDE.

The COO, who acts as secretary to the committee, is responsible for distributing the committee's decisions and ensuring that they are implemented in the management and control systems.

The SRI Solutions teams at LBP AM and IR Research at LFDE continuously monitor issuers based on policy criteria and produce supporting documentation for deliberations. The Risk Management Department has the right to raise an alert in the event of disagreement with the Committee's decision, in order to refer the matter to the Executive Board for arbitration.

The Governance Committee

This thematic committee brings together ESG specialists, portfolio managers/analysts, and legal and risk managers one or more times prior to the annual general meeting season to review changes to the voting policy and its implementation. It is headed by the head of the SRI Solutions team.

The ESG Regulatory Steering Committee

A dedicated supplement to the Regulatory Committee, this committee, chaired by the Secretary General, monitors regulatory developments and standards in sustainable finance and organizes the rollout of related transformation projects. It is prepared by the SRI Solutions team.

The ESG Management Committee

A weekly management meeting chaired by the Chief Sustainable Investment Officer, this committee brings together SRI analysts, portfolio managers and analysts to ensure the smooth flow of information on SRI strategy and methodological developments, prioritize and organize enhanced due diligence, and inform and organize engagement activities.

The Supervisory Board

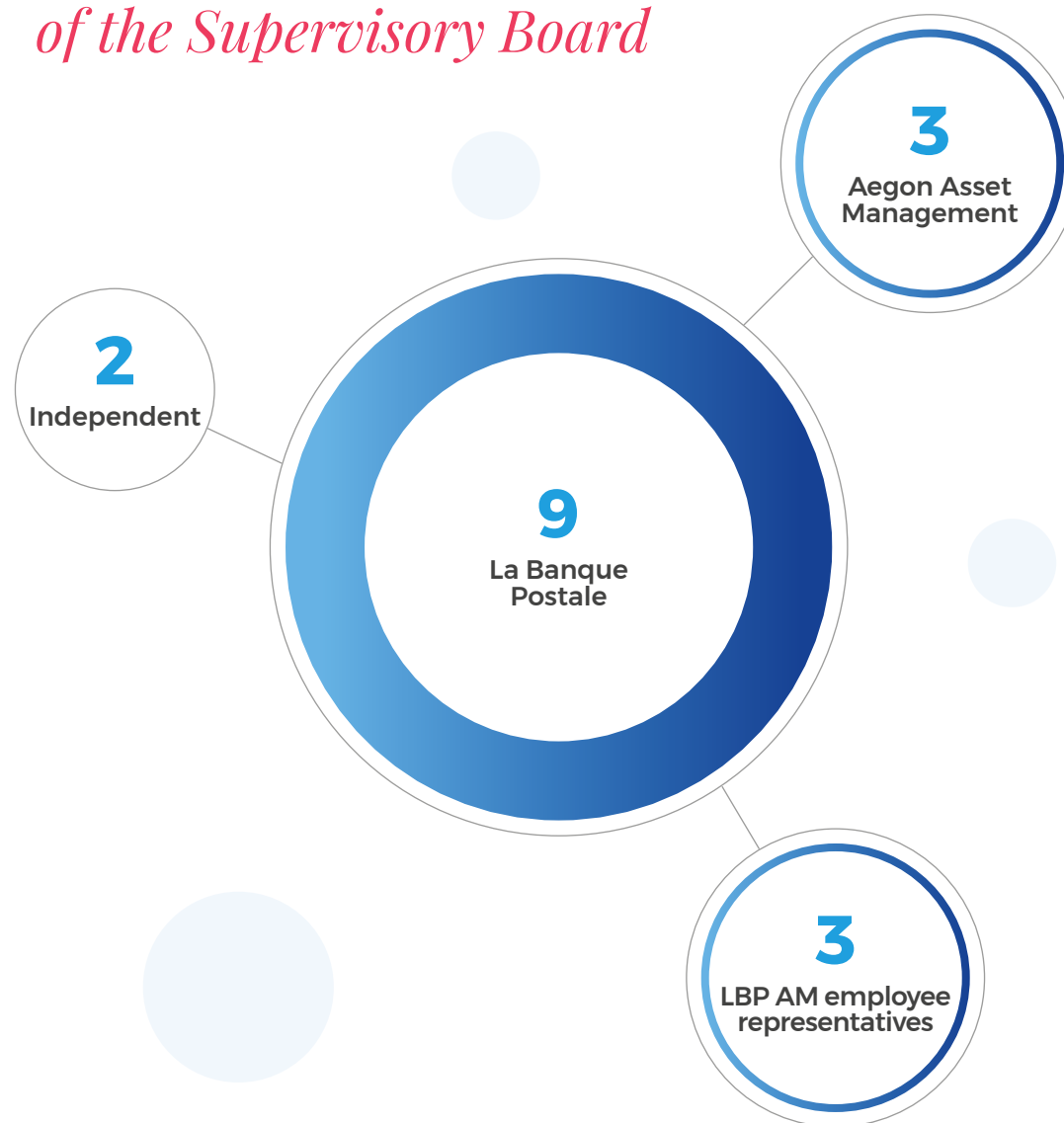
The Supervisory Board of the LBP AM group comprises 17 members of different nationalities (French, Dutch, and English) with an average of more than 15 years' experience in finance, from the LBP group, Aegon AM, independent members, and employee representatives.

◆ *Members of the Supervisory Board*

The Supervisory Board ensures in particular that LBP AM fulfills its role as a responsible financial player. To this end, it can draw on the expertise of certain members with extensive experience in asset management, risk control and regulatory monitoring.

Members are regularly made aware of environmental, social and governance issues by the Management Board. Regular presentations on developments in relevant regulations, LBP AM's engagement policy and the challenge of carbon neutrality ("net zero") are made to the Supervisory Board each year. In 2024, the Supervisory Board dealt with the following topics in particular:

- Monitoring of LBP AM's SRI strategy roadmap (Net Zero strategy, changes to the French government label, LBP AM carbon footprint)
- Convergence of ESG tools and methodologies between LBP AM & LFDE
- Application of LBP AM's voting policy



1.2.2 A responsible investment approach integrated into remuneration policies

LBP AM and LFDE's remuneration policies indicate how LBP AM and LFDE integrate sustainability risks into performance assessment.

Integration into objectives

Since 2021, all LBP AM employees have had a common objective to align staff on the company's overall performance, which systematically includes ESG subtargets in line with its RI and CSR roadmap.

In addition, each employee also has a specific ESG objective related to the ESG of their profession. As such, the individual variable component includes at least 5% of ESG objectives specific to each profession, which, when combined with other non-financial

objectives of the company, represent 40% of remuneration criteria, in accordance with the LBP group's calculation methodology.

In addition, the objectives of LBP AM's senior executives include sustainability criteria. In 2024, they focused on elements related to LBP AM's SRI strategy, its decarbonization trajectory, and its CSR roadmap.

For more information [↗](#)

[LBP AM remuneration policies](#)

[LFDE remuneration policies](#)



1.3

Responsibility Embedded Day to Day

1.3.1 Dedicated Teams and a Training Policy Designed to Support the RI Strategy

ESG expertise across all our business lines

Responsible investment is at the heart of our management approach: it is integrated across all business lines at LBP AM and LFDE and involves all of the management companies' business lines. ESG assets under management represent 61.2 billion of the LBP AM group's 74 billion (45.7 billion for LBP AM and 15.4 billion for LFDE).

■ A research team (based at LBP AM)

comprising quantitative analysts, as well as fundamental and sustainable analysts with financial and ESG expertise, build an integrated research process.

Its functions: enriching fundamental and quantitative financial analysis methodologies to integrate ESG risks and opportunities, producing analyses to support credit managers in generating investment ideas, and participating in quantitative work.

■ A Responsible Investment Research team (based at LFDE)

that works closely with fund managers to support them in applying engagement policies, conducting qualitative research, and applying responsible investment methodologies. **Its**

functions: supporting portfolio managers through their ESG qualitative research and engagement, and responsible investment processes, independently validating bottom-up adjustments to GREaT ratings ("overrides").

■ A team of SRI specialists, SRI Solutions (housed at LBP AM), which coordinates the development and implementation of cross-functional policies and methodologies.

Its functions: continuous development of ESG and impact rating methodologies, ESG policies (thematic, engagement, exclusion and voting), ESG advisory Solutions steering the rollout implementation of voting, exclusion and engagement policies, coordination of cross-functional projects, particularly regulatory and data-related, stakeholder relations.

■ Fund managers and analyst-managers are at the heart of responsible management,

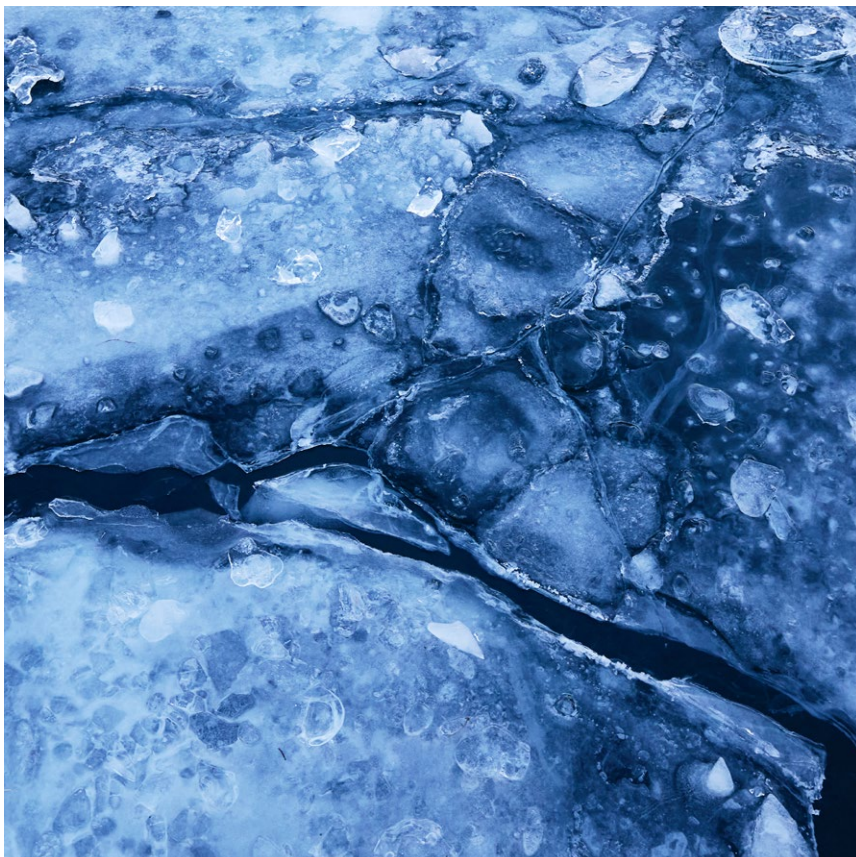
embodied in particular by LFDE's CSIO (Chief Sustainable Investment Officer). **Their roles:** implementing LBP AM and LFDE fund strategies by applying ESG management rules and conducting shareholder dialogue that systematically integrates

ESG issues. The CSIO, as the main point of contact, ensures the proper application and dissemination of responsible investment methodologies, helps monitor issuers, and identifies portfolio managers day to day ESG needs. It is responsible for coordinating the analysis and integration of financial materiality.

More broadly, responsible investment is also part of the daily work of all teams: fund selection, risk managers, IT, structurers, sales, communications, HR... Every employee of LBP AM and LFDE plays a role in the responsible investment process of the asset management companies.

In total, at the LBP AM group level, 13% of the total number of FTEs are dedicated to the implementation of the ESG strategy. (14% for LFDE and 12% for LBP AM, with cross-service provision between the asset management companies).

The success of this integration also depends on the ESG governance and coordination bodies, where analysts and fund managers play a central role in discussions on SRI methodologies and policies, on an ad hoc or ongoing basis.



In 2024, the ESG training budget totalled €68,000 (including €43,000 for LBP AM and €25,000 for LFDE). This represents 15% and 10% of the total training budgets for LBP AM and LFDE, respectively.

Continuous learning to consolidate our knowledge and understanding of sustainability issues

Within the LBP AM group, commitment to and consistency on ESG issues are key pillars of our HR and CSR strategy. The Human Resources Department has set up an awareness and training program for all employees on key ESG issues. In 2024, 86% of employees had completed at least one training course related to climate and/or biodiversity.

The Climate Fresco

Since September 2021, every employee has participated in The Climate Fresco. In 2024, two group-wide sessions were organized, enabling 42 new employees (18 from LBP AM and 24 from LFDE) to benefit from this training.

IMPACT meetings

Launched in 2022, this awareness-raising format takes place two to three times a year on SRI and CSR topics. In 2024, IMPACT Meetings on biodiversity and digital eco-friendly practices were respectively organized, with presentations by experts and concrete initiatives led by the LBP AM group.

Biodiversity Course

Launched in 2023, this training course on biodiversity issues combines e-learning and collaborative workshops. It is divided into three stages:

- 1 Discovering and learning about biodiversity issues through an e-learning module and a quiz;
- 2 Creation of a space for discussion and debate with a masterclass led by a biodiversity expert;
- 3 Consolidation of knowledge through a quiz at the end of the training course. Since its launch, 197 employees have completed the course.

Online training

A training module on sustainable development topics is available on the MyLearning platform. Launched in 2024, MyLearning offers access to a variety of training resources (podcasts, e-learning, internal conferences) on different topics. This allows each employee to develop their skills at their own pace and according to their preferences.

Call to action

These training and employee engagement initiatives are part of a comprehensive call to action that encompasses the key objectives of our HR and CSR strategy.

- 1 Ensure that all employees understand sustainability issues.
- 2 Promote employee buy-in and ownership of the company's responsible investment principles and what they imply in terms of behavior.
- 3 Encourage each employee to take concrete action at their own level, both in their personal and professional lives. For example, the group encourages eco-friendly behavior with ad hoc campaigns and promotes soft mobility through a subsidy for commuting.

In 2024, the ESG training budget totalled €68,000 (including €43,000 for LBP AM and €25,000 for LFDE). This represents 15% and 10% of the total training budgets for LBP AM and LFDE, respectively.



◆ Focus

LFDE's SRI Training Courses

As a responsible investor, LFDE has a strong and long-standing conviction: sustainable value creation is fueled by balance and management that cares about the world of today and tomorrow. LFDE is behind a number of educational initiatives and publishes transparent documentation to explain its convictions as clearly as possible to its clients and stakeholders.

Guided by a desire to be as transparent as possible about the methodologies used, events are regularly organized on responsible investment and how LFDE integrates climate and biodiversity issues into its activities. The sales teams have also been trained to report on this approach as accurately as possible.

Examples of LFDE educational programs:



Podcasts

"Sursauts"

In 2023, LFDE launched a new educational podcast in partnership with Info Durable, dedicated to solutions for preserving and regenerating biodiversity.

"One step at a time"

As part of our series of podcasts on sustainable finance, one episode was dedicated to climate and another to biodiversity.



The SRI School

The growth of SRI necessarily requires the support of individual investors. As wealth management partners are essential for informing and raising awareness among savers, this initiative provides them with all the tools they need to better understand the subject. Building on its success since its launch in 2019, the SRI School has been rolled out across France and is spreading beyond the world of asset management to universities, with the launch of a Master of Science in Sustainable Finance & Fintech at

SKEMA Business School and another at NEOMA Business School. Since its launch, this training has been delivered to 2,715 people by our Responsible Investment Research team. Building on this success, the Climate School was launched in 2022 and offers an interactive educational training program for all LFDE stakeholders to promote better consideration of climate issues in investments. Since its launch, this training course has been delivered to 190 people by our Responsible Investment Research team.

1.3.2 Custom-built Investment Platforms to Support Responsible Investment

LBP AM and LFDE have integrated ESG analysis into their investment platforms to support the implementation of ESG research, selection and engagement processes.

GREaT 360, a proprietary platform for sustainable fund management

At the heart of this system is the proprietary GREaT 360 platform, a comprehensive decision-making tool that enables managers to easily manage the SRI features of their portfolios point. A wide range of functionalities enable staff to design and to run ESG funds, notably through an extensive repository of all available ESG selection systems, ESG kpis, issuers ESG features, and exclusions. The platform is parametered to reflected each fund's specific ESG rules and kpis, GREaT 360 has been rolled out to LFDE. In parallel, numerous developments were made in 2024 to enable the management of new parameters specific to the third version of the French SRI label and further customization of ESG rules attributable to a fund.

Phoenix: a common engagement platform

This is complemented by the Phoenix platform, which enables the group's managers and analysts to monitor issuers. Initially developed by LFDE, this platform underwent significant development in 2024 to make it available to LBP AM analysts and managers, and its engagement module was enhanced with numerous features and parameters to support the rollout of the group's engagement policy and facilitate reporting.

DATAHUB SRI, the ESG data architecture

Faced with the challenge of growing ESG data and the proliferation of data providers, the LBP AM group implemented an innovative solution in 2022 based on technology developed by MarkLogic, which offers a unique solution for the integration and agile consumption of data. It enables data to be ingested, stored, harmonized, and easily searched while keeping it secure. The Datahub SRI enables the LBP AM group to apply high standards throughout the data lifecycle in terms of integrating and harmonizing new data points, checking data reliability, and improving accessibility for a wide range of uses. In 2024, the SRI Datahub was enhanced with nearly 400 new data points. Investment staff can now access to 5,500 data points, covering up to 95,000 issuers.

GREaT 360 platform

	DEEP DIVE	Tool for visualizing, understanding, and interpreting issuers sustainability GREaT scores (overall scores, by pillar, and by indicator).
	SIMULATION	Tool for simulating the impact of new transactions on sustainability metrics and ratios to be met by the fund.
	EXCLUSION	Tool for managing, visualising and measuring the impact of exclusion policies.
	SRI LABEL	Tool to assist in decision-making and monitoring of the SRI label.

Collaboration with suppliers or service providers

GREaT 360, in particular, is fed by data providers covering needs relating to the implementation of exclusions, company assessment, and raw data points for monitoring KPIs. ESG service provider contracts (including data) represent approximately €855,000 for LBP AM and €250,000 for LFDE.



Normative data and data on excluded activities (arms, tobacco and gambling industries)



Data relating to ESG ratings, monitoring of controversies involving issuers, and climate risk.



Data relating to ESG ratings and monitoring of controversies involving issuers.



ESG data specific to small and medium-sized companies listed on European markets.



Data on companies' Net Zero trajectory and alignment



Data on biodiversity footprints using the BIA-GBS methodology (Biodiversity Impact Analytics powered by the Global Biodiversity Score™), data on emissions for infrastructure projects



Data on the environmental impact of companies whose activities are related to fossil fuels.



Raw ESG data.



Data on the European taxonomy of sustainable assets and Significant Adverse Impacts (SFDR).



Data relating to the creation of decarbonization plans and the calculation of financed emissions.



Data relating to GHG emissions calculation and life cycle analysis.

1.3.3 Public Initiatives and Market Initiatives

LBP AM has been committed to SRI and the energy and ecological transition for over 20 years.

Objectives

To be a driving force behind:

- I Advancing academic research,
- II Improving issuer transparency,
- III The development of responsible investment
- IV The development of tomorrow's responsible investment standards
- V Cutting-edge engagement collaborations, contributing to the implementation of our policy.
- VI Financing projects and programs with a positive social impact

"LBP AM has been committed to SRI and the energy and ecological transition for over 20 years, working alongside the financial community."

◆ Focus

LBP AM's Initiatives

LBP AM is a member of the following initiatives.
LFDE is also a member of the initiatives marked with "".



V, II | Access to Medicine Foundation*

The Foundation is an international network of investors whose goal is to encourage the pharmaceutical industry to develop access to medicines for people in low-income countries. Every two years, it publishes a **ranking of the twenty largest laboratories on the subject**. The LBP AM group also participates in collaborative engagement campaigns.



III, IV | French Asset Management Association (AFG)*

Emmanuelle Mourey (Chair of the Executive Board of LBP AM) has been a member of the AFG Strategic Committee since December 2019. The LBP AM group is a member of the Responsible Investment (RI) and Corporate Governance committees. Other LBP AM Group employees also participate in other AFG committees. In 2024, the LBP AM group participated in the working group on "transition plan analysis" co-organized by the AFG and the IFD.



II, III, IV | French Market Authority (AMF)

Helena Charrier (Head of SRI Solutions at LBP AM) is a member of the **Climate and Sustainable Finance Advisory Committee**, which began a new term at the end of 2022. On this occasion, she actively participated in developing the committee's position on say-on-climate and the guide on implementing ESRS E1 Transition Plans.



VI | CDC Biodiversité

CDC Biodiversité runs the Nature 2050 project to protect biodiversity and adapt natural environments to climate change. LBP AM contributes to financing nature conservation and restoration by supporting CDC Biodiversité with a lump sum payment.



II, V | CDP*

The CDP encourages greater disclosure of the environmental impact of investors, companies and governments. Three LBP AM equity funds in 2019, 2020, 2021 and 2022 received a Climetric award from the initiative. In 2024, the LBP AM group also participated in the collaborative engagement campaigns "Non Disclosure Campaign" and "Science-Based Targets Campaign" organized by the CDP.



II, V | Ceres

Ceres is an American organization that has been bringing together international investors since 2018 who want to contribute to the fight against deforestation, mainly linked to livestock farming and soybean cultivation in the Amazon. Within this organization, LBP AM participates in the following collaborative engagement campaigns organized by CERES: "Land use and Climate," "Deforestation," "Biodiversity," and "Valuing Water Initiative."



II, V | Climate Action 100+*

The Climate Action 100+ initiative, led by the PRI and the IIGCC, aims to encourage major greenhouse gas emitters in the global economy to reduce their emissions in line with the Paris Agreement targets. By signing the initiative's charter, the LBP AM group is committed to working to encourage the energy transition through its fund investments.



II, V | 30% Club

LBP AM is a founding member of the French Club 30 initiative, which was created in November 2020 to promote gender diversity in the leadership of the SBF 120. LBP AM participates in collaborative engagement campaigns within the club.



II, III, IV | Eurosif

Eurosif is the pan-European association promoting sustainable finance at the European level, encompassing the EU, the enlarged European Economic Area (EEA) and the United Kingdom (UK). Eurosif's activities consist of contributing to public policy and conducting research to improve understanding of responsible investment and the obstacles faced by investors concerned about sustainability. The LBP AM group participates in working groups on the classification of financial products.



III, VI | Fair*

FAIR is a player in social impact finance in France and a French center of expertise in this field internationally. FAIR manages a label, the Finansol label, which distinguishes solidarity-based savings products from other savings products available to the general public. LFDE has been a member since 2021 and participates in working groups on solidarity-based financiers and exclusions from the Finansol label.



II, V | FAIRR*

This initiative aims to encourage agri-food manufacturers to improve their practices in terms of animal welfare and nutrition. The LBP AM group participates in the following working groups: sustainable aquaculture, sustainable proteins, biodiversity and pollution, antimicrobial resistance, and antibiotics.



IV | Finance For Biodiversity Foundation*

Since 2020, the LBP AM group has been a signatory to the Finance for Biodiversity Pledge and participates in working groups on biodiversity impact measurement (commitment to biodiversity, setting biodiversity targets) and advocacy and political engagement on biodiversity.



I | The FDIR Chair*

The FDIR Chair aims to promote collaboration between asset management professionals and researchers whose work contributes to the international influence of the Paris financial center on this essential topic. LBP AM has held the Chairmanship of the Chair since 2016.



III, IV, V | Forum for Responsible Investment (FIR)*

The FIR was created in 2001 to promote SRI. LBP AM joined the FIR in 2014. Helena Charrier (Head of SRI SOLUTIONS at LBP AM) was re-elected to the board of directors of the Forum for Responsible Investment in 2022, of which Helena Charrier is one of the vice-presidents. The LBP AM group is also a member of the Dialogue and Engagement Committee. The LBP AM group participates in the FIR's working group on say-on-climate and in the collaborative engagement on forced labor and child labor. In 2024, the LBP AM group also participated in the creation and steering of a collaborative engagement initiative on the governance of small and medium-sized enterprises.



III, IV | France Invest

FranceInvest is a professional organization bringing together more than 400 French private equity and private debt management companies, of which LBP AM is a member of the Sustainability Commission. The association and its members are committed to supporting start-ups, SMEs and unlisted mid-cap companies in their transition to responsible practices and models.



II, IV | The Glasgow Financial Alliance for Net Zero (GFANZ)

GFANZ is a global coalition of financial institutions committed to accelerating the decarbonization of the economy. The alliance aims to broaden, deepen, and raise the ambitions for carbon neutrality across the financial system and demonstrate the collective commitment of businesses to help companies and countries achieve the goals of the Paris Agreement. As part of this alliance, LBP AM has been very active in working groups developing a voluntary international standard for transition plans for the real economy through Real Economy Pathways and for financial institutions through work on Portfolio Alignment ..



IV | GIIN*

The Global Impact Investing Network is a market-driven initiative on impact investing led by investors committed to generating social and environmental impact alongside financial returns.



IV | ICGN

The ICGN is a global network of responsible investors who promote the highest standards of corporate governance with the aim of creating long-term value and contributing to the sustainability of economies, societies, and the environment. LBP AM joined the network in 2023.



III, IV | IFD*

Formerly Finance for Tomorrow, IFD is an initiative of Paris Europlace to promote sustainable finance in France and internationally. The aim is to redirect financial flows towards a low-carbon and inclusive economy, in line with the Paris Agreement and the Sustainable Development Goals. The LBP AM group is a member of the initiative's board and the Policy Commission, and participates in working groups on impact, just transition, biodiversity, and deforestation.



II, IV | IIGCC

The Institutional Investors Group on Climate Change is a network of investors working on climate change, collaborating on the development of market guides and engagement actions. Members of LBP AM participate in consultations and working groups.



II, IV | Peace Nexus

The Investor Engagement in Conflict-Affected and High-Risk Areas initiative, organized by PeaceNexus, by the Investor Alliance for Human Rights and the Heartland Initiative, aims to engage selected companies in the information technology and renewable energy sectors to challenge and encourage them to adopt a set of measures and procedures to effectively reduce the risk of negative impacts on human rights and conflict dynamics related to their operations in these areas.



II, IV | Chemsec

Led by the Swedish NGO ChemSec, this initiative brings together more than 50 investors who have signed a letter sent to 50 of the world's largest producers and users of PFAS, urging them to plan their phase-out of PFAS and to be more transparent about the management of risks and impacts associated with the production and use of these substances.



II, IV | TCFD*

The TCFD provides recommendations on climate-related information that companies should disclose to help investors make sound financial decisions. The LBP AM group is committed to communicating and reporting on climate risks in line with TCFD standards and encourages companies to implement these standards.



II, IV | IAHR*

The alliance aims to mobilize responsible investors to respect the fundamental rights of individuals. The LBP AM group participates in the engagement groups on "Corporate Human Rights Benchmark," "Rating Digital Rights," and "Uyghur Forced Labor."

Nature Action 100



II, IV | NA100*

Launched in September 2023 through a collaboration between CERES, IIGCC, Finance for Biodiversity and Planet Tracker, the Nature Action 100 coalition brings together institutional investors to engage in dialogue with 100 key companies in the sectors that have the greatest impact on nature and encourage them to reduce their impact on biodiversity by 2030.



III, IV | NZAMI*

The Net Zero Asset Managers Initiative (NZAMI) is an initiative to strengthen climate action with the goal of achieving carbon neutrality by 2050. The LBP AM group has committed to achieving carbon neutrality for its portfolios through its involvement in this alliance.



III, IV | PRI*

The PRI were launched by the United Nations in 2006. They are a voluntary commitment by investors to integrate ESG issues into their portfolio management. The LBP AM group participates in working groups on responsible raw material production and plastics. The LBP AM group also participates in the Advance collaborative engagement campaign.



II, IV | RM2030

In 2024, LBP AM joined the Responsible Mining 2030 initiative, which aims to encourage reflection on the role of investors in promoting a fair energy transition that respects nature and human rights. A multi-stakeholder initiative, it brings together mining companies, NGOs, representatives of local and indigenous communities, and investors.



II, IV | ShareAction*

Founded in 2005, ShareAction coordinates numerous engagement campaigns with investors to address the major environmental and social challenges we face.



IV | TFFP

Launched in 2018, this is the first international treaty aimed at reducing the impact of tobacco on the global economy. The signatories of this initiative are committed to a very strict tobacco exclusion policy in their investments



V | UNIGU

In 2022, LBP AM became a signatory to the Investor Statement on Expectations for the Nursing Home Sector, a document formalizing the coalition's objectives. In 2024, LBP AM also joined the Labour Rights Investor Network, which aims to share information and best practices between companies, stakeholders (e.g., trade unions, NGOs, civil society...) and investors on issues related to working conditions and fundamental workers' rights.

1.3.4 Information for Investors

Guided by a desire to be as transparent as possible about their commitments and methodology, LBP AM and LFDE publish:

- **Their ESG policies:** voting policy, engagement policy, exclusion policy, sectoral policies on oil, gas and coal, sustainability risk management policy; human rights policies, biodiversity policy
- **An annual reporting on their implementation:** voting and engagement report, and this 29 LEC report;

Holders are informed via, on the one hand, the pre-contractual SFDR documentation (prospectus and annexes to the prospectus for funds; SFDR annexes to mandates), and through regulatory reporting (periodic SFDR annexes - annual reports), as well as monthly (factsheets) or quarterly reports on dedicated funds and mandates, and an annual ESGDH report and, where applicable, their 29 LEC report. The documentation is appropriate

and proportionate to the framework according to the SRI category established by the AMF (1, 2 or 3).

LBP AM also regularly provides information to its clients through newsletters and articles, as well as educational videos on its website.

LBP AM and LFDE also share analysis with institutional clients to assist them in their reflexion about the ESG criteria they wish to apply to their funds. LFDE also organizes thematic debates and conferences and has set up responsible investment training for its clients.

In 2024, significant work was carried out in terms of documentation to support the adjustment of our range of financial products to bring it into line with the new sustainable finance regulations (ESMA; EMF) and the evolution of the French SRI label.

1.3.5 A responsible and socially conscious company: CSR policy

The LBP AM group aims to be exemplary in its role as a responsible investor, attentive to its stakeholders and its impact. Responsibility is therefore a core value for its asset management activities and for the management of

its companies.

A CSR roadmap has been drawn up at LBP AM with five pillars, each accompanied by ambitions, defined objectives and specific action plans.

◆ *The 5 Pillars*

OF LBP AM - LFDE'S
CSR POLICY



1 Promoting responsible investment

Define a climate policy aligned with the Paris Agreement objectives	■ Define a transition plan to achieve 80% of assets under management aligned with a decarbonization trajectory compatible with the Paris Agreement targets by 2030. ■ Implement (sectoral) exclusion policies: coal, oil and gas in line with this objective. ■ Strengthen shareholder engagement with companies to accelerate their energy transition. ■ Integration of ESG criteria into the investment strategy through the proprietary GREaT rating, measurement of the carbon footprint of investments, the oil and gas policy, and investments in companies that provide solutions for the energy transition.
Protecting financial, natural and human capital	■ Use of the GREaT method, which takes into account the following elements: responsible governance, sustainable resource management, energy transition, and regional development.
Supporting our stakeholders in their commitment	■ Training of 341 people by the LBP AM group on topics such as climate, biodiversity and ESG issues. ■ Support for LBP AM group clients to align their portfolios with climate and societal objectives.

2 Acting as a responsible employer

Maintaining a good quality of life at work	■ Implementation of support for caregivers with the "Responsible" program, which offers practical support to employees caring for a loved one who is vulnerable due to illness, disability, or age. ■ Implementation of parental support: each employee is entitled to half a day off per week until their child reaches the age of 19 months.
Ensuring employee employability and professional development	■ Launch of a new training platform: My Learning to promote a culture of continuous learning. ■ Several types of ESG training will be offered during 2024: Fresque du Climat, IMPACT Meetings, Biodiversity Course.
Promoting equity, diversity, and inclusion	■ Priority given to professional equality: 55% of women on the Executive Committee, monitoring of pay and promotion equality, etc. ■ An inclusive training program leading to a diploma is available for people with disabilities who have a two-year college degree: HandiFormatFinance.

3 Reducing our environmental footprint

Measuring and improving our carbon footprint	■ Identify areas for improvement, particularly in the digital sphere. ■ Annual calculation of the carbon footprints of LBP AM and LFDE.
Define and implement a responsible purchasing policy	■ Publishing a responsible purchasing policy based on four pillars: respect for fundamental rights, reduction of environmental impact, social inclusion, and ethical and sustainable relationships. ■ Setting new targets for the period 2025-2026: 80% of eligible suppliers must have CSR initiatives in place...
Limit the environmental footprint of digital technology	■ Optimization of digital structures with the decommissioning of obsolete servers. ■ Establishment of a Digital Lab to centralize the data needed by the group.
Encouraging our employees to limit their impact on the environment	■ The group's commitment to promoting the development of soft mobility: fleet of electric bikes, soft mobility allowance of up to €600, etc. ■ Mobilization around biodiversity through the Biodiversity Club.

4 Acting as a socially responsible corporate citizen

Strengthen financial sponsorship of our product range	■ In 2024, the group donated €476,000 to associations through our dedicated investment funds for various causes: biodiversity, human rights, inclusion, and culture...
Working to promote education, integration and health through the LBP AM Group Foundation	■ Allocation of €164,500 to seven projects funded in the field of education in 2024.
Raise awareness and mobilize employees in support of the Group's solidarity initiatives	■ Encouraging employees to get involved in solidarity initiatives by donating their time: commitment committee, mentoring for Maisons des Jeunes Talents (youth centers), skills sponsorship, and payroll giving. ■ Various initiatives have been set up: the Ekiden (a charity run with young people from the Maisons des Jeunes Talents), the Crush solidaires (supporting a community project within the group). ■ Establishment of the Solidarity Academy (a program that aims to inspire and mobilize LBP AM group employees around various key events: Giving Tuesday, charity drives, All Staff Masterclasses).
Supporting companies and projects that contribute to regional development	■ Third edition of the Innovation Awards, which celebrate French startups that are pioneers in their field. ■ Promoting the dynamism of local businesses with the "France is back" roadshow.

5 Ensuring responsible governance

Commit to a process of continuous improvement	■ Definition of CSR guidelines and performance indicators by the CSR Committee, initial implementation of the CSRD directive as part of the LBP Group's reporting.
Contributing to the development of sustainable finance	■ Participation in international initiatives: Eurosif, IIGCC, ICGN. ■ Continuing our advocacy work with financial regulators and professional organizations: revision of the SRI Label, SFDR, CSRD, call to action on plastic reduction and promotion of "say-on-climate." ■ Contribution to international initiatives: GFANZ for the decarbonization of the economy, Net Zero Data Public Utility (NZDPU) to move financial standards towards greater sustainability.

02

Responsible Investment in Action

LBP AM and LFDE joined forces in 2023 to pursue their shared ambition of becoming a leading European player in responsible investment, based on their common convictions and respective expertise. This is why SRI convergence, which began in 2024, was one of the first steps in this merger. In this chapter, you will discover how the now shared commitments of LBP AM and LFDE are being translated into concrete actions. You will learn about their methods for integrating sustainability issues into their analysis, management processes, dialogue and engagement with companies, and risk management.



2.1

Integration of Sustainability Issues Into Analysis

The LBP AM group aims to analyze the environmental, social, and governance issues facing companies, governments, and other issuers, and how these issues are managed by companies, in order to assess sustainability risks and opportunities and their societal risks and positive contributions. To do this, it has developed the "GREaT" analysis methodology, based on several years of research, which is built on four pillars.

This framework reflects the group's sensitivity to issues of inclusion and sustainability at the local level, shared with the public group to which it belongs, through its focus on regional development. Issues such as relocation, the fight against territorial divisions, and support for local players are fully integrated into the analysis of issuers. It is broken down into tools and frameworks tailored to each asset class managed by LBP AM and LFDE.

The four pillars analyzed by the GREaT methodology:

- **G:** responsible **G**overnance: Encouraging the dissemination of best practices in terms of corporate governance and business ethics.
- **R:** sustainable management of **R**esources: Manage human and natural resources sustainably: respect for human rights, development of labor law, protection of the environment.
- **E:** **E**nergy Transition: Contributing to the energy transition towards new, more sustainable modes of consumption and production, and supporting the shift from an economic model that is heavily dependent on fossil fuels to a low-carbon, resilient and carbon-neutral consumption model.
- **T:** **T**erritorial development: Sustainably manage relationships with stakeholders outside the company (communities, customers, suppliers...)

2.1.1 ESG Analysis Methodology for Listed and Semi-Public Companies

The GREaT methodology is applied to listed and semi-public companies. It is based on a quantitative research phase using a proprietary model, supplemented by qualitative analysis.

The strength of its model lies in:

- broad coverage of nearly 11,000 issuers,
- increased reliability and responsiveness thanks to multiple complementary evaluation sources,
- greater precision and acceptance through

the combination of a quantitative analysis stage and, where appropriate, a qualitative stage conducted by LBP AM and LFDE managers and analysts.

- an analysis model based on double materiality, which assesses both the impact of companies on society and their resilience to sustainability risks by examining CSR policies and practices and the sustainability of business models.

GREaT quantitative analysis

Analysis based on external sources and sector-specific calculation rules

Proprietary AGIR tool: aggregation of rating agency scores based on criteria selected in line with our four GREaT pillars.

Dedicated proprietary analysis for companies not covered by rating agencies.

In-depth qualitative analysis

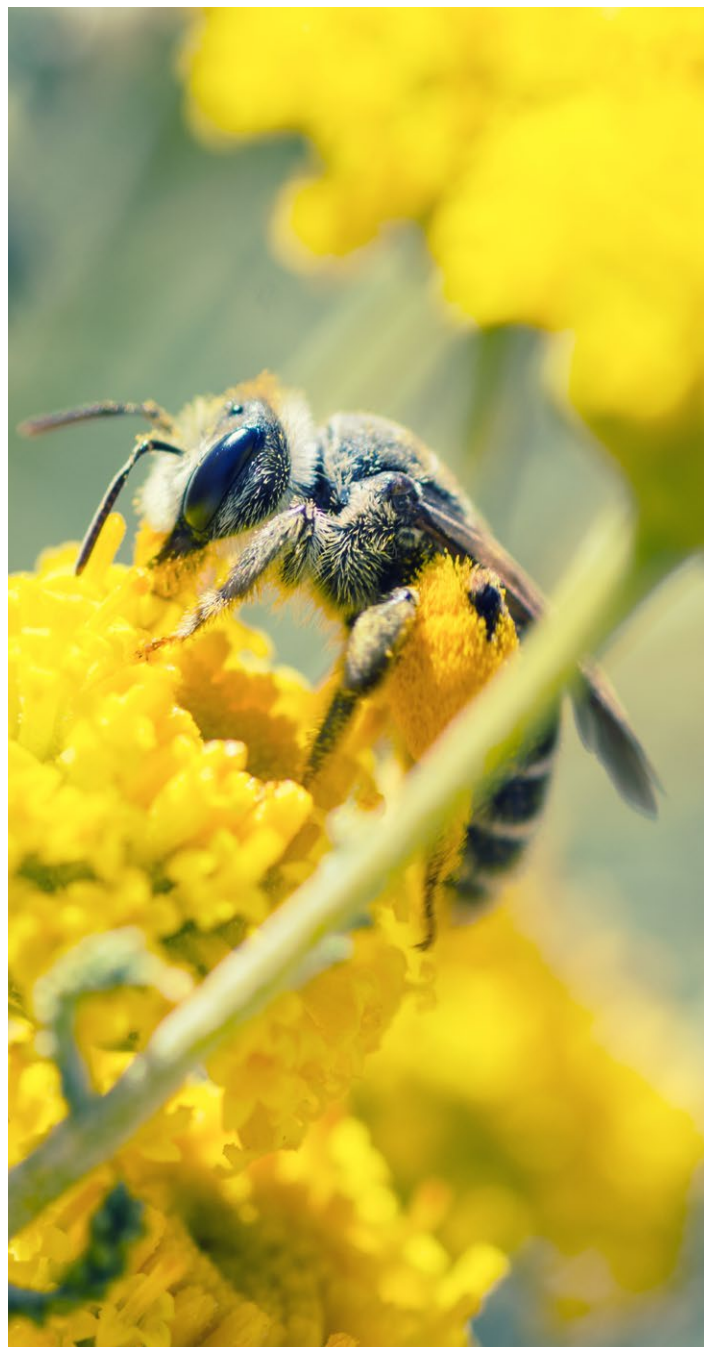
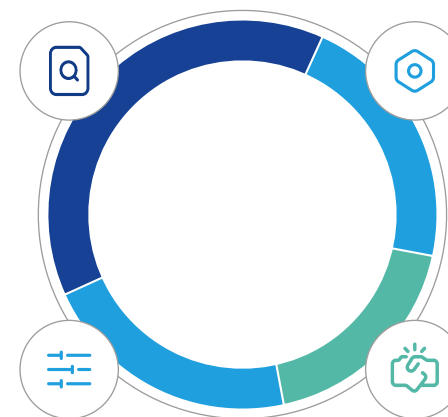
of companies and issuers conducted by LBP AM and LFDE managers and analysts

Adjustment

of the GREaT Rating upwards or downwards as part of a rigorous governance process

Meetings

with companies/issuers

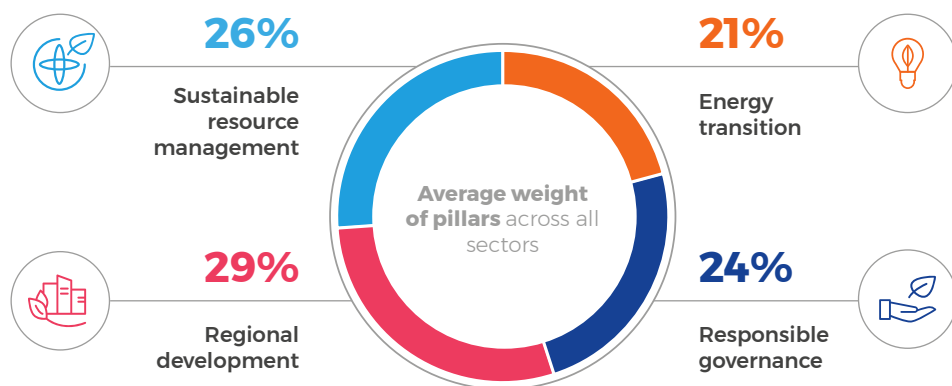


GREaT quantitative analysis

The quantitative rating is based on 13 criteria, assessed using 76 indicators, which are fed by indicators collected from specialized rating agencies such as Moody's ESG and MSCI ESG, chosen for their complementary nature. They are aggregated by a proprietary calculation algorithm called AGIR, using methods that allow for specific treatment of different geographical areas and company sizes. At the end of this process, each issuer in the universe is assigned a GREaT rating on a scale of 1 (low sustainability) to 10 (high sustainability) and a confidence indicator for that rating. To configure AGIR, the group's SRI specialists assess the materiality of each GREaT pillar for each sector in order to define a weighting of between 20% and 30% for the G pillar and between 15% and 32.5% for the other three pillars. Overall, the LBP AM group's GREaT rating model is very balanced.

The rating methodology is reviewed at least once a year. In 2023, the model was significantly enhanced with the integration of a new data provider, Ethifinance Ratings, and the creation of a rating confidence indicator to reflect the breadth of underlying information obtained to produce the rating. In 2024, the model underwent further developments, firstly to incorporate a minor update to the sector weightings of various sustainability issues, and secondly to reverse the meaning of the ratings: the best GREaT rating is now 10, while the worst GREaT rating is now 1.

GREaT scores for listed issuers are updated on a semi-annual basis and may be updated on an ad hoc basis when a specific risk is identified or when the LBP AM group considers that certain information has not been correctly taken into account by its data providers (qualitative procedure below).



Qualitative analysis

Following and in parallel with the quantitative analysis, analysts and managers may conduct a qualitative analysis of issuers, based on recognized internal and external research sources and their detailed knowledge of the issuers. They may draw on the opinions of company stakeholders (NGOs, trade unions, international institutions, media, etc.) and data from meetings with companies. Analysts also have access to data from specialized providers (e.g., Trucost for environmental impacts, ISS for governance practices) and general providers (Bloomberg, Factset).

Qualitative analysis aims in particular to inform the management process through:

→ Adjusting SRI ratings derived from quantitative analysis.

These adjustments, which may be proposed by managers and analysts, must meet predefined conditions in order to be accepted by the Responsible Investment Research team, which is responsible for reviewing and approving or rejecting the proposals received:

- incorporating recent information that is not yet reflected by the agencies, thereby increasing responsiveness;
- arbitrate between conflicting information provided by external sources, thereby improving reliability;
- take into account additional public information gathered through regular dialogue with the issuer, thereby enabling the full integration of shareholder engagement, monitoring and selection processes;

- explore certain issues in greater depth with the issuer's stakeholders in order to provide additional perspectives.

To ensure rigour and monitoring, these adjustment requests are systematically justified and tracked.

→ **Integration of SRI analysis into financial analysis** through analysis of the potential financial impact of sustainability issues (known as "materiality" analysis). The financial analysts in LBP AM's Fundamental and Sustainable Analysis team take SRI issues into account when forming their credit opinion, particularly when these issues may have a material impact on the issuer's fundamental profile (such as litigation or regulatory changes). The concept of materiality is based on four criteria: probability of occurrence, severity, time horizon and visibility.

→ **These holistic sustainability analyses are also supplemented by qualitative analyses of certain dimensions**, including a normative analysis in accordance with the LBP AM Group's human rights policy (see section 2.4.2). For LFDE funds, the management teams carry out a qualitative analysis of the quality of governance of the companies in the portfolios¹. This analysis focuses on four areas in particular: the competence of the management team, the board and countervailing powers, respect for minority shareholders, and the assessment and management of non-financial risks by companies.

¹ This analysis is systematic for LFDE-certified historical funds and when the quantitative assessment of the Governance pillar appears insufficient or in the event of significant controversy for other funds.

2.1.2 SRI Analysis Methodology for Sovereign issuers

This analysis aims to assess the sustainability of countries that, through their public policies, provide sustainable responses to the major challenges facing our society.

The analysis is carried out by LBP AM based on the four GREaT pillars, using indicators collected from various sources (international public bodies, think tanks, NGOs) in order to identify countries that respect human rights and the environment, promote these rights and principles internationally, and develop a model of governance that is responsible, respectful of human rights and the environment, and socially just. Around 60 countries are assessed according to 100 indicators, organized into 18 criteria under four equally weighted pillars. The indicators are collected from international organizations such as the OECD, the World Bank, and the United Nations...; from recognized NGOs such as Transparency International and Reporters Without Borders...; and from research institutes such as the World Justice Project and the Notre Dame Gain initiative...

SRI analysis of the four GREaT pillars



Responsible governance

The state's ability to provide its citizens with a framework for the realization of their rights, to ensure the stability of its legal, legislative and economic systems and the effectiveness of public services, and to combat effectively corruption or any behavior that could undermine democratic principles and the rule of law.



Sustainable resource management

State laws and practices ensure respect for and protection of fundamental rights and the preservation of the natural environment.



Energy transition

Assessment of government policies and practices adopted and implemented to mitigate global warming and adapt sustainably to its consequences.



Territorial development

The ability of states to promote respect for fundamental rights and environmental protection internationally and, within their territory, to ensure a quality and level of development that allows individuals to live in a socially just environment that is conducive to their personal development.

2.1.3 ESG Analysis Methodologies for Real and Private Assets

LBP AM has been a pioneer in incorporating sustainability criteria into real and private asset debt investments since 2014.

The management teams, in conjunction with SRI experts, have developed analysis grids based on the four GREaT pillars and tailored to investment in each asset class: corporate, infrastructure and real estate. These grids identify the contributions of companies and projects to sustainable development issues and the integration of responsible practices into their business models. The GREaT grids are completed by the fund managers and analysts of the European Private Markets investment teams, based on the due diligence documents available and, where necessary, ad hoc discussions with project sponsors or company representatives to obtain further details. The grid is independently verified by private debt experts from LBP AM's SRI Solutions team, highlighting strengths, risks and areas for potential improvement in terms of ESG performance. Finally, an overall GREaT rating is produced for each transaction, which is obtained by weighting the scores assigned to each pillar.

Corporate private debt

As part of its SRI due diligence, LBP AM asks companies to complete a GREaT assessment grid to indicate, for each analysis criterion within each pillar, whether a policy is in place to manage the underlying risks, the resources mobilized for its implementation, and the metrics used to assess the effectiveness of its implementation. This exercise gives rise to a dialogue between the company, the Corporate Private Debt managers and the SRI experts in order to clarify certain responses and thus determine an overall GREaT rating for the counterparty.

This due diligence also feeds into the structuring of Sustainability Linked Loans (SLLs). Corporate Private Debt managers and SRI Solutions specialists work as soon as possible to put ESG covenants in place in order to encourage, through the very structure of the loan agreement, improvements in the company's sustainability practices. In concrete terms, this involves introducing a bonus/penalty system on the interest margin based on the achievement of ESG objectives relevant to the business, in order to encourage the company to improve its performance over a time horizon generally corresponding to the duration of the financing. GREaT due diligence enables an informed opinion to be formed on the relevant indicators to be included in such documentation.

Private infrastructure debt

Sustainability analysis is particularly important for this asset class, as the financing provided can have a significant environmental and social impact on communities, given the contribution of many infrastructure projects to the economic and social development of regions (energy, transport, telecommunications, healthcare), but also on ecosystems, given their sometimes significant ecological footprint.

All files are subject to a GREaT rating and an SRI opinion presented to the investment committee. The main criteria for analyzing the project focus on:

- the long-term commitment of the sponsors,
- the impact on biodiversity, exposure to physical and climate-related transition risks,
- contribution to the fight against climate change,
- the integration of environmental and social criteria in relations with subcontractors and suppliers,
- acceptance of the project by local communities
- contribution to the economic development of the local area.

Managers complete the analysis grid based on the documentation provided during the due diligence phase. This is then sent to the SRI experts, who review the responses provided by management, produce the GREaT rating and draft the opinion.

Private real estate debt

LBP AM invests in debt backed by real estate used for offices, housing, retail, logistics, healthcare, hotels, and data centers in a dozen European countries. In its due diligence, LBP AM uses a GREaT analysis grid tailored to real estate assets.

As real estate is a major source of greenhouse gas emissions (around 30% in France), criteria related to the energy transition are key: existence of environmental certification for construction and operation, planned investments in energy efficiency improvements. The comfort of building users and the responsible management of investors/sponsors' resources are also taken into account. Governance, both legal and operational, and regional development (integration of the building and involvement of local stakeholders) are also key pillars of the methodology.

Private real estate debt managers complete the GREaT grid based on information provided during the due diligence phase. As part of the regular exchanges between the Real Estate Private Debt team and arrangers and financing advisors, LBP AM pays particular attention to ensuring that real estate valuations include a detailed section on environmental issues. The completed grid is then sent to the SRI analysts, who review the responses provided by the management team, produce the GREaT rating and draft the opinion.



SRI analysis methodology and impact of social and solidarity economy actors

The social and solidarity economy (SSE) refers to a set of structures organized as cooperatives, mutual societies, associations, or foundations, whose internal functioning and activities are based on the principle of solidarity and social utility. Responding to environmental and social needs is at the heart of these companies' *raison d'être*. Their activities often contribute to regional development by improving access to housing for vulnerable populations, encouraging integration through employment, promoting the revitalization of rural areas, and promoting short supply chains. Generally relatively small in size, they are not listed on the financial markets but can call on investors to develop their activities through solidarity funds.

In order to monitor and analyze the SRI qualities and the social, environmental or solidarity impact of the organizations financed through its solidarity funds, LBP AM has entered into a partnership with INCO Ventures.

INCO assesses all projects and organizations financed according to 15 impact and ESG criteria, aligned with international and market standards (Impact Management Project). Each project is given a score based on these criteria, so that impact plays a central role in the investment decision.

This assessment makes it possible to evaluate:

- The social or environmental need, the solutions provided by the organization, the consistency of these actions in relation to the need and the people affected, and the innovative nature of the organization's approach.
- The measures used to assess the impact and effectiveness of the actions implemented, as well as the added value of the approach.
- The organization's non-financial performance and the prevention of negative externalities that could be linked to its activities.



2.2

Integration of Sustainability Issues Into the Management Process

2.2.1 Management Approaches SRI

Nearly 100% of open-ended funds managed by LBP AM and its subsidiary LFDE incorporate a common set of sustainability criteria into their management process. This foundation is based in particular on an exclusion policy, an engagement policy and a voting policy, which were updated and harmonized within the LBP AM group in 2024. This framework is reinforced by SRI management mechanisms for the majority of assets under management, which were also subject to methodological convergence during the financial year.

Exclusions

The management companies of the LBP AM group apply a common exclusion policy to all their funds in order to limit their exposure to issuers that are most at risk or cause serious harm to sustainability objectives and which they consider unlikely to change. The policy, updated in 2024, includes normative exclusions based on the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational

Enterprises and the United Nations Global Compact, in order to reduce exposure to issuers whose activities or practices would not allow for the effective management of critical risks to people, the environment or the principles of good governance. It also includes exclusions of certain issuers whose products or services, or the way in which they manage these activities, present risks of serious human rights or environmental harm and/or are not aligned with LBP AM and LFDE's ESG performance objectives in the following areas: controversial and prohibited weapons, tobacco, gambling, thermal coal, oil and gas, pesticides, pornography, as well as for their impact on biodiversity and deforestation, according to the criteria specified in the policy. Companies whose practices and governance present a risk of severe financial impact on the company are also excluded, with a view to managing sustainability risk. Finally, LBP AM and LFDE exclude speculative instruments on agricultural commodities. The exclusion policy is updated and monitored by the GREaT Committee, chaired by the Chief Investment Officer and comprising the heads of the investment divisions, the

risk management department, the research teams and the SRI Solutions team. The risk management department also has the right to veto and refer matters to the LBP AM Executive Board for arbitration.

For more information [↗](#)

LBP AM exclusion policy

Engagement and voting policy

The LBP AM group's engagement and voting policy, which has been updated and extended to the entire group, aims to mitigate long-term sustainability risks through proactive action to encourage investee companies to improve or strengthen their environmental, social and governance risk management. The engagement policy sets out the main objectives, scope and usual procedures for conducting engagement activities. This policy is supplemented by thematic SRI policies, which specify and set out the technical requirements for specific issues and sectors. In addition, specific engagement strategies apply to certain types of funds, such as LFDE's listed impact funds and funds with SRI or Towards Sustainability labels. With regard to voting at general meetings, in line with the engagement policy, LBP AM and LFDE have adopted a joint voting policy, implemented jointly, which sets out the

scope and procedure for voting at general meetings of shareholders and the criteria according to which resolutions submitted to shareholders for a vote are approved or rejected.

In order to report on the implementation of these various policies, LBP AM publishes a shareholder engagement report, which also reports on the implementation of the voting policy. These policies and their implementation are detailed in section 2.3.

For more information [↗](#)

LBPAM 

LBP AM voting policy

LBP AM engagement policy

LBP AM Engagement report

 **LA FINANCIÈRE
DE L'ÉCHIQUIER**

LFDE Voting policy

LFDE Engagement Policy

LFDE Engagement report

Thematic policies

Dedicated thematic and sectoral policies aim to specify the specific cross-cutting treatment of the main sustainability issues facing management companies. They define the criteria for rating, implementing engagement actions targeting companies at risk, and excluding those most exposed. The LBP AM group therefore has policies on climate, biodiversity, coal, oil and gas, and respect for human rights.

These policies are updated periodically, based on an annual assessment of the need for an update by the SRI Solutions team in conjunction with the Research and Management teams. The Sustainable Finance Committee validates the choices made and ensures that they are consistent with the LBP AM group's overall ESG strategy.

For more information [↗](#)

Reports LBP AM

Conventional risk management framework

The Risk Management Department, which is responsible for applying the conventional risk management framework, is directly involved in validating and supervising the application of the above measures: participating in the development or validation of policies, monitoring ESG rating models, participating in the exclusion committee, and conducting pre and post-trade checks on compliance with exclusion lists and the ESG objectives of each fund.

It has also set up a tool to monitor the climate risks to which the group is exposed through its aggregate investments and within its portfolios. This analysis is based on the six FNGS scenarios supplemented by two IPCC scenarios: 4°C SSP3-70 and 5°C SSP5-8.5. For each of these scenarios, an estimate of the depreciation of assets under management is made, incorporating the effects of the energy transition (scope 1, 2 and 3) and the impacts of physical hazards (chronic or acute). The results are reviewed monthly by the Risk Management Department and quarterly by the Risk Committee, which includes members of the Executive Board. Finally, this tool has enabled us to draw up a list of issuers that are subject to closer monitoring, particularly in terms of shareholder engagement on climate risk management.

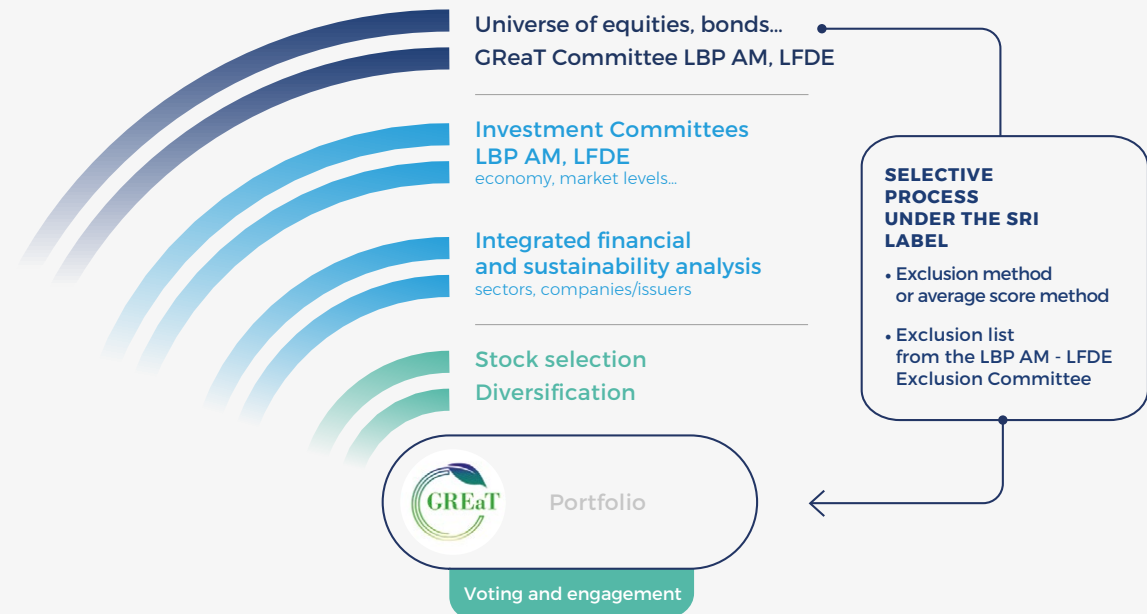
Selectivity ESG

For LBP AM and LFDE funds holding the French SRI label or funds applying ESG selection criteria based on the GREaT rating (where specified in the pre-contractual documentation for the financial product, and in particular in the SFDR annex), ESG ratings established on the basis of the GREaT methodology are central to the SRI selection process for securities in the portfolios. The ESG approach applied to select securities for the portfolio, which may be based on excluding the lowest-rated companies, overweighting the highest-rated companies, or applying a minimum rating to validate the investment, tends to disqualify the most exposed issuers and favor those that best manage their exposure to sustainability risks.

Since 2020, funds with the French SRI label must also outperform their SRI benchmark universe on two sustainability indicators.

Finally, a number of funds must comply with minimum sustainable investment requirements and have additional thematic selection criteria.

Common management process for SRI funds



2.2.2 The Breakdown of Our Assets

The segmentation of assets under management by the LBP AM group as of December 31, 2024, makes it possible to measure the extent of sustainable finance initiatives within the management teams.

Responsible assets

At the end of December 2024, approximately 83% of LBP AM and LFDE assets under management were managed responsibly (81% and 90% respectively between the two management companies), representing €61.3 billion. These assets take into account social and/or environmental criteria in financial analysis and portfolio construction (funds classified as Article 8 under the Sustainable Financial Disclosure Regulation (SFDR)) or have sustainable investment objectives (Article 9 under the SFDR). 229 funds and mandates are thus classified under Article. 8 or Art. 9 under SFDR (156 for LBP AM and 73 for LFDE).

229 funds and mandates are classified as such. 8 or Art. 9 under SFDR

This integration is systematic and traceable for the majority of the open-ended fund range. These are the assets of funds that have obtained an SRI label and funds whose SRI approach is considered equivalent to the specifications of the SRI label v2.

For LBP AM, responsible assets (Article 8) not categorized as SRI come either from open-ended funds for which it is difficult to systematically integrate SRI criteria; or from formula funds launched before the decision to switch to 100% SRI and for which it is impossible to change the process; or from dedicated funds or mandates for which the client did not wish these criteria to be integrated.

For LFDE, these are open-ended funds with ESG integration whose SRI approach falls short of the SRI label v2 specifications.

◆ Focus

Assets Under Management With ESG Labeling



Public SRI

Launched in 2016, this label indicates that the labeled UCI meets specific specifications, integrating ESG (Environmental, Social, and Governance) criteria into financial management, requiring not only transparency and quality in SRI management, but also requiring funds to publish the concrete impact of their SRI management on the environment or society, for example. A new version of the SRI label came into force on March 1, 2024, with stricter requirements for funds, particularly in terms of climate change mitigation.



Greenfin label

In June 2019, the French Ministry for Ecological and Solidarity Transition created the Greenfin label to mobilize savings for the energy and ecological transition. It replaces the TEEC label.



Finansol label

Since 1997, this label has distinguished solidarity-based savings investments. It guarantees the financing of activities with high social and environmental utility and certifies the financial intermediary's commitment to providing reliable information on the labeled investment and the activities financed.



Towards Sustainability Label

Guarantees labeled investments a minimum level of sustainability measured by the Towards Sustainability quality standard, which sets out a set of requirements to be met by the fund (exclusions, positive ESG impacts, transparency, and accountability in commitments).

OUR EXPERTISE		LBPAM	SDFR	Exclusions			Label (SRI label, Greenfin, etc.)	Impact & Sustainable Thematic Filters	Voting and/or Engagement
OPEN-ENDED FUNDS ART 8 & 9				LBP AM COMMON FRAMEWORK	STRICT FOSSIL FUELS*	IMPACT			
SUSTAINABLE CONVICTIONS & IMPACT RANGE									
IMPACT & SUSTAINABLE THEMES									
Fundamental Actions	●		9	●	●	●	●	●	●
Multi Assets, Rates & Credit Specialties		●	9	●	●	▨		●	●
European Private Markets		●	9	●	●	●	●	●	▨
SUSTAINABLE CONVICTIONS									
Equities Fundamental	●		8	●	●		●		●
Multi Assets, Rates & Credit Specialties	●	●	8	●	●		●		●
Quantitative Solutions		●	8	●	●		●		●
ESG RANGE									
Fundamental Actions	●		8	●					●
Multi Assets, Rates & Credit Specialties	●		8	●					●
European Private Markets		●	8	●					▨
Quantitative Solutions		●	8	●					●

◆ Focus

Solidarity Investing at LBP AM

For more than 15 years, LBP AM has been offering a range of socially responsible products and services whose philosophy is in line with the regional identity of La Poste Group. Through five solidarity-based mutual funds, LBP AM invests in organizations with a social and environmental impact that contribute to local development through activities aimed at improving access to housing for the most vulnerable populations, encouraging integration through employment, promoting the revitalization of rural areas, and promoting short supply chains.

Team and organization

Solidarity funds are managed by two senior managers from Multi Assets, Rates & Credit Specialties (MARCS), who are specialists in impact investing, with the support of a financial analyst and the human rights and social issues expert from LBP AM's SRI Solutions team. In addition, in 2024, LBP AM formalized a partnership with INCO, a company specializing in impact investing, to strengthen its analysis of investee organizations and their social and solidarity impact (see: SRI and social and solidarity economy stakeholder analysis methodology).

2 FAIR was created in 2021 from the merger between Finansol, a long-standing player in solidarity finance, and iLab, an impact innovation lab. FAIR brings together more than 140 socially responsible companies, banks, management companies, NGOs, and committed individuals, serving as a hub for social impact finance players in France and a center of French expertise in this field internationally. The association aims to promote and enhance solidarity in finance and savings.

Social impact

three key principles shape LBP AM's solidarity impact finance approach, in line with Fair's definition of impact²:



Social and solidarity investment themes

→ Intentionality:

LBP AM's solidarity-based management aims to promote social and regional development by investing in organizations that:

- Have a strong social and/or environmental impact and provide innovative solutions and methods to meet an identified social or environmental need.
- Have a sustainable business model that enables them to develop their business and their social and environmental impact over the long term.
- Develop a business model consistent with the desired impact and ensure fair value sharing.

LBP AM has identified five major themes for socially responsible investment that are directly linked to this approach:

Regions and solidarity	Environment	Territory and culture	Health	Human rights and social rights
Promoting social cohesion, training, and employment for regional development	Protecting biodiversity, restoring ecosystems and combating climate change	Promoting education and social integration for children and young people, and reducing inequalities	Improving the health and well-being of individuals	Ensuring respect for human rights and combating all forms of discrimination

These five themes aim to address specific social and environmental needs and objectives, such as:

Access to employment	Access to housing	Access to popular education	Support for organic farming
 SDG 1 End poverty in all its forms everywhere	 SDG 3 Ensure healthy lives and promote well-being for all at all ages	 SDG 4 Ensure access to quality education for all and promote lifelong learning opportunities	 SDG 12 Ensure sustainable consumption and production patterns
 SDG 8 Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	 SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable	 SDG 5 Achieve gender equality and empower all women and girls	 SDG 15 Protect and restore terrestrial ecosystems
 SDG 10 Reduce inequality within and among countries		 SDG 10 Reduce inequality within and among countries	

→ **Additionality:**

With €24 million in solidarity-linked assets under management, LBP AM supports five long-term solidarity-linked organizations, with an average holding period of 14 years for solidarity-linked companies. In addition to investment (in equity, debt or promissory notes), LBP AM's support is also structured through its commitment to solidarity-based companies, through dedicated dialogues, through its partnership with INCO, and through participation in general meetings. These forums provide an opportunity for the solidarity management team to discuss and monitor areas for improvement within the organizations in which we invest, in terms of both their impact and their financial and non-financial performance.

The group's solidarity-based approach enables clients to participate directly in the financing of projects or companies with high environmental or social utility, through an investment of 5% to 10% of the outstanding solidarity funds. LBP AM's five solidarity funds have been awarded the Finansol label, a label created in 1997 to distinguish solidarity-based savings products from other savings products.

LBP AM's solidarity funds support the following organizations:

ADIE

ADIE is a French association recognized as a public utility since 2005, whose goal is to enable people who do not have access to the traditional banking system to start their own businesses through microcredit. ADIE is dedicated to financing and supporting entrepreneurs. It specifically targets entrepreneurs who do not have access to traditional bank loans by providing microloans for business creation and development. The association also offers insurance services for professional activities and vehicles, as well as training to help entrepreneurs start and develop their projects.

France Active

France Active Investissement aims to invest in social and solidarity economy (SSE) enterprises and socially innovative companies. France Active's mission is to finance businesses through loans, loan guarantees, and equity investments, advise entrepreneurs on building their projects, and network SSE stakeholders.

Habitat & Humanisme

La Foncière Habitat et Humanisme aims to build, acquire, and renovate housing for people in need. La Foncière is experimenting with new forms of housing to respond to the challenges of exclusion and changing forms of precariousness and to promote cities that are open to all: scattered rather than grouped housing, location in balanced neighborhoods, intergenerational housing, and prototypes of ecological and modular housing... Habitat et Humanisme tenants are offered support, particularly to help them express their integration plans.

Terre de Liens

Terre de Liens (ESUS) is a citizens' movement whose ambition is to remove the burden of land acquisition for farmers wishing to set up and preserve agricultural land. La Foncière aims to help aspiring farmers (budding farmers, beginners, those undergoing professional retraining, those questioning or discovering the world of agriculture) to find agricultural land, acquire it and set up a rental lease (rural environmental lease). Terre de Liens' mission is to purchase and make available agricultural land in exchange for rent, to support the transition to a sustainable agricultural model and to manage agricultural land inheritance.

French Union for Child Welfare

A recognized public interest organization, the Union française pour le sauvetage de l'enfance (UFSE) works to protect children and support parents. With over 135 years of experience, the UFSE is a leading player in the field of child protection. The UFSE manages facilities and programs authorized to take in children and young people as part of child protection services, as well as social facilities for mothers in difficulty. The UFSE's activities focus on two specific areas: child protection (protection, care, accommodation, and education for young people aged 0 to 21 in care) and prevention and parenting support (support for parents in difficulty in accessing housing, employment, and in their relationships with their children).

SRI analysis methodology and impact of social and solidarity economy actors

→ Measurability:

In order to monitor and analyze the SRI qualities and social, environmental, and solidarity impact of the organizations financed through its solidarity funds, LBP AM has entered into a partnership with INCO Ventures. INCO evaluates all projects and organizations financed according to 15 impact and ESG criteria, aligned with international and market standards (Impact Management Project). Each project is given a score based on these criteria, so that impact plays a central role in the investment decision.

This assessment makes it possible to evaluate:

- The social or environmental need, the solutions provided by the organization, the consistency of these actions in relation to the need and the people affected, and the innovative nature of the organization's approach.
- The measures used to assess the impact and effectiveness of the actions implemented, as well as the added value of the approach.
- The organization's non-financial performance and the prevention of negative externalities that could be linked to its activities.



Example

Habitat et Humanisme

La Foncière d'Habitat et Humanisme aims to build, acquire and renovate housing for people in need.

La Foncière is experimenting with new forms of housing to address the challenges of exclusion and changing forms of precariousness, and to promote cities that are open to all: scattered rather than grouped housing, location in balanced neighborhoods, intergenerational housing, prototypes of ecological and modular housing, etc.

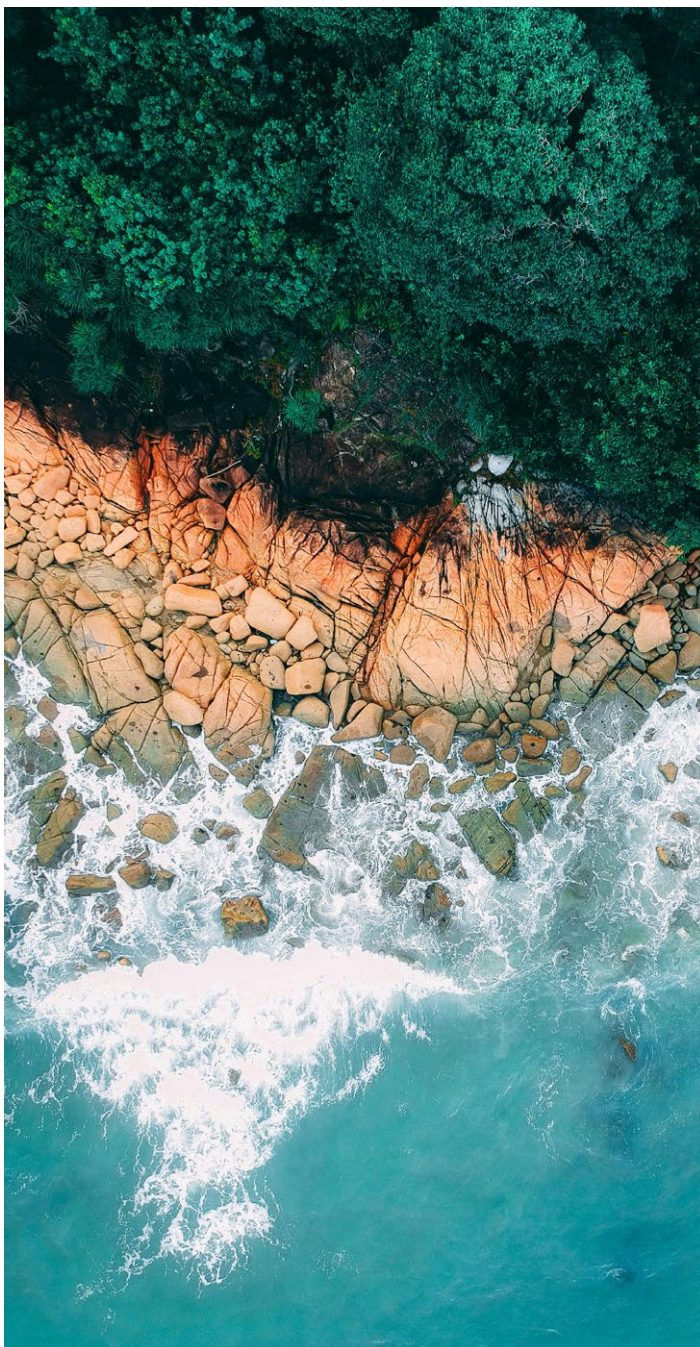
Habitat et Humanisme tenants are offered support, particularly to help them express their integration plans.

The social impact of Habitat and Humanism:

- Providing access to housing for vulnerable people and victims of poor housing,
- Creating places in institutions accessible to dependent people with low incomes,
- Creating new housing options accessible to the poorest members of society.
- Contributing to regional rebalancing for greater social and urban diversity.
- Mobilizing citizens to make a significant social impact through solidarity savings and volunteering.

Habitat et Humanisme's actions are essential at a time when poor housing is reaching critical levels. According to the 2024 annual report of the Foundation for Housing the Disadvantaged:

- In 2024, 350,000 people are homeless, in temporary accommodation or living on the streets (compared to 300,000 in 2020 and 143,000 in 2012).
- Demand for social housing is growing steadily, exceeding 2.7 million households in 2024 (2.1 million in 2017), while the number of new social housing units is falling (84,000 in 2024, compared to 124,000 in 2016).
- Energy poverty is also on the rise, with 30% of households reporting that they suffered from cold in their homes in 2024 (compared to 14% in 2020). 28% of households had difficulty paying their gas or electricity bills in 2024. Energy poverty is estimated to affect 12 million people in France.
- All housing problems (lack of comfort, overcrowding, energy poverty, excessive financial effort, unpaid rent, co-ownership difficulties...) affect 24% of households with a person with a disability or disability.



2.3

Dialogue and Engagement with companies

2.3.1 Engagement with companies

The LBP AM group is convinced that, alongside other stakeholders (employees themselves, trade unions, civil society, NGOs, etc.), responsible investors have a role to play in supporting companies on their path towards sustainable practices.

The shareholder dialogue it conducts with companies can have two objectives:

- through ESG dialogues: gathering additional information or refining its understanding of published sustainability information in order to better understand companies' policies and practices.
- through ESG engagement: encouraging the integration of sustainable development issues into companies' strategies, the formalization of robust policies contributing to the prevention of ESG risks, and their implementation in companies' operational practices and the strengthening of companies' transparency regarding ESG policies, objectives, and results.

Determining objectives, themes and companies

The engagement policy of LBP AM and LFDE sets out the key themes and expectations for dialogue and engagement with investee companies at the management company level.

This policy also describes the procedures for identifying companies to engage with. With regard to securities, the identification of companies to engage takes into account several factors:

- The weight of the company's capital, which partly determines the group's power of influence;
- The weight of LBP AM's investments in the company, which determines its level of risk exposure;
- The degree of importance and materiality of an ESG controversy (see normative policy);
- The importance of the engagement theme in relation to the company's business sector (concept of sector at risk/risk in relation to an issue);
- Opportunities for engagement that may arise through market initiatives.

LBP AM and LFDE's shareholder engagement policy is also based on their thematic SRI policies, which describe in greater detail their objectives, principles, methods of action, priorities, and expectations on these issues.

Examples of Collaborative Engagement

Carried out in 2024 as part of thematic SRI policies



Biodiversity

The international investor network Farm Animal Investment Risk & Return (FAIRR) encourages agri-food companies to improve their practices in terms of animal welfare and nutrition. The network carries out several targeted engagement actions with companies identified as not implementing best practices in these areas in order to raise awareness and support them in driving change. In 2024, the LBP AM group participated

in collaborative engagement campaigns on the theme of sustainable aquaculture and the integration of protein diversification into climate and nutrition strategies, by sending letters to 22 companies requesting an in-depth risk assessment and the deployment of targets on this subject.



Human Rights

The LBP AM group joined the **Coalition for Ethical AI** initiative, led by the World Benchmarking Alliance, which aims to ask companies developing and marketing artificial intelligence solutions to adopt principles on responsible artificial intelligence, then demonstrate the implementation of these principles, explain how they assess the risks of impact on human rights in relation to

these technologies, and describe the governance mechanisms they have in place to regulate the development of artificial intelligence. In this context, the LBP AM group is involved in engagements with Nvidia, Amazon, and Adobe, among others.



Climate & Transition Energy

The LBP AM group supported the engagement campaign organized by the CDP entitled the **"Science-Based Targets Campaign."** The Science Based Targets initiative (SBTi) is an organization that enables companies and financial institutions around the world to contribute to the fight against the climate crisis. SBTi develops standards, tools, and guidance that enable companies to set greenhouse gas (GHG) emissions reduction

targets that are consistent with achieving carbon neutrality by 2050. The CDP's engagement campaign aims to encourage companies to commit to the Science Based Targets initiative to set science-based decarbonization targets aligned with the 1.5°C global warming scenario.



Governance

The Club des 30 is a collaborative engagement initiative that aims to encourage companies to promote the inclusion of women in positions of responsibility. The LBP AM group is a founding member of the French chapter of this initiative, created in November 2020 to promote gender diversity within the governing bodies of the SBF 120. The aim of this dialogue is to encourage companies to improve the transparency of their actions in this regard. The discussions

enable the identification of the company's culture on these issues and the initiatives implemented in terms of gender equality, and provide an opportunity to express areas for improvement in order to support the company in integrating women into its management teams. In 2024, these companies were the same as in the previous two years: Carrefour and ArcelorMittal.

Determination of engagement modalities

The engagement policy also determines the usual procedures for maintaining this engagement and for potential escalation in the absence of results.

In order to implement engagement and dialogue practices, analysts from the SRI Solutions and IR Research teams, as well as portfolio managers, regularly engage with the management of the companies and the CSR teams in which they invest. These exchanges may take place during general meetings and in the context of controversy management, and are conducted in two ways, sometimes in combination:

- **Bilateral dialogue and engagement with the management of investee companies,** particularly during issuer meetings. LBP AM and LFDE may request meetings with companies to discuss specific issues, in accordance with the group's policies. Teams may also be spontaneously asked by companies to provide feedback on topics defined by the latter, for example in preparation for general meetings.

- **Collaborative engagement** with other investors on a shared issue. These initiatives can usefully complement the approach taken at the bilateral level by pooling research findings and providing companies with consistent signals regarding the expectations of responsible investors, thereby exerting greater influence on companies. LBP AM and LFDE can play a supporting or leading role in these initiatives.

The launch of a cross-cutting engagement campaign on a specific theme involving several companies has been proposed by the SRI Solutions team and approved by the GREaT committee. Organic engagement actions may also be carried out by each portfolio manager, with support from IR Research.

The engagement policy may also cover European private assets, tailored to take into account the specific characteristics of these asset classes (corporate debt, infrastructure, and real estate). The private debt management teams engage with counterparties during the due diligence phase to gather

information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. These engagements are then included in the financial documentation and require counterparties to provide annual information.

Engagement

Key Figures 2024

519

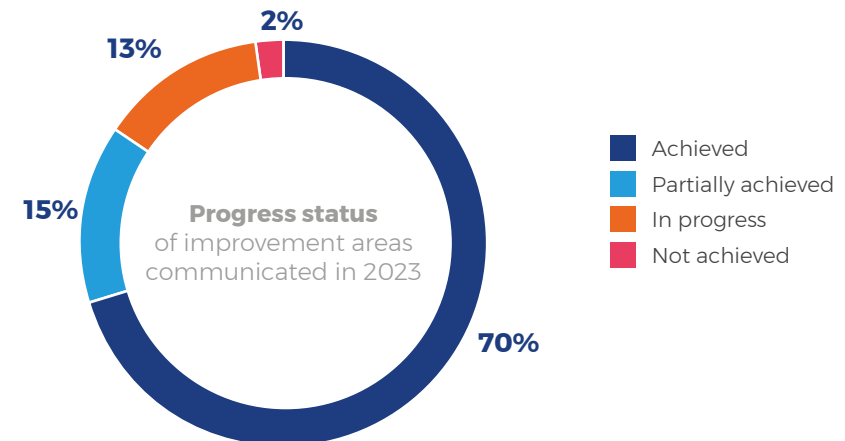
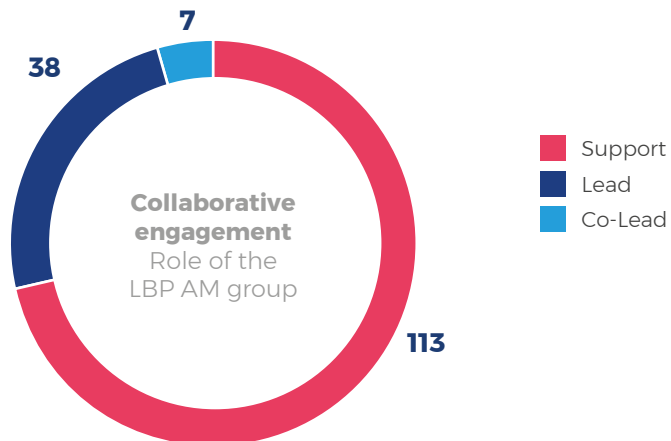
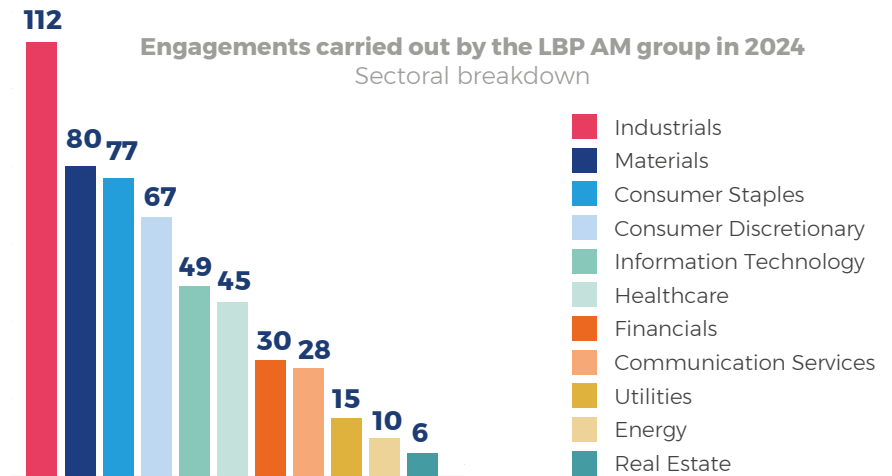
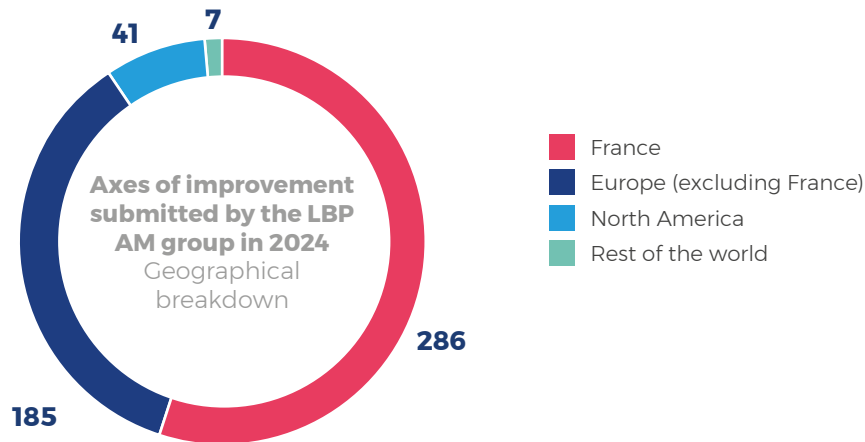
areas for improvement have been communicated on ESG issues

261

companies are involved in 26 countries

36%

The companies concerned represent 36% of equity and bond assets under management



Testimonial



Fanny Herbaut
SRI Analyst LFDE



Diane Moulonguet
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LBP AM and LFDE Support the SMID Club of the Forum for Responsible Investment (FIR)³

LBP AM participated in the creation in 2024 of a club aimed at developing collaboration between investors to better support small and mid-cap companies in their ESG progress, particularly on governance issues. In the short term, these companies with limited resources are also particularly challenged by the implementation of regulations such as the CSRD.

The LBP AM group has positioned itself as one of the leaders of the working group on corporate governance, whose objectives are to:

- Create a community of responsible investors dedicated to dialogue and engagement with small and mid-cap companies

(SMIDs) on governance issues

- Share best practices, pool resources and collaborate to develop common expectations and consistent support on various topics
- Become a benchmark player in shareholder engagement with SMID companies.

The initiatives implemented by the Club in 2024 are listed below:

- Holding an event on the CSRD bringing together the various stakeholders (companies, investors, auditors).
- Organization of a meeting with The Investor Coalition for Equal Votes (ICEV) as part of the development of multiple voting rights in Europe

- Organization of a meeting with Middle-Next, a research institute developing a benchmark governance code for SMIDs, in the context of developments in CSR recommendations
- The LBP AM group has positioned itself as the leader of an engagement with Virbac and supported by SEB and Ipsos, a French pharmaceutical company dedicated to animal health, and has formulated certain expectations for the company that will be closely monitored over the next few years.

"Sharing best practices, pooling resources, and collaborating to develop common expectations and consistent support on various topics."

³ SMID Club › Forum for Responsible Investment - FIR

testimonial



4 A vote against the company corresponds to: a vote AGAINST a resolution proposed by the company, or a vote FOR a shareholder resolution that is not approved by the company.

2.3.2 Voting Policy

The LBP AM group considers voting at general meetings to be an integral part of the management process.

It exercises its voting rights in accordance with the principles set out in its Voting Policy, which aims to promote best practices in corporate governance and business ethics and encourages the consideration of environmental and social issues.

At the specific request of its clients, the LBP AM group has also been required to exercise voting rights on behalf of dedicated mandates and funds, applying the dedicated voting policies of these institutional clients.

The annual general meeting season is an opportunity for the LBP AM group to engage in dialogue with the companies in which it invests, to explain its voting principles to them, the reasons for its opposition to certain resolutions submitted to shareholders for a vote, and the changes that might be desirable, particularly in terms of governance. This involves, in particular, drawing up a list of companies to which the voting principles and reasons for opposition are systematically communicated, with the aim of promoting good governance practices.

Details of the votes cast at AGMs for each open-ended fund are made available to investors on an ongoing basis on the management companies' websites seven days after each AGM.

Scope of exercise of voting rights

The LBP AM group participates in companies' general meetings based on:

- The weight of LBP AM and LFDE in the decision-making process, The coverage of the equity assets under management,
- The cost of exercising voting rights.

The LBP AM group exercised its voting rights at 1,485 general meetings (833 for LFDE and 1,090 for LBP AM) of 1,328 companies in 42 countries. It voted on 21,244 resolutions (13,550 for LFDE and 15,469 for LBP AM), of which 20,636 were submitted by company management (14,966 for LBP AM and 208 for LFDE) and 608 were submitted by shareholders (503 for LBP AM and 342 for LFDE).

This represented 93% of equity investments and 74.2% of general meetings. By 2025, it aims to exercise its voting rights at all general meetings of the companies in which it invests.

Analysis and support for resolutions

The voting policy means that the LBP AM group does not support resolutions proposed by companies that are not aligned with best governance practices. In 2024, the LBP AM group cast at least one dissenting vote* at 82.8% of the AGMs at which voting rights were exercised. The group's annual rate of votes against resolutions has thus averaged between 28% and 30% over the last few years.

In 2024, the LBP AM group cast 6,301 votes against the company, representing 29.7% of the total votes cast. This rate is relatively high compared to other management companies in France (the average rate of disagreement is slightly below 20%, according to surveys conducted each year by the Association Française de la Gestion among its members), reflecting the strict nature of the LBP AM group's voting policy.

The resolutions most contested by the LBP AM group are those relating to remuneration, with 46.8% of votes against remuneration policies and reports and 41% against long-term remuneration plans. The main reasons for opposition are lack of moderation (amounts exceeding the threshold defined by the LBP AM group), insufficient transparency, lack of performance criteria, and long-term remuneration plans considered to be too short-term (performance periods of less than three years).

The increase in the rate of opposition to the accounts, management and dividends (31.2% in 2024 compared with 2.3% in 2023) is explained by the change made in 2024 to the voting policy on resolutions to discharge directors from liability. Since 2024, the LBP AM group has not been in favor of the practice of discharge in countries where it is not legally required, considering that any responsible and diligent corporate officer assumes his or her responsibilities and should not need discharge for his or her management.

Say on Climate resolutions

In response to the expectations of investors committed to environmental issues, a growing number of companies have submitted a consultative vote on their energy and ecological transition strategy, known as say-on-climate resolutions.

The LBP AM group defined its voting policy on say-on-climate resolutions in 2022 and has actively applied it since then to encourage investee companies to develop transition plans that align with the objectives of the Paris Agreement.

In 2024, LBP AM had the opportunity to formally vote on 15 say-on-climate resolutions. Among these, it opposed 9 resolutions whose plans did not meet the criteria set out in its voting policy. It opposed all say-on-climate resolutions put forward by oil, gas and mining companies on which it voted.

In 2024, LFDE formally voted on 12 say-on-climate resolutions and opposed 7 resolutions whose plans did not meet the criteria defined in its voting policy.

External resolutions

External resolutions are resolutions that have not been submitted by the companies themselves. They may be submitted by shareholders or, in the case of French companies, by employee representatives. Submitting resolutions is an important "lever for engagement" to advance debate and corporate practices. However, these resolutions are not always accepted by companies, which sometimes consider them hostile or activist. The LBP AM group may support resolutions not approved by the board if it believes that their implementation would promote the adoption of

"The LBP AM group considers that voting at general meetings is an integral part of the management process."

more advanced practices in terms of climate, biodiversity, and respect for human rights, including by participating in their submission to the agenda of the General Meeting.

During the 2024 voting season, 608 external resolutions were filed at 227 AGMs out of the 1,485 in which the LBP AM group participated, compared with 499 resolutions in 2023. In 2024, external resolutions accounted for 2.9% of the total resolutions presented at the general meetings at which the LBP AM group voted.

The LBP AM group supported 75.3% of the external ESG resolutions on which it voted. This high percentage of support for external resolutions demonstrates the group's commitment to social, environmental and governance progress on a variety of issues, including board member elections, shareholder rights, environmental and social issues, employee share ownership, etc.

Here are some examples of external resolutions supported by the LBP AM group in 2024:

- **Energy transition:** in 2024, shareholders filed resolutions urging oil and gas companies to align their activities with the Paris Agreement and, to this end, to accelerate the decarbonization of their activities (less investment in oil and gas, more development in renewable energies). This was

particularly the case in Europe at Shell Plc.

- **Pollution:** The LBP AM group supported a resolution submitted by shareholders at the 2024 general meeting of General Mills Inc. asking the company to publish a report assessing how it can increase the scale, pace, and rigor of its sustainable packaging efforts, including reducing the use of plastic packaging.
- **Harassment and discrimination:** Investors filed similar resolutions at the annual general meetings of certain US companies (e.g., Wells Fargo and Tesla Inc.) calling on companies to publish reports on the effectiveness of their policies against harassment and discrimination in the workplace. These resolutions encourage companies to implement robust policies to prevent harassment and discrimination.
- **Independence of the chair of the board:** The LBP AM group supported a resolution submitted by shareholders at the 2024 general meeting of Salesforce Inc. to elect an independent chair. The independence of a board chair strengthens the oversight role of directors.

Public actions at AGMs

The AGM season is an opportunity for the LBP AM group to promote its convictions by exercising its shareholder rights. These include, as part of the group's escalation strategy, the possibility of pre-announcing voting intentions, submitting written or oral questions at AGMs, and adding items or resolutions to the AGM agenda.

As part of the implementation of its Human Rights Policy, the LBP AM group submitted a series of **written questions** to the 2024 AGMs of Accor SA and TotalEnergies, to which the companies are required to respond publicly.

→ Accor SA

In 2021, the FIR formed a coalition of ten of its investor members to engage companies at risk on the issue of combating forced labor and child labor. Ten companies, including Accor, for which the LBP AM group is leading the engagement, were selected, assessed, and engaged based on a grid co-developed with the NGO Human Resources Without Borders (RHBF), as part of a partnership with the French Ministry for Europe and Foreign Affairs. The grid assesses: the company's knowledge of the risks; the level of commitment expressed; the targeting of the prevention and mitigation approach; and the relevance of the measures deployed. Following on from this collaborative engagement initiative, and based on the observation that Accor was present in areas considered high-risk in terms of human rights, the LBP AM group sought information on its risk management policy in these geographical areas and submitted written questions to Accor's 2024 General Meeting. Accor responded in writing to all of these questions [here](#). The LBP AM group will follow up on the basis of the responses provided.

→ **TotalEnergies** has committed, through its Code of Conduct and its vigilance plan, to respect internationally recognized human rights. Nevertheless, the company is still the subject of numerous disputes and controversies regarding human rights. The LBP AM group has therefore been engaged in dialogue with the company for the past two financial years to request a strengthening of the vigilance plan and the various related documents (e.g., Briefing Paper), in particular through the publication of a comprehensive, updated, and binding Human Rights Policy:

- In particular, it contains provisions relating to the identification and management of risks:
 - 1 Related to indigenous peoples' rights;
 - 2 Related to operations in so-called conflict or high-risk areas;
 - 3 Related to the safety of human rights defenders.
- Specifying the procedures for the prior and ongoing identification of human rights risks and their monitoring, including:
 - 1 A systematic prior human rights analysis.
 - 2 The conditions for implementing a third-party HRIA in the context of projects.
 - 3 The establishment of an alert mechanism enabling subsidiaries, employees and third parties to warn of the occurrence of a major risk.

Following on from an ongoing dialogue, the LBP AM group has decided to escalate the matter and send written questions to the company's 2024 General Meeting on three main pillars:

- 1 The implementation of due diligence in accordance with the United Nations Guiding Principles, including the identification of human rights risks at group level.
- 2 The systematic implementation of risk analysis throughout the project lifecycle.
- 3 Risk management in supply chains and the supplier assessment and monitoring measures implemented by the group.

TotalEnergies' responses are available. TotalEnergies has responded in writing to all of these questions here. The LBP AM group will follow up on the basis of the responses provided.

Since 2018, the LBP AM group's voting policy has allowed it to participate in the submission of resolutions on ESG issues. The LBP AM group has exercised this right on several occasions.

Four resolutions were submitted and placed on the agenda of the AGMs. Three other climate resolutions were submitted and then withdrawn following successful engagements at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022. The withdrawal of these resolutions demonstrates the influence that tabling resolutions has on companies, promoting the positive outcome of engagement efforts.

In 2024, the LBP AM group did not file any resolutions at AGMs.

"The general meeting season is an opportunity for the LBP AM group to engage in dialogue with the companies in which it invests."



2.4

Environmental, Social and Governance Risk Management

The policy for analyzing and managing sustainability risks associated with environmental, social, and governance factors is based on a set of complementary tools, policies, and procedures.

LBP AM and LFDE consider that taking sustainability risks into account and reducing the negative impact of their investments on

sustainability factors are intrinsically linked. A poorly managed negative impact can materialize as an increased sustainability risk, so reducing the negative impacts of investments is an essential component of preventing sustainability risks. As a result, the group does not separate its climate risk management from its consideration and reduction of the main negative impacts of its investment decisions on sustainability factors.

2.4.1 Risk Identification and Assessment Framework

Rating SRI

The proprietary ESG rating methodology GREaT (see section 2.1) incorporates indicators relating to the various categories of sustainability risks:

- Regulatory risks, captured by the "Business Ethics" criterion, which assesses the internal control systems in place at issuers;
- Operational risks, captured by the "Sustainable Resource Management" pillar, which focuses in particular on the quality of human resources management (training, turnover control, etc.) and the implementation of robust environmental management systems, as well as by the "Territories" pillar, which focuses in particular on supply chain and downstream management, and by the "Social" pillar, which focuses in particular on the quality of the company's social policies and the implementation of robust environmental management systems, as well as by the "Territories" pillar, which focuses in particular on the management of supply chains and the downstream part of value chains, as well as the management of stakeholder relations in the context of business or project development;
- Strategic risks, which concern the

alignment of corporate strategy with long-term trends, particularly with the "Energy Transition" and "Territorial Development" pillars;

Climate risks, which are physical risks covering damage directly caused by meteorological and climatic phenomena; and transition risks resulting from the effects of the implementation of a low-carbon economic model, regulatory changes, the emergence of new disruptive technologies, etc. These risks are analyzed in the "Energy Transition" pillar.

Financial analysis

The qualitative integration of ESG considerations into financial analysis aims to identify material sustainability issues, i.e., those that are likely to have a significant impact on the credit quality or valuation of the issuer. For bond funds managed by LBP AM, these analyses result in the assignment of a materiality rating, which is made available to fund managers. This analysis takes into account companies' exposure to the material issues identified and the time horizon over which they could materialize, the level of integration of these issues into companies' strategies, and the human, financial, and technical

resources mobilized to address them. The ratings are updated by the Fundamental and Sustainable Analysis team as new information becomes available and following discussions with the companies concerned or external analysts.

Normative analysis

The normative analysis carried out as part of the exclusion policy aims to identify companies for which there is an unacceptable risk that they cause, contribute to or are linked to particularly serious violations of the LBP AM group's fundamental ethical standards (in particular the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises) or that are subject to serious, proven and repeated controversies.

It aims in particular to assess the link between the company and the impact, the remedial measures implemented by the company, the due diligence carried out by the company, and the leverage of the LBP AM group over the company.

2.4.2 Risk Management Framework

Rules for integrating ESG ratings into allocation

ESG ratings established on the basis of the GREaT methodology are at the heart of the SRI selection process for securities in responsibly managed portfolios, based on the exclusion of the lowest-rated companies or the overweighting of the highest-rated companies. As such, the ESG approach applied to select securities for portfolios tends to disqualify the most exposed issuers and favor those that best manage their exposure to sustainability risks. The process is described in section 2.2.

Exclusion policy

The LBP AM group applies an exclusion policy to limit its exposure to issuers that are most at risk or cause serious harm to sustainability objectives. The GREaT Committee, chaired by the management department and comprising the heads of the management divisions, the risk department and the SRI Solutions team, is responsible for monitoring the implementation of the exclusion policy. The risk management department also has the right to veto and refer matters to the LBP AM Executive Board for arbitration. The process is described in section 2.1.

Engagement and voting policy

While the two aforementioned mechanisms aim to quickly and directly reduce the exposure of management companies to risks, LBP AM's engagement and voting policy aims to mitigate the source of risks – deemed to be of lesser magnitude or less imminent – through proactive action to encourage investee companies to improve their management of the environmental, social and governance risks to which they are exposed. The policy and results are described in section 2.3.

Thematic policies

Dedicated thematic policies aim to specify the specific treatment of key sustainability issues across these three frameworks. These policies define the criteria for rating, implementing engagement actions targeting at-risk companies, and excluding the most exposed companies. LBP AM and LFDE therefore have policies on climate, biodiversity, coal, oil and gas, and human rights. These policies are updated periodically, based on an annual assessment of whether an update is necessary. The methodologies and results of these first two policies are detailed in sections 3.1 and 3.2.

Conventional risk management framework

Finally, the Risk Management Department, which is responsible for applying the contractual risk management framework, is directly involved in validating and supervising the application of the above measures: participating in the development or validation of policies, monitoring SRI rating models, participating in the exclusion committee, and conducting pre and post-trade checks on compliance with exclusion lists and the ESG objectives of each fund.

The Risk Management Department has also implemented a tool to monitor the climate risks to which LBP AM is exposed through its aggregate investments and within its portfolios. The results are reviewed monthly by the Risk Management Department and quarterly by the Risk Committee, which includes members of the Executive Board. Finally, this tool has enabled us to draw up a list of issuers that are subject to closer monitoring, particularly in terms of shareholder engagement. This tool is discussed in more detail in section 3.3.1.

◆ Focus

Human Rights Risk Management

Implementation of Due Diligence

The LBP AM group is committed to respecting internationally recognized human rights in all of its investment activities, in accordance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, and the ten principles of the United Nations Global Compact.

To this end, the group has the following tools and mechanisms in place:

- Risk identification, through human rights risk mapping, to assess and prioritize the most sensitive sectors, geographies and themes.
- Risk prevention and mitigation through:
- the SRI selection based on the proprietary rating
- Corporate engagement on human rights,
- and the normative exclusion policy, which targets companies for which there is an unacceptable risk that they cause, contribute to or are linked to serious human rights violations, or are exposed to serious, proven and repeated controversies, and for which exclusion is the most effective means of reducing this risk.
- Monitoring the evolution of risks and measures through continuous regulatory monitoring and enhanced due diligence, which feed into decision-making bodies that can take action.
- The downgrading of SRI ratings, engagement actions, the freezing or exclusion of the issuer.
- Communication and transparency, through the publication of policies and implementation procedures in 29-LEC report and engagement report of the LBP AM group.
- Consultation with stakeholders throughout the process.

Controversy Management and Prevention of Severe Human Rights Risks

As part of the daily monitoring and management of controversies, certain risks or controversies may be identified by the SRI teams or the management teams without, however, being subject to treatment under the normative exclusion policy.

The LBP AM group may engage with companies when it identifies that they are the subject of controversy in order to investigate the quality of the policies and procedures put in place by the company on a particular issue and, where appropriate, make proposals to end and prevent the recurrence of negative impacts related to the company's practices.

This is particularly the case when:

- The risk or controversy identified is "one-off" and the impact, whether potential or actual, remains localized or limited (particularly in terms of scope);
- The company concerned is not subject to a specific commitment or monitoring on the identified issue; **OR**
- The company is committed to this issue, but the controversy does not alter its analysis of its risk management.

In this case, the identified risk or controversy is presented to the ESG

Committee for deliberation.

The ESG Committee may decide, in particular, to:

- To implement enhanced monitoring of the issuer and, in particular, of the emergence of new impact risks or new similar controversies concerning the issuer;
- To request additional information or initiate a bilateral dialogue with the issuer.
- To address the controversy through an exchange organized via a collaborative engagement with the issuer on a related topic.
- Engage collaboratively with the issuer.

In the event of an increase in risk or controversy, or the recurrence of similar controversies, and in accordance with the normative exclusion policy described below, the case may then be subject to a normative review and presentation to the GREaT Committee for a decision.

Normative exclusion policy

In addition, the LBP AM group may exclude companies for which there is an unacceptable risk that they cause, contribute to or are linked to particularly serious violations of LBP AM's fundamental ethical standards, or which are the subject of serious, proven and repeated controversies, and for which exclusion is the most effective means of reducing the risk of continued violation of these standards.

The LBP AM group has two methods for identifying companies that should be subject to normative treatment:

→ **Quantitative:** Issuers subject to serious, repeated and proven controversies relating to one or more violations of the LBP AM group's fundamental ethical standards.

→ **Qualitative:** The AND and management teams can identify companies for which:

- The identified risk or controversy is severe, both in terms of scope and severity.
- The company concerned is already the subject of several proven controversies or risks of critical impacts.
- An engagement may already be in place, but the worsening of the risk or controversy justifies referral to the GREaT Committee.

Once the issuer has been identified and a reinforced analysis has been conducted, the GREaT Committee bases its decisions on an assessment of:

- The severity of the impact or risks of impact on people, the environment or good governance principles, taking into account the seriousness, scale and remediability of these impacts, whether actual or potential.
- The link between the impact or risk of impact and the company (cause, contribution, direct link).
- Measures implemented by the company to prevent, cease and remedy risks and impacts.
- The likelihood of future violations of standards by the company, by reviewing the due diligence implemented by the company and its compliance with the expectations of the LBP AM group's fundamental ethical standards,
- The leverage of the LBP AM group over the company.

In accordance with Principle 19 of the United Nations Guiding Principles on Business and Human Rights (UNGP), before the GREaT Committee decides to exclude a company, it must consider whether other measures, such as shareholder engagement, might be

more appropriate to reduce the risk of ongoing violations of the standards.

The final decision adopted by the GREaT Committee should, as far as possible, aim to reduce and mitigate the risks of future violations of the standards. The GREaT Committee may therefore vote on the following measures: triggering engagement action, specific voting guidance, downgrading of SRI ratings, enhanced monitoring, freezing or suspension, or exclusion.

Issuers remaining on the normative watch list following a GREaT Committee decision are subject to enhanced monitoring by the SRI and management teams.

In the event of a worsening of the controversy or risk of impact, or the emergence of new risks or serious controversies, the teams in charge of due diligence may update the enhanced analysis and issue a new recommendation to the GREaT Committee.

The GREaT Committee, following the same analysis as described above and in accordance with the escalation strategy set out in this policy, may then adopt additional measures, up to and including exclusion.

◆ Focus

Climate Risk Management

Climate risk is considered by central banks to be a systemic risk that could affect the stability of the global financial system.

Some central banks (e.g. The European Central Bank and the Banque de France) have launched programs to develop and improve climate risk assessment approaches.

Methodologies for assessing the effects of climate change and the energy transition are still in their infancy, but they do make it possible to assess the main exposures of portfolios to physical risks, i.e., the negative effects of climate change, and transition risks, i.e., policy measures and changes in consumer appetite to combat global warming.

The analysis and monitoring of issuers' climate risks are carried out using the following elements:

- The proprietary GREaT ESG rating methodology incorporates climate risks into its "Energy Transition" pillar
- ESG materiality analysis, which is integrated into the financial analysis carried out by the research and management teams, qualitatively assesses physical and transition risks when these are considered material for the issuer.

- An ad hoc measurement indicator deployed by the Risk Management Department and applied to all LBP AM investments.

The management of physical, transition and controversy risks related to climate issues is ensured by several elements of the investment strategy deployed by the LBP AM group:

- The portfolio transition strategy deployed as part of LBP AM and LFDE's commitment to the Net Zero Asset Managers Initiative (NZAMI) aims to align the company's investments with a 1.5°C trajectory.
- Sector exclusion policies on coal, oil and gas enable the company to control its exposure to these sectors, which are highly exposed to transition and reputational risks. The societal objective of this approach is to avoid exacerbating the lock-in effects of regional economies and companies invested in fossil fuels. The financial objective is, where applicable, depending on the operating cost of the assets and their position in the value chain, to avoid increasing the risk of stranded assets or a decline in carbon-emitting business activities that would result from a successful energy transition, as recommended by the IPCC.
- The engagement and voting policy incorporates several elements that contribute to the management of climate risk in portfolios. In line with its transition

ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business model, in particular through the formalization of robust transition plans. The climate policy also has specific objectives on climate risk.

The companies of the LBP AM group apply complementary approaches for certain specific products:

- For funds with the SRI label and other funds applying ESG selection criteria based on the GREaT rating (where specified in the pre-contractual documentation for the financial product, and in particular in the SFDR annex), the selection of securities tends to underweight issuers most exposed to climate risks.
- For LFDE impact funds, proprietary scoring methodologies include a focus on climate risk management:
 - Within the "SDG Score": Climate-related criteria are taken into account in the positive selection of companies through the "Solutions" Score of issuers contributing at least 20% of their revenue to the UN Sustainable Development Goals (SDGs), including SDG 7: Affordable and clean energy and SDG 11: Sustainable cities and communities. This dimension is also integrated into the "Initiatives" Score, with, for example, the recognition of companies' ambitious carbon neutrality and renewable energy use initiatives. As this SDG score is a net contribution score, companies whose products and services and business practices have a negative impact on climate change will be penalized in the Climate and Biodiversity Maturity Score: Climate-related criteria are taken into account in the positive selection of companies via the Climate and Biodiversity Maturity Score. It assesses the maturity of issuers in their consideration of climate issues.

◆ Focus

Biodiversity Risk Management

Biodiversity risk analysis and monitoring are ensured by the following elements:

- The proprietary GREaT ESG rating methodology incorporates indicators covering biodiversity issues. These indicators are divided between the "Biodiversity and Water" and "Pollution and Waste" criteria contained in the "Sustainable Resource Management" pillar, as well as within the "Energy Transition" pillar. For European private asset funds, the indicator is calculated based on a proprietary analysis grid using data obtained directly from companies.
- ESG materiality analysis, which is integrated into the financial analysis carried out by the research and management teams, qualitatively assesses physical and transition risks when these are considered material for the issuer.
- The biodiversity policy is based on a measurement of risks and dependencies on biodiversity using the BIA-GBS Dependencies database, which measures the dependence of investments on ecosystem services, following the ENCORE methodology combined with an internal BIA-GBS methodology. This methodology measures the level of dependence of assets under management on various ecosystem services, using a critical and average dependency score for each ecosystem service.

Biodiversity-related risks are managed through several elements of the investment strategy deployed by the LBP AM group:

- Biodiversity exclusion applies to companies in sectors with high stakes in nature (energy, agri-food, materials, transportation, and community services) that have not implemented policies and actions to manage and reduce their impact on nature. Thematic policies on deforestation and pesticides target, respectively, companies that exploit and/or trade in commodities at risk of being directly involved in deforestation and have not implemented a robust risk prevention policy, and pesticide producers.
- The engagement and voting policy aims to support companies on the path to a better understanding and consideration of biodiversity issues. The LBP AM group has adopted a sector-based approach to optimize the effectiveness of this initiative. A sector is selected for a period of two to three years, during which the company supports companies deemed to be priorities based on their positioning and the weight they represent in the portfolios.

The companies of the LBP AM group apply complementary approaches for certain specific products:

- For funds with the SRI label and other funds applying ESG selection criteria based on the GREaT rating (where specified in the pre-contractual documentation for the financial product, and in particular in the SFDR annex), the binding application of these strategies in fund management tends to underweight issuers most exposed to biodiversity risks.
- For LFDE impact funds, proprietary scoring methodologies include a focus on biodiversity risk management:
 - Within the "SDG Score": the theme of biodiversity is integrated into this score on several occasions, both in the analysis of the products and services distributed by the company ("Solutions" score) and in the analysis of the responsible conduct of their activities ("Initiatives" score).
 - Within the "Climate and Biodiversity Maturity Score": Biodiversity criteria are taken into account in the positive selection of companies via the score assessing issuers' maturity in their consideration of climate and biodiversity issues. The consideration of biodiversity is conditional on the degree (high or low) of impact and/or dependence of each company's sector on this issue.

03

Focus on the Environment

Across all its management activities, the group implements an environmental policy to support the energy transition of the real economy, ensure sound climate risk management and contribute to the preservation of life. LBP AM and LFDE's range of environmental theme funds, invested in green or transition assets, enables clients who so wish to contribute directly to protecting the environment and/or gain exposure to these assets of the future. This chapter presents the group's climate and biodiversity policies and how they will be strengthened in 2024.



3.1 Climate Policy

The investment activities of LBP AM and LFDE are affected by climate issues in two ways:

- **Asset management activities can have an impact on the climate**, for example by offering investment products that directly contribute to financing activities that mitigate climate change, investment products geared towards companies with robust transition plans that are resilient to climate risks, by encouraging companies to adopt such strategies, and by deciding whether or not to finance new assets that are incompatible with the energy transition needed to mitigate climate change.
- **Climate change has an impact on people**, ecosystems and economic life, which in turn affects portfolios, for example through the increased risk of natural disasters affecting companies, new regulations requiring them to reduce their greenhouse gas emissions, etc.

The LBP AM group's climate policy¹ defines how climate issues are integrated into its asset management, with a view to contributing to the energy and ecological transition needed to combat climate change and managing the financial risks arising from it. In line with its membership of the major public financial center, its ambition in this area is to make its investments compatible with carbon-neutral development by 2050 and resilient to climate change.

¹ https://www.lbpam.com/publication/Compliance-Doc/Politique_climat_LBPAM.pdf

To this end, the policy is based on five levers on which the LBP AM group is committed to acting:

- **Optimizing** the choice of companies and sectors in the portfolio to reduce exposure to climate risks and aim for carbon neutrality in portfolios by 2050, through climate risk monitoring and integration into investment selection;
- **Strengthen** investments in companies and projects that provide solutions for the energy transition through dedicated offerings;
- **Reduce** exposure to high-carbon assets that are not committed to the transition and do not implement mitigation measures supported by a credible action plan, through the exclusion policy;
- **Engage** and support investee companies in their energy transition and adaptation to the effects of climate change through engagement and the integration of this issue into the investment selection process;
- **Encourage**, at its level, the development of a political and regulatory framework conducive to the transition, in line with international, European and national objectives on climate change mitigation and adaptation, through its advocacy policy. The LBP AM group supports regulatory initiatives aimed at strengthening the action of companies, including financial companies, in the fight against climate change

3.1.1 A Strategy to Achieve Carbon Neutrality

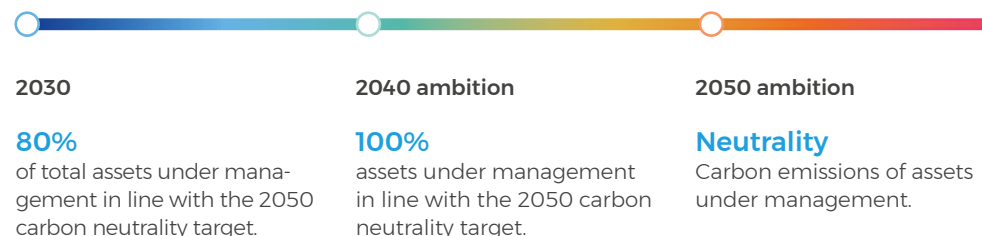
In line with our ambition, the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMi) in 2021 in order to align its asset management with a greenhouse gas emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, in 2022 it defined and published an ambitious decarbonization trajectory for the investment portfolios it manages through its two management companies, LBP AM and Tocqueville Finance, including open-ended and dedicated funds across all asset classes, with the aim of achieving carbon neutrality by 2050. This roadmap was extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, also a member of the NZAMi, which absorbed Tocqueville Finance in April 2024. It is currently based on the following milestones.

The measurement and definition of this target are based, where possible, on the voluntary framework of methodologies established by the Science Based Target Initiative for Financial Institutions. The scope of application of these methodologies is not exhaustive and does not currently cover investments in sovereign debt and similar instruments or the financing of certain infrastructure projects, which are therefore not included in the scope currently available for measuring the achievement of the LBP AM group's aggregate target. In this context, the group may need to review its target in line with changes in the scope of the group, in particular to facilitate the coordination of the objectives of its management company subsidiaries.

The methodology currently used by the LBP AM group to define and assess the overall alignment of its assets invested in listed equities and corporate bonds is the methodology proposed by the SBT initiative known as "portfolio coverage," which consists of recognizing as aligned investments in companies that have themselves set science-based decarbonization targets.

This overall alignment trajectory for the LBP AM group's assets under management is supplemented by a sub-target, set independently as part of its sector policy and in support of the above-mentioned overall objective, to achieve 100% of total assets under management with a GHG emissions trajectory compatible with the Paris Agreement targets within the oil and gas sector by 2030. The sectors involved in energy supply are particularly critical to the transition of the real economy, which also involves a major shift in energy demand.

Strategic management of the achievement of these objectives is carried out through a "Transition Plan," a forward-looking strategic document describing the decarbonization objectives for investments and the associated action plans for all business lines and support functions. The LBP AM Group's climate policy and transition plan are closely aligned in terms of decarbonization but do not entirely overlap, with the climate policy describing the measures applicable to date across all climate-related dimensions and the transition plan setting out medium-term decarbonization targets and how to achieve them.



[For more information](#)

[Climate policy](#)

[Transition plan - La Banque Postale](#)

3.1.2 Optimise the Choice of Companies and Sectors in the Portfolio to Reduce Climate Risks

Improving the climate profile of LBP AM and LFDE portfolios requires the implementation of steering indicators.

Two climate-related data points are systematically included in investment monitoring: the Energy and Economic Transition pillar rating via the proprietary GREaT assessment, and the measurement of GHG emissions for all securities in the portfolio. These elements are managed within the framework of ESG-managed funds². At the end of 2024, LBP AM also developed an innovative model for assessing transition plans, which will be rolled out in the coming months to support the selection and engagement of companies.

In addition, the group monitors the exposure of all its portfolios to climate risks and their level of alignment with the Paris Agreement objectives, in line with its goal of aligning 80% of its assets under management with a decarbonization trajectory compatible with the Agreement's objectives. These elements are integrated into the conventional risk management framework and strategic steering, respectively.

² The scope of LFDE's historical funds finalized the adoption of the proprietary GREaT investment rating system on January 1, 2025

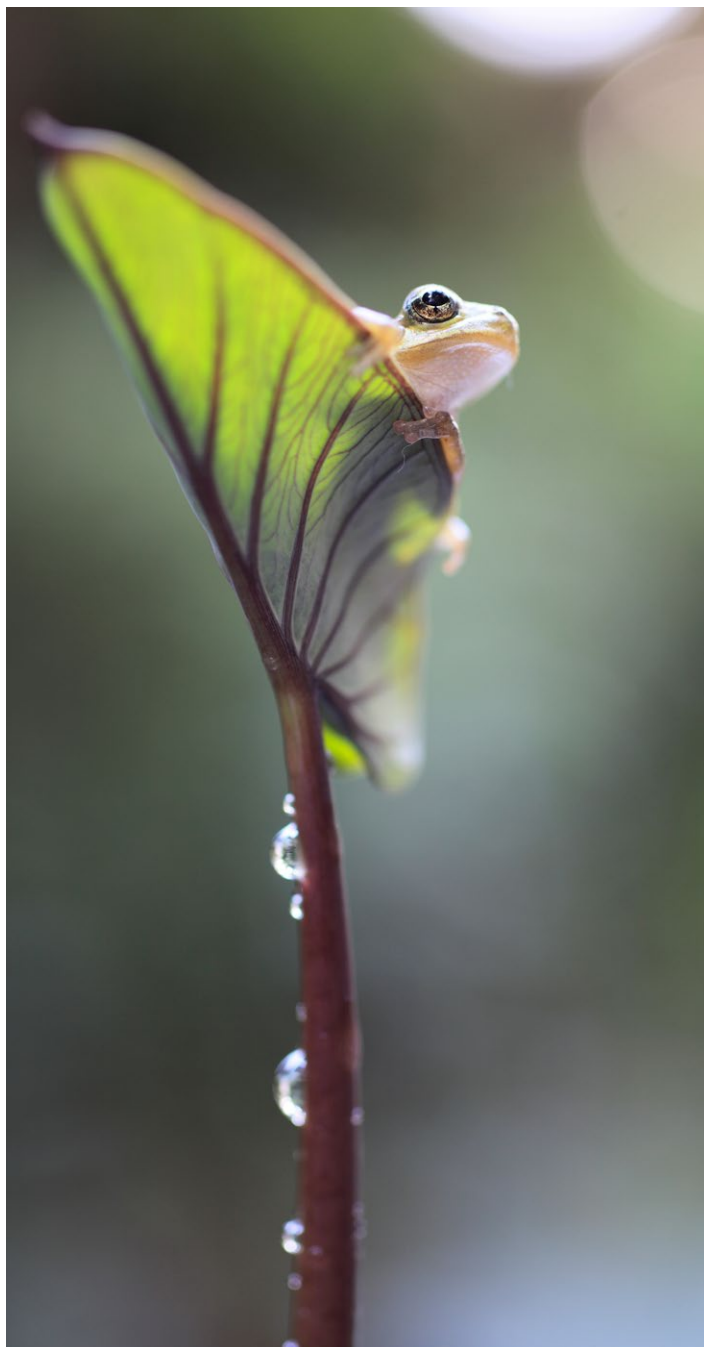
³ The scope of LFDE's historical funds finalized the adoption of the proprietary GREaT investment rating system on January 1, 2025

Cross-functional integration of portfolio climate performance via GREaT scoring

LBP AM and LFDE's climate analysis is based on pillar E of the GREaT methodology, which reflects the quality of each issuer's climate strategy within the investment universe. The score for this pillar directly impacts an issuer's GREaT score, which is used on a daily basis to apply the ESG selectivity rules for LBP AM and LFDE's responsible investment funds³. This systematic rating assesses the robustness of issuers' climate strategies by taking a critical look at their operations, products, and services. It is based on around ten indicators collected from specialist rating agencies

Measuring the carbon footprint of investments

The carbon footprint of investments, expressed as carbon intensity, corresponds to companies' GHG emissions, expressed in tons of CO₂ equivalent, relative to the amounts invested. It is available in the investment monitoring tools for management teams and communicated annually in the reporting of each SRI-labeled fund.



As of December 31, 2024

As of December 31, 2024, the carbon footprint of the LBP AM group is 605 tons of CO₂ per million euros invested, for all scopes 1, 2 and 3. For scopes 1 and 2, the carbon footprint is 40.9 tons of CO₂ per million euros invested, a footprint that is decreasing in this scope.

This calculation is based on information available for 87% of issuers in the portfolio for scopes 1 and 2, and 74% for scope 3.



Methodology applied

To measure the volume of GHG emissions (scopes 1+2+3) of each issuer in the portfolio, LBP AM and LFDE use data provided by MSCI. Scope 3 emissions are included in order to provide an overview of the company and its value chain, despite the limitations associated with the quality of the information disclosed on this scope.

For GHG emissions, MSCI uses three different methods, based on:

- information disclosed by the companies themselves;
- of the energy production model (methodology reserved for electricity producers using the energy mix);
- sector-specific modeling. This approach is preferred for companies that do not publish any information on their GHG emissions.

Based on the emissions of each company in which it invests, the group calculates the share of these emissions attributable to its portfolios, in proportion to its level of ownership in the financial structure of these companies. These tons of emissions "attributable" to LBP AM or LFDE are then converted to per million euros invested, to enable comparison between portfolios and over time.

Alignment of portfolios with the Paris Agreement targets

The methodology currently used by the group on listed portfolios to report an overall level of climate ambition is the "Science-Based Targets - Portfolio Coverage" (SBT-PC), which aims to gradually increase over time the proportion of assets invested in issuers committed to a decarbonization trajectory and having validated their target as aligned with climate scenarios by an independent body (the SBT initiative, for example). According to this market-based method, if a company has issued a decarbonization target validated by the SBTi, the assets invested in that company are considered aligned.

LBP AM and LFDE use external data and assessments for this purpose, which LBP AM purchases from CDP via a database called CDP Temperature Ratings. This database contains all the data published by the SBTi initiative and supplements it with an assessment of the statements made by companies that have responded to their own annual climate change questionnaire. As a result, all data used in the Net Zero alignment analysis is data published by companies as part of their SBTi target or in their annual reporting to CDP.

Each fund manager can monitor the alignment level of each fund on the SRI management platform, GREaT 360. An aggregate assessment is also carried out on a regular basis, in particular for the attention of LBP AM's governance bodies and shareholders, to enable them to monitor and steer the group's portfolio alignment objective. As of December 31, 2024, the LBP AM and LFDE portfolios achieved 41% and 45% Net Zero alignment respectively within the scope of application, representing 42% at group level.

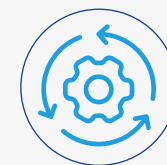
However, there are methodological limitations to the scope of application of the SBTi methodology, particularly for asset classes and sectors that do not have an SBT assessment methodology.

At the end of 2024, LBP AM also developed an innovative proprietary model for assessing transition plans, which will be rolled out in the coming months to support the selection and engagement of companies.

Climate risk management

Climate risk is considered by central banks to be a systemic risk that could affect the stability of the global financial system.

Some central banks (e.g. The European Central Bank and the Banque de France) have launched programs to develop and improve climate risk assessment approaches. Methodologies for assessing the effects of climate change and the energy transition are still in their infancy, but they do enable an assessment of portfolios' main exposures to physical risks, i.e. the negative effects of climate change, and transition risks, i.e. policy measures and changes in consumer appetite to combat global warming.



Transition Plan Scoring

A proprietary methodology for analyzing companies' transition plans

As part of its ambitious commitments to achieve carbon neutrality by 2050, the LBP AM group has strengthened its climate assessment tools with the launch of the Transition Plan Score. This innovative proprietary tool systematically and regularly analyzes companies' transition plans, enabling the assessment of companies' alignment with international climate goals to be integrated into portfolio monitoring and construction. A transition plan is a forward-looking document drawn up by a company that sets out its decarbonization objectives and details all the actions to be taken to achieve them.

The LBP AM group has developed the Transition Plan Score, a proprietary solution that enables these transition plans to be analyzed on a large scale and in a systematic manner. Developed in line with emerging international standards for the disclosure and assessment of transition plans, it is based on the analysis of three dimensions:

- The ambition of the short, medium and long-term decarbonization targets.
- The concrete operational resources mobilized to implement this strategy, in particular by verifying the existence of dedicated investment earmarked for decarbonization.
- The governance and effective management of action plans.

More than 5,000 companies are regularly assessed based on nearly 45 underlying indicators from reputable sources such as the CDP (Carbon Disclosure Project), MSCI and SBTi. Thanks to these half-yearly assessments, the Transition Plan Score provides an overall score, a score for each of its different dimensions, and specific alerts (red flags) on critical issues that could constitute risks or weaknesses in the quality of the transition plans of the companies analyzed. These alerts guide additional qualitative analyses and engagement actions with companies to bring about concrete improvements in the areas of concern identified in their transition plans. This will be particularly the case for funds with the SRI label marketed by LBP AM and LFDE.

◆ Focus

Climate Risk Management

LBP AM and LFDE analyze and monitor issuers' climate risks using the following elements:

- **Proprietary ESG rating methodology**, GREaT, incorporates climate risks into its "Energy Transition" pillar based on indicators provided by MSCI ESG and Moody's ESG. For private asset funds, the indicator is calculated using a proprietary analysis grid, with data obtained directly from companies.
- **ESG materiality analysis**, which is integrated into the financial analysis carried out by the fundamental and sustainable research team for bond management, qualitatively assesses physical and transition risks when these are considered material for the issuer.
- **Ad hoc measurement indicators are applied to all LBP AM - LFDE investments.**

With a risk management framework reviewed annually, the management of physical, transition and controversy risks related to climate issues is ensured by several elements of the investment strategy deployed by LBP AM and LFDE:

- **security selection based on GREaT**

ESG ratings for responsible investment funds. The binding application of these strategies in fund management tends to underweight the most exposed issuers;

- **in addition, qualitative analysis** carried out by the research and management teams enables fund managers to identify the most exposed issuers in order to make investment decisions accordingly;
- **the portfolio transition strategy deployed as part of LBP AM - LFDE's commitment to the Net Zero Asset Managers Initiative (NZAMI).** This strategy aims to align the company's investments with a 1.5°C trajectory, as reflected in the LBP AM group's goal of achieving "net zero" alignment for 80% of assets under management by 2030.
- **sector exclusion policies on coal, oil, and gas** enable the company to control its exposure to these sectors, which are highly exposed to transition and reputational/litigation risks. The societal objective of this approach is to avoid exacerbating the lock-in effects of regional economies and

companies invested in fossil fuels. The financial objective is, depending on the operating cost of assets and their position in the value chain, to avoid increasing the risk of stranded assets or a decline in carbon-emitting business activities that would result from a successful energy transition, as recommended by the IPCC.

For more information [↗](#)

Exclusion policies LBP AM

LBP AM oil and gas policy

- **The engagement and voting policy** incorporates several elements that contribute to managing climate risk in portfolios. In line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models, in particular through the formalization of robust transition plans.
- **The climate risk assessment of portfolios** is carried out using a

cross-functional climate management tool that enables risk analysis at different scales and from different angles, including risk quantification, scenario analysis, risk breakdown by portfolio, and identification of the main contributors.

Physical risk assessment

For the analysis below, the LBP AM group uses the MSCI ESG provider due to the transparency and granularity of its methodology.

Analysis methodology

The MSCI method determines the present value of the costs incurred by an issuer in the event of physical damage to its assets resulting from acute weather events (cyclones, heat waves, tsunamis, floods, etc.) and/or chronic events (sea level rise, drought, extreme heat and cold spells, heavy precipitation, heavy snowfall, high winds, etc.), assuming that climate hazards will continue along the same trend. The costs associated with the loss of income resulting from the interruption of business following such weather events are also taken into account in the assessment.

Chronic risks mainly manifest themselves in reduced productivity or employee availability, as well as temporary interruptions in production, and are modeled by extrapolating historical data.

Acute risks are modeled using climate models similar to those used by the insurance and reinsurance industry to estimate direct or indirect material costs based on costs recorded for past disasters.

The estimated materiality of physical risks depends on three factors:

- the vulnerability of a given issuer's assets to climate hazards, which estimates direct (damage, destruction) or indirect (temporary interruption of production due, for example, to employees being unable to reach the site...) material impacts;
- the geographical exposure of the activities, resources and employees associated with a given issuer;
- the probability of the climate event occurring. LBP AM and LFDE calculate the share of costs associated with the various climate risks attributable to its investments, then add up the costs by risk category to estimate their weight relative to the total value of the portfolio.

Climate risk cost as a percentage of eligible assets covered



Total risk cost

Eligible assets covered

Analysis result

This method estimates this risk at -1% for LPB AM and -0.67% for LFDE of the value of assets under management. This analysis is based on information provided by MSCI ESG on more than 97% of assets invested in assets eligible for measurement.

Transition risk assessment

For the analysis below, the LBP AM group uses the MSCI ESG provider due to the transparency and granularity of its methodology.

Analysis methodology

Transition risks are those that could arise from the various policies implemented by governments and international organizations to ensure a transition that enables the Paris Agreement targets to be met. To assess political risks, MSCI ESG uses as a starting point the commitments made by governments in 2015 to reduce their greenhouse gas emissions by 2100 in order to estimate the share of GHG emissions reductions that should be achieved by each sector within each country. It then assigns an emissions reduction trajectory to each company based on its geographical location and market share. Finally, multiplying the required GHG reduction by an estimated price of CO₂ allows a final cost to be calculated.

Results of the analysis

The impact of transition risk on the level of assets under management is estimated at -9.51% for LBP AM and

-7.06% for LFDE.

Overall, the impact of climate risks is estimated at -7.22% of the value of the portfolios for the LBP AM group, broken down as follows:

- Political risk related to regulatory changes (transition risk): -8.92%
- Physical risk related to climate hazards: -0.92%
- Technological opportunities thanks to revenues generated by low-carbon activities and the holding of patents related to greenhouse gas reduction: 2.62%

These risks are partially offset by green opportunities that will emerge from investments in companies that are "enablers" of the energy transition, according to MSCI ESG's methodology. These results are based on information available for more than 97% of assets invested in assets eligible for measurement. A methodological review has been carried out and may explain differences in the magnitude of the figures observed between financial years. As a result, the LBP AM group does not present historical information on this indicator, as comparisons would not be meaningful.

3.1.3 Strengthening Investments in Companies That Provide Solutions for the Energy Transition

Assets under management in favor of the energy transition

As of December 31, 2024, €4.78 billion in assets under management (equity funds) were exposed to securities and projects providing solutions for the energy transition through their product and service offerings, as identified by the taxonomy defined by the Greenfin state label.

In addition, a detailed presentation of assets invested in sustainable investments contributing to European environmental objectives, as defined by the Taxonomy Regulation (Regulation (EU) 2020/852), is provided in Part 4 of this report, in Table 1.5 "European taxonomy and fossil fuels."

The growth of assets invested in energy and ecological transition solutions, identified according to official taxonomies, is a long-term challenge for LBP AM and LFDE's climate strategy. This is reflected in the creation of dedicated listed and unlisted thematic funds that enable investors to gain exposure to these assets of the future.

Strategies dedicated to financing the energy transition

LBP AM and LFDE manage and market four funds whose investment strategy focuses on energy transition and environmental

protection: LBP AM SRI Actions Environnement, LBP AM SRI Global Climate Change, LBP AM Infrastructure Debt Climate Impact Fund and Echiquier Climate and Biodiversity Impact Europe.

LBP AM SRI Actions Environnement

This fund has been awarded the Greenfin label created by the French Ministry for Ecological Transition. It enables clients to contribute to the decarbonization of the economy while gaining exposure to the performance of European equity markets. The companies in which the fund invests must belong to one of the six identified environmental themes (environmental services and solutions, renewable energies, circular economy, sustainable transport and mobility, green buildings, sustainable agriculture and food), which correspond to the Greenfin label classification.

LBP AM SRI Global Climate Change

The companies in which this SRI-certified fund invests must meet two requirements: they must belong to one of the six environmental themes (sustainable agriculture and food, green buildings, circular economy, renewable energies, environmental services and solutions, sustainable transport and mobility); and obtain a rating considered positive in relation to the four pillars of the LBP AM group's GREaT SRI analysis methodology.





Echiquier Climate and Biodiversity Impact Europe (ECBIE) impact fund:

The Echiquier Climate & Biodiversity Impact Europe fund aims to contribute to carbon neutrality and biodiversity preservation by supporting listed companies that provide solutions, demonstrate best practices or are beginning their transition. The management philosophy is in line with the Paris Agreement, whose main objective is to limit global warming to well below 2°C by 2100.

The mutual fund redistributes part of its management fees to projects with a positive environmental and social impact⁴. In 2024, the following amounts were paid: a contribution of €25,000 to the "Muséum pour la planète" endowment fund, which aims to help preserve biodiversity for future generations, and a contribution of €50,000 to the Katapult program run by the "Osons ici et Maintenant" association, which aims to promote the sustainable inclusion of young people, particularly through projects that contribute to the ecological transition.

The E share of Echiquier Climate & Biodiversity Impact Europe, the result of a unique three-way partnership with Epsor and Reforest'Action⁵, and created for Epsor investors, is the first employee savings and retirement vehicle to take action for the energy transition and biodiversity preservation.

In 2024, the average outstanding amount was €645,147 corresponding to 72 tons of CO₂ equivalent to be offset. The project to reforest agricultural land in Torcé-Viviers-en-Charnie (53) in the Pays de la Loire region has been selected by LFDE. This project, which aims to plant 18,942 trees of 16 different species on 120 hectares, enables the fund to offset 100 tons of CO₂ equivalent. The surplus offset will enable LFDE to offset future emissions from the E share.

LBP AM Infrastructure Debt Climate Impact Fund

This impact strategy aims to "contribute to achieving the Paris Agreement's goal of limiting global warming to at least 2°C by financing infrastructure that 1) contributes substantially to climate change mitigation or 2) commits to substantially decarbonizing its activity." This fund, classified as Article 9 under SFDR regulations, offers institutional investors senior debt financing in continental Europe and aims to contribute to the energy transition by targeting three sectors:

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

It is backed by a robust mechanism for selecting, assessing and reporting the climate impact of assets, based on the European taxonomy of sustainable assets.

Echiquier Climate and Biodiversity Impact Europe (ECBIE) impact fund

This fund seeks long-term performance by investing in European equities through companies that stand out for their progress in addressing climate and biodiversity issues, as well as their good governance and the quality of their social and environmental policies (ESG). It also aims to help companies make progress on ESG, climate and biodiversity issues, in particular by engaging in regular dialogue with them and sharing specific areas for improvement that are monitored over time.

⁴ More information on the management fee redistribution mechanism and the projects financed can be found in the ECBIE impact report available on the LFDE website

⁵ Epsor is a B Corp-certified digital player offering employee savings plans. Reforest'Action is a French B Corp-certified company whose goal is to preserve, restore, and create forests around the world.

3.1.4 Gradually Reducing Exposure to Fossil Fuels

Given that two-thirds of global GHG emissions are linked to energy, in the IPCC's P2 scenario, the share of renewable energies in global primary energy production grows from around 15% in 2020 to 29% in 2030, reaching 60% in 2050. At the same time, the share of fossil fuels decreases from around 83% in 2020 to 67% in 2030, ending up at 33% in 2050. The share of coal in global primary energy supply will decline the most, followed by oil and gas.

The target energy mix defined by the IPCC underpins the development by the LBP AM group of its sectoral policies on fossil fuels, which aim in particular to limit the exposure of all its entities to companies with the most serious and irreparable impacts on the climate. The LBP AM group has defined thresholds for excluding investments in issuers that have not committed to energy transition or that exploit the most environmentally damaging resources. These sectoral policies were updated and aligned between LBP AM and LFDE during the 2024 financial year.

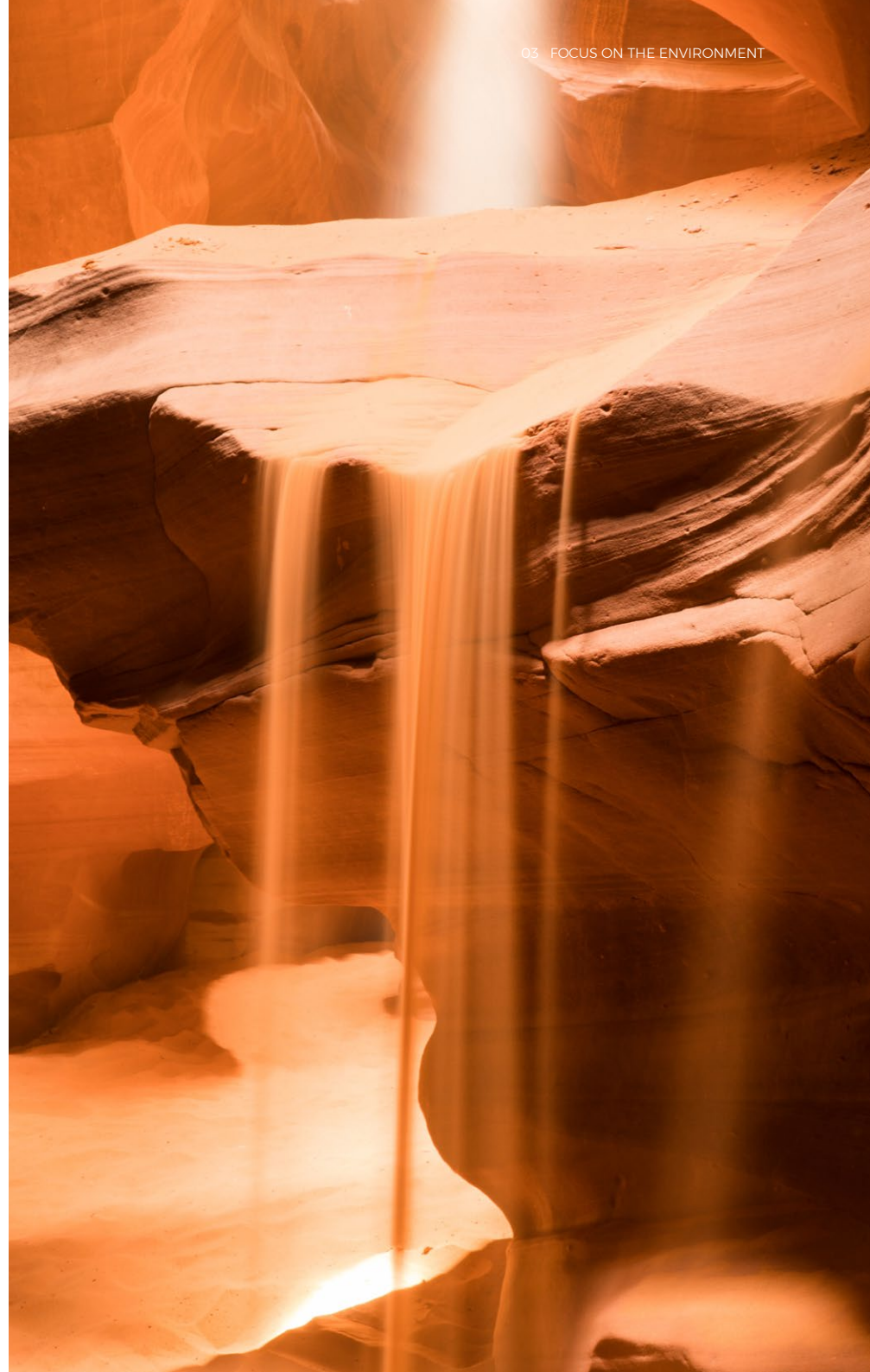
Thermal coal policy

Climate Analytics indicates that electricity producers and mining groups must eliminate thermal coal from their activities by 2030 in OECD countries and by 2040 in other countries worldwide. Furthermore, achieving the Paris Climate Agreement targets requires halting the development of new thermal power plants without CCS and phasing out existing plants⁶.

On this basis, the thermal coal exclusion policy aims to completely end investments in mining or electricity production companies that have not committed to eliminating thermal coal from their operations by 2030 (for companies headquartered in an OECD country) and by 2040 (rest of the world).

Issuers currently involved in thermal coal development projects or the expansion of existing projects are systematically excluded. Other exclusion criteria, based on activity thresholds, are established according to the type of company and may be waived if the company has put in place a credible exit plan. The LBP AM group has therefore implemented a specific engagement strategy for

⁶ <https://www.iea.org/reports/phasing-out-unabated-coal-current-status-and-three-case-studies/executive-summary>



the issuers concerned. It is based on a qualitative analysis of the quality and credibility of these plans to determine the applicable treatment:

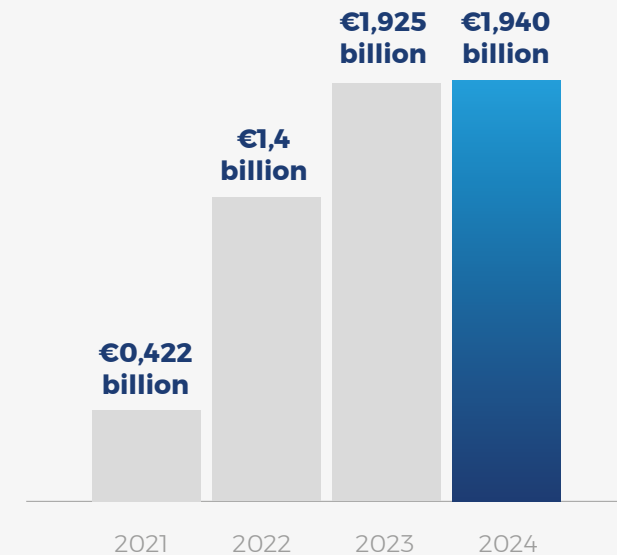
- **Favorable opinion:** If the plan is deemed credible, the company is exempt from exclusion for the current year and is subject to annual monitoring to ensure that the strategy is properly implemented.
- **Neutral opinion:** If the plan does not allow for a factual assessment of its credibility, the company is subject to a commitment to clarify it and decide on the waiver or exclusion by December 31 of the current year at the latest.
- **Unfavorable opinion:** If the plan reveals poor practices or if the commitment has not made it possible to make a factual decision on its credibility within the specified time frame, the company is excluded.

[For more information](#) 

Exclusion policies LBP AM

The LBP AM group's total exposure to companies themselves exposed to thermal coal amounted to €1.94 billion as of December 31, 2024 (€1.6 billion on the LBP AM side and €294 million on the LFDE side), with 100% of these outstanding amounts invested in issuers committed to an explicit coal exit trajectory. Companies exposed to thermal coal are identified using a database from S&P Trucost database to identify companies generating revenue from this resource, then the Global Coal Exit List compiled by the German NGO Urgewald, which identifies mining or electricity production companies involved in new expansion projects and service companies generating more than 5% of their revenue from thermal coal. The S&P Trucost database in question is not freely accessible, and the LBP AM group has not identified any risks of double counting.

Exposure to thermal coal



"This policy should enable us to achieve, by 2030, a sector allocation that is 100% aligned with an energy transition pathway in order to reach the Net Zero target by 2050."



Oil and gas sector policy

In order to limit the rise in temperatures to 1.5°C by 2100, the energy scenarios proposed by the IPCC and the IEA⁷ to meet the global carbon budget imposed by the 1.5°C target while ensuring continued economic growth and energy security, provide for sustained reductions in emissions from the oil and gas sector across the entire supply chain, from production to consumption, starting in 2020.

This is the energy transition from fossil fuels to carbon-free energies, accompanied by energy efficiency measures in all sectors that consume these energies. According to the IPCC, global oil and gas consumption must decrease by 60% and 45% respectively between 2019 and 2050 (60% and 70% respectively without CCS⁸).

According to the IEA, annual energy efficiency will improve by 4% per year until 2030 and oil consumption will decline by around 75% between 2022 and 2050, while gas consumption will fall by almost 80%⁹ over the same period. This oil and gas demand trajectory implies that there is no need to

explore for new resources and that no new fields are needed beyond those already approved for development in 2021. In this context, the LBP AM group's sector policy on investments in companies and project companies operating (exploration, production, processing, transportation, refining, distribution, directly or as a partner or shareholder) in the oil and gas sector, which came into force in September 2022 and will be updated in 2024, defines the principles applicable by management companies to:

- Promote and support the orderly and fair energy transition of the real economy, which is necessary to achieve the objectives of the Paris Agreement,
- Contribute to the management of climate-related financial risks – transition risks, legal risks and physical risks – for LBP AM portfolios.

This policy should enable us to achieve, by 2030, a sector allocation that is 100% aligned with an energy transition pathway in order to achieve the Net Zero target by 2050.

⁷ International Energy Agency

⁸ Carbon Capture and Storage

⁹ https://iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGlo-balPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf

To Achieve this Target, Three Levers for Action Are Being Mobilized:

1. An exclusion policy

The LBP AM group has defined exclusion thresholds for investments in issuers that have not committed to energy transition or that exploit the most environmentally damaging resources.

In concrete terms, this means that the LBP AM group:

- excludes companies whose revenue is more than 20% exposed to unconventional energy sources (shale gas, oil from tar sands and heavy oil, deep-sea drilling, resources from the Arctic) and projects dedicated to these energy sources;
- excludes companies in the sector that are unable to complete their energy transition by 2030, insofar as they currently have no target for carbon neutrality for scope 1 and 2 emissions or no target for reducing scope 3 GHG emissions
- excludes new fossil fuel projects;
- does not refinance any existing projects in these energies whose energy mix is not aligned with that recommended by the IEA's Net Zero scenario;

2. An engagement policy

LBP AM and LFDE are developing a demanding shareholder engagement dialogue with oil and gas companies to support them in their energy transition.

LBP AM and LFDE ask companies to:

- Adopt and publish a transition strategy aligned with a 1.5°C scenario, based on comprehensive and transparent GHG emission reduction targets aligned with the goal of global carbon neutrality by 2050, using permanent, most readily available and least costly means as a priority;
- To shift their business model towards decarbonized energy and services, including ending exploration and development of new fields, with a milestone in 2025. From that date, the cessation of investment in the exploration of new oil and gas reserves and the approval of the development of new oil and gas fields will become a criterion for the disposal of portfolios on a case-by-case basis.

the LBP AM group also requires transparency on the company's exposure to climate risks and an energy transition strategy to manage them; particular vigilance regarding the development of unconventional energies; clear and consistent governance; and an influence policy that supports the energy transition.



3. An analysis and selection policy

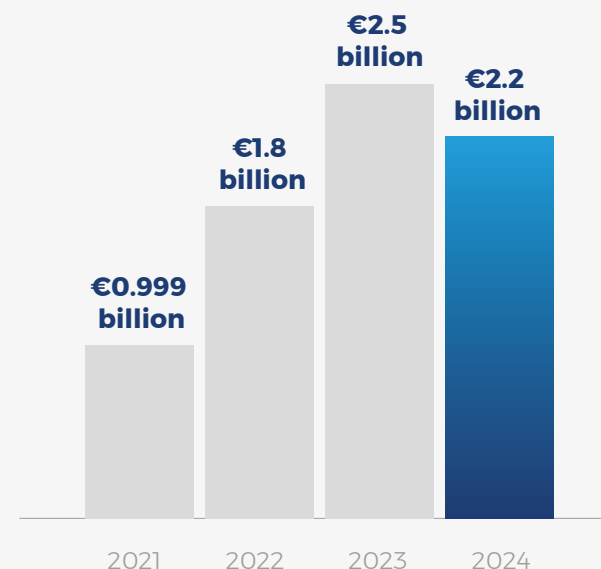
The LBP AM group analyzes all investments in projects and companies in the sector in terms of their level of alignment with the energy transition.

- Proprietary qualitative analysis: GHG reduction targets, transparency of the transition plan, climate impact of the levers used (dependence of the strategy on carbon offsetting, cessation of the development of new fossil fuel production capacities, and the share and evolution of investments in low-carbon resources), governance of the transition plan, assessment of its consistency and feasibility.
- In 2024, following the review carried out in accordance with its policy, the group decided to strengthen its selectivity grading for the sector by adopting enhanced selectivity for certain investment products:
 - SRI products: Integration of specific provisions related to national SRI labels (broad exclusions)

- Open-ended credit funds: exclusion from 2025 of traditional debt from companies developing "new capacities"
- Due diligence on SGP fossil fuel policies for fund selection and use in SRI Fund of Funds.

As of December 31, 2024, the exposure **of the LBP AM group to issuers in the oil and gas sector amounted to €2.2 billion (€1.67 billion on the LBP AM side and €523 million on the LFDE side)**. This identification of companies exposed to oil and gas is carried out using data provided by S&P Trucost, which identifies companies based on the percentage of revenue generated from the extraction and/or production of unconventional fossil fuels. Given that companies with exposure to unconventional energy are very generally exposed to conventional energy, LBP AM - LFDE has therefore deducted its total exposure to oil and gas.

Exposure to oil and gas



3.1.5 Supporting Companies Invested in the Transition

An engagement policy in favor of the transition

Dialogue with issuers is an integral part of LBP AM - LFDE's climate strategy, as this approach can enable:

- obtain additional information on an issuer's transition plan;
- to influence it in order to bring its climate strategy more into line with the Paris Agreement, in particular to encourage it to define, achieve and roll out its decarbonization objectives at all levels: activities, GHG scopes and timeframes;
- and, ultimately, to improve climate risk management.

It is implemented through various levers:

- voting at general meetings, for example in support of resolutions promoting greater strategic integration of climate issues;
- individual engagement to defining robust transition plans, in particular the implementation of LBP AM - LFDE's coal policy and oil and gas policy;
- collaborative engagement, used to achieve the same objectives.

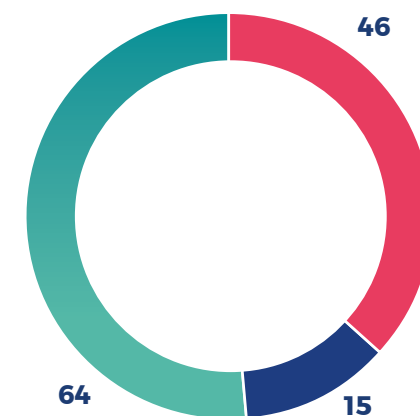
LBP AM and LFDE encourage companies to:

- Formalize robust transition plans that enable the implementation of a transparent and credible transition strategy in order to align their activities and practices over the long term with a scenario that limits global warming to 1.5°C.
- Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions submitted to a vote at the general meeting, commonly known as "Say-on-Climate" resolutions (explained [p. 51](#)). These enable shareholders to vote specifically on companies' energy transition strategies and targets, and on their implementation during a financial year.
- Assess, reduce and report on their exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework.

In 2024, the LBP AM group communicated 125 areas for improvement on environmental issues to 93 companies, including 46 areas for improvement relating to climate and energy transition. The increase in the number of areas for improvement identified in 2024 is due in particular to the consolidation of engagement made on La Financière de l'Échiquier funds.

Environmental progress areas defined in 2024

Breakdown by sub-topics (climate/biodiversity)



- Biodiversity
- Blended (climate and biodiversity)
- Climate

"The engagement has led to a significant improvement in the company's level of transparency and education on its transition plan."

These engagements are being made bilaterally or collaboratively with other investors. Here are two examples of engagements for 2024:

Collaborative engagement led by the FIR and Climate 100+ coalitions with Engie

Since 2022, the LBP AM group has been participating in a collaborative engagement campaign led by the Responsible Investment Forum, which aims to encourage the company to strengthen the comprehensiveness of its transition plan and resubmit it to a shareholder vote.

The investor coalition noted the progress made by Engie during 2022, including the validation of several carbon targets by the SBTi initiative as being in line with a trajectory significantly below 2°C, but nevertheless wanted the company to increase the transparency of its transition plan.

In 2023, the coalition therefore continued its discussions via a letter to the chairman of Engie's board and numerous exchanges. The LBP AM group, together with 15 other investors, also co-submitted a resolution with two objectives:

- to signal that a growing number of investors want to see the company offer a regular Say-on-Climate advisory vote;

- to obtain sufficient information to assess this strategy with a 1.5°C scenario across its entire scope of responsibility (scope 1, 2, and 3). The engagement led to a significant improvement in the company's level of transparency and education on its transition plan ahead of the general meeting. The company has also committed to implementing a one-off Say On Climate vote on the company's transition plan. In addition, the LBP AM group participated in the inclusion of an item on the agenda for the 2023 AGM concerning indicators for monitoring the group's climate strategy. The Board of Directors has committed to continuing shareholder dialogue on this issue, highlighting healthy shareholder democracy between the Board of Directors and Engie's shareholders. In 2024, the LBP AM group continued its participation in the collaborative engagement campaign aimed at encouraging the company to improve the completeness and transparency of its transition plan. Several meetings were held ahead of the Annual General Meeting to discuss various topics related to the transition plan: the coal exit strategy, the development of gas-fired power plants in Belgium and the Netherlands, the impact of US liquefied natural gas (LNG) as a replacement for Russian gas, the prospects for the development of green gases, and the remuneration policy.

A bilateral engagement with Veolia

Veolia offers solutions for water, waste and energy management. In 2022, LFDE was selected along with two other asset managers to participate as shareholders in Veolia's global consultation plan with 20 of its stakeholders to define the strategic priorities for 2024-2027 for a group that aims to become the benchmark company for ecological transformation. Several working sessions at regular intervals have enabled LFDE to convey its positions to the group's governance, particularly on the closure of their last coal-fired power plant, the transformation of the water supplier model into a provider of technological solutions and advice to help local authorities, users and industrialists better measure, manage and reduce their water consumption, the publication of more KPIs on its own operations and on the positive impacts of the solutions offered by the group on the climate and biodiversity. Following this consultation, Veolia launched its 2024-27 strategic program, called Green-Up, in February 2024. Drawing on its expertise in water, energy and waste, Veolia's targets for 2027 include:

- 18 Mt of CO₂ avoided in 2027 (scope 4) vs. 13.8 Mt in 2023 and SBTi validation of its 1.5°C trajectory (scopes 1&2) with accelerated investments aimed at eliminating

coal in Europe by 2030 (€1.6 billion investment plan between 2018 and 2030), and in green energy and energy efficiency.

- More than 1.5 billion m³ of fresh water saved (reuse, desalination, reduction of leaks, etc.)
- 10 Mt of hazardous waste and pollutants treated.

This engagement will continue in 2025 with discussions on the creation of a Stakeholder Assembly.

◆ Focus

Private assets: Close Support for the Transition

A Sustainability Linked Loan to support the decarbonization of an agro-industrial cooperative

In 2022, LBP AM launched the Midcap Senior Debt fund, classified as SFDR Article 9, to finance the decarbonization of companies through sustainability-linked loans (SLLs). These loans, whose terms depend on CO₂ emissions reductions², are part of a transition financing strategy. The fund has notably invested in the Raya Project, which aims to finance general needs and investments aligned with a low-carbon trajectory.

The Raya Project is a major French agro-industrial cooperative producing sugar, rectified alcohol, and bioethanol. In 2023, it generated more than €2 billion in revenue, with a strong presence in France and Europe.

As part of its investment process, LBP AM assessed the cooperative's ESG practices using its GREaT framework, which focuses on four pillars (responsible

governance, sustainable resource management, energy transition, and regional development). The analysis revealed climate risk management and an ambitious transition plan, including GHG emissions reduction through concrete actions such as ISO 50001 certification, heat recovery, and on-site energy production.

The cooperative has assessed its climate-related physical risks, including water stress, and has put in place innovative measures to address them. It aims to achieve water self-sufficiency by 2025 through the recovery of water contained in beets, with a target of zero withdrawal from natural resources by 2030. It also wants to increase organic production.

Given this maturity, LBP AM and the cooperative have defined three sustainable performance targets (SPTs): reducing carbon intensity (6% decarbonization target per year), reducing water consumption, and expanding organic

acreage, monitored annually by an independent third party.

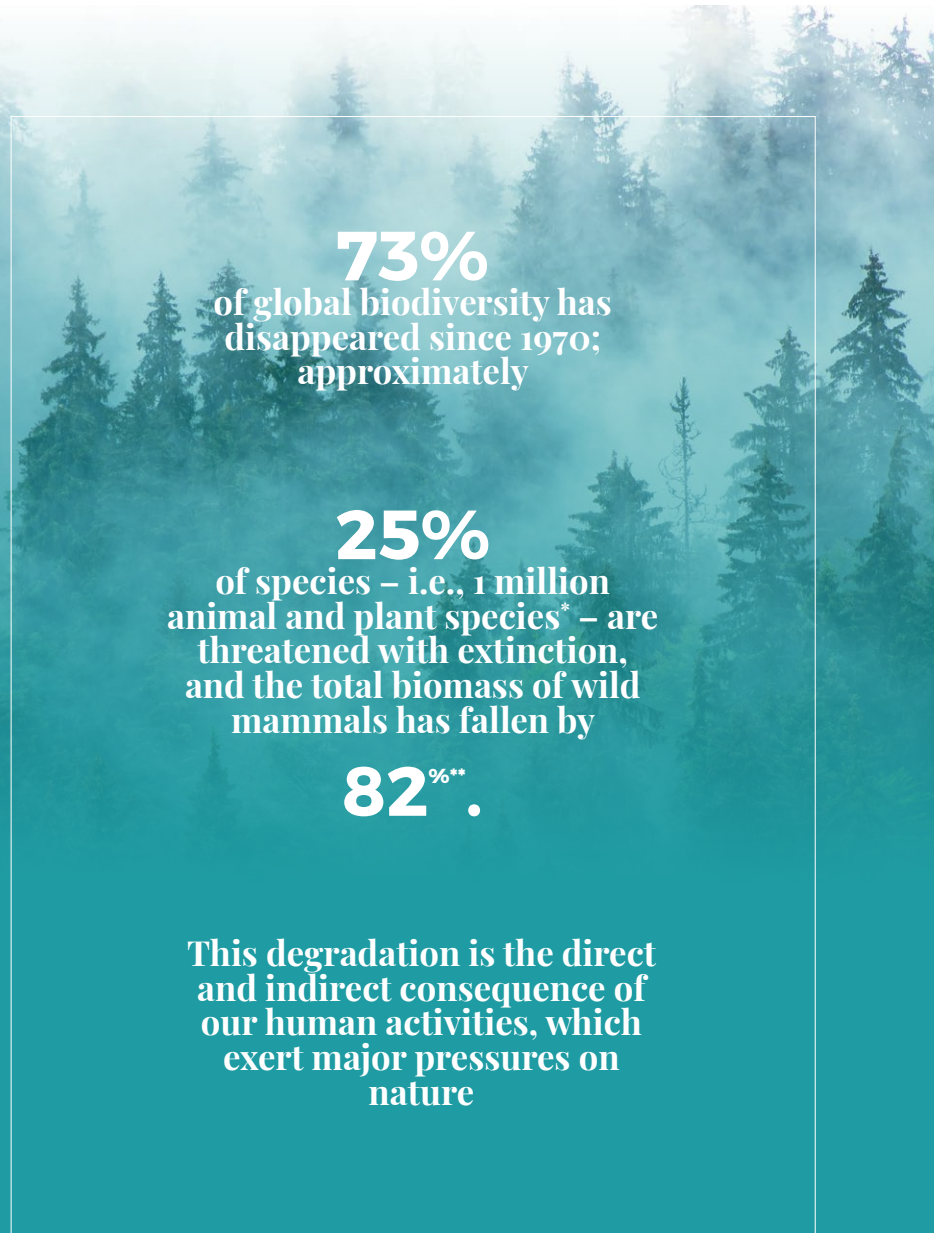
In addition, the bioethanol business, certified as sustainable under the RED II directive, is considered a climate solution (up to 95% fewer emissions than fossil fuels). Finally, the cooperative is following a path compatible with a 1.5°C warming limit, validated by the SBTi, by focusing on renewable energy and energy efficiency.

LBP AM's SLL financing aimed to accelerate the decarbonization of the real economy on two levels:

1 Alignment of activities (direct): by supporting the transition plan of an agro-industrial company that has set ambitious climate targets, LBP AM is helping to improve its energy efficiency and increase the share of renewable energy in its mix.

2 Climate solutions (indirect): by financing a company producing sustainable biofuels.

LBP AM's analysis showed that the cooperative was implementing satisfactory practices in terms of managing risks and opportunities related to sustainable development. Access to qualitative data on its policies, measures, and performance indicators enabled a detailed assessment of its maturity. LBP AM's involvement in the Raya project illustrates the concrete implementation of its sustainable investment strategy, which combines the fight against climate change, the circular economy, and water conservation.



* IPBES Global Assessment Report, 2019.

** Living Planet Report, WWF, 2022

3.2

Biodiversity Policy

According to the latest scientific reports, biodiversity loss is reaching a critical pace: urgent action is needed to halt biodiversity loss in order to maintain a viable world by 2030. This is the aim of the United Nations Convention on Biological Diversity and its international Conference of the Parties (COP), as well as European and national policies. It is also an objective pursued by financial sector initiatives such as the Finance For Biodiversity Pledge, to which LBP AM and LFDE are signatories.

The LBP AM group is actively involved in the work of this initiative, whose commitments inform its biodiversity policy:

- measuring its impact on biodiversity using a standardized biodiversity footprint measurement;
- setting targets to reduce this impact, · engaging in dialogue with investee companies on the subject of biodiversity;
- publicly reporting on the actions taken by the company.

preservation into its investment policy. In particular, the LBP AM group is committed to:

- raise awareness and support companies with a high impact on or dependence on biodiversity in implementing a plan to manage their risks and impacts on biodiversity;
- exclude players with a significant impact on biodiversity who have not put in place a remediation plan to address this;
- integrate biodiversity data points into investment decision-making tools;
- implementing measures to protect biodiversity within the LBP AM group;
- supporting regulatory initiatives;
- monitor the biodiversity footprint of investments.

This policy contributes to 19 of the 23 target actions defined in the Kunming-Montreal Framework Agreement. The links between the actions taken and these targets are mapped out in the document.

For more information [↗](#)

LBP AM Biodiversity Policy

The biodiversity policy sets out the LBP AM group's commitment to systematically integrate biodiversity

3.2.1 The Exclusion Policy and its Implementation

LBP AM and LFDE are committed to excluding companies that have a significant impact on biodiversity and do not implement remediation plans. The "Biodiversity" exclusion list is compiled in two stages: a quantitative analysis based on three criteria to identify companies with a high impact on biodiversity, followed by a qualitative analysis of these companies' policies and practices (see details of the criteria on page 14 of the "biodiversity policy" document).

Thematic exclusion policies (deforestation, pesticides, deep-sea mining) and specific geographical exclusion policies for private assets shape the Group's actions and commitments to protect biodiversity.

Impact on biodiversity

Biodiversity exclusion applies to companies in sectors with high stakes in relation to nature: companies with a significantly higher biodiversity footprint than their peers are expected to have policies and actions in place to manage and reduce their impact on nature in order to demonstrate their transition to production methods with a lower impact on living organisms. If not, exclusion from the investment universe will be implemented.

Deforestation

For companies assessed as having a high risk of contributing to deforestation, either through their links to specific agricultural commodities (soy, coffee, palm oil, cocoa, rubber, wood and wood products, cattle and cattle products) or through their involvement in the mining industry, the LBP AM group expects them to have adequate preventive measures in place. LBP AM identifies companies with a high impact on deforestation by cross-referencing several external sources (NGOs, CDP, MSCI...) and analyzing their practices. Companies that produce or trade in high-risk agricultural commodities are excluded unless they have implemented a deforestation prevention policy aligned with the principles of the Accountability Framework and supported by external certifications (RSPO, RTRS, FSC...). Mining companies exposed to significant controversy are excluded unless they have implemented remediation and compensation measures, as well as measures to prevent deforestation in their activities.

Pesticides

Pesticides are recognized as having negative impacts on natural capital, including:

- The decline of insects and pollinators
- Disruption of biodiversity and ecosystems
- Water and soil pollution
- Impacts on human health

As a result, international targets exist to limit their use and promote more sustainable alternatives, such as the seventh target of the Kunming-Montreal Global Framework (2022), which aims to reduce the overall risk from pesticides and highly hazardous chemicals by at least 50%.

On this basis, LBP AM and LFDE exclude all investments in pesticide-producing companies with more than 20% of their revenue coming from pesticides.

Deep sea mining

- The ocean is the largest ecosystem on the planet, covering more than 70% of its surface and hosting 80% of all life forms.
- One of the Sustainable Development Goals, SDG 14, aims to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development."
- Today, there is little independent scientific research on the biology, ecology, and ecosystem functions of the deep sea.
- As a result, several countries, including France, have come out in favor of establishing an international legal framework to end deep-sea mining.

On this basis, and in line with the precautionary principle, the LBP AM group has been working to establish, by 2025, an exclusion of companies whose activities relate exclusively or almost exclusively to deep-sea mining, as well as all deep-sea mining projects.

3.2.2 The Selection Policy and its Tools

LBP AM and LFDE systematically integrate biodiversity into the management of their responsible investment funds through the proprietary GREaT investment rating system. It is analyzed in the "Sustainable Resource Management" pillar under a "Biodiversity and Water" criterion consisting of indicators from two data providers that enable a company's practices regarding its use of land and water and its impact on biodiversity to be rated.

In addition, in 2023, LBP AM developed a tool dedicated to biodiversity: the Biodiversity Impact Reduction Disclosure (BIRD) score, which provides an overall assessment of how companies across all sectors manage biodiversity issues. This tool measures, in particular:

- Biodiversity governance (at board or management level),
- Public commitments or membership of initiatives,

- Assessment of impacts across the entire value chain,
- The implementation of concrete actions,
- Use and transparency of performance indicators,
- Public communication on the subject,
- Management of specific pressures (water, waste, deforestation, sensitive areas, etc.).

This score is used by LBP AM and LFDE in the management of thematic funds and in the identification of sustainable investments (SFDR), and can also guide shareholder engagement actions. It is used in particular in the Tocqueville Biodiversity SRI thematic fund, which invests in companies with exemplary biodiversity practices or offering solutions that reduce pressure on biodiversity, such as land artificialization, overexploitation of resources, or pollution.



◆ Focus

Biodiversity Risk Management

The LBP AM group assesses and monitors its assets under management across the board for their impact on biodiversity and their dependence on the various ecosystem services provided by the investments in its portfolios.

To do this, the LBP AM group uses the Biodiversity Impact Analytics database powered by the Global Biodiversity Score™ (BIA-GBS) developed by CDC Biodiversité and Carbon4 Finance.

Measuring the biodiversity footprint

The footprint assesses the impact of a company's activities on biodiversity in relation to four of the five pressures defined by IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), namely:

- Land and sea use change;
- Over-exploitation of natural resources;
- Pollution;
- Climate change.

The methodology for calculating the footprint measurement covers the

entire value chain of the company being studied, and the analysis is carried out at the country level. The biodiversity footprint is calculated for all equities and company's, as well as sovereign, bonds.

The biodiversity footprint is measured using the MSA (Mean Species Abundance) indicator. 1 MSA.km² lost is equivalent to the total concretization of 1 km² of virgin natural space. This model is based on estimates, fed by the GLOBIO model and the EXIOBASE database, although data on pressures reported directly by companies may also be used (i. e. carbon footprint).

In order to obtain a single global measure, a rescaling is carried out, resulting in the MSA.ppb, expressed per 1 million euros invested. These metrics can be broken down into two biomes, terrestrial and freshwater aquatic, and two time frames, static impacts (i.e., the accumulation of degradation caused by the company's activities over the previous 50 years) and dynamic impacts (which correspond to the degradation caused during the year in question,

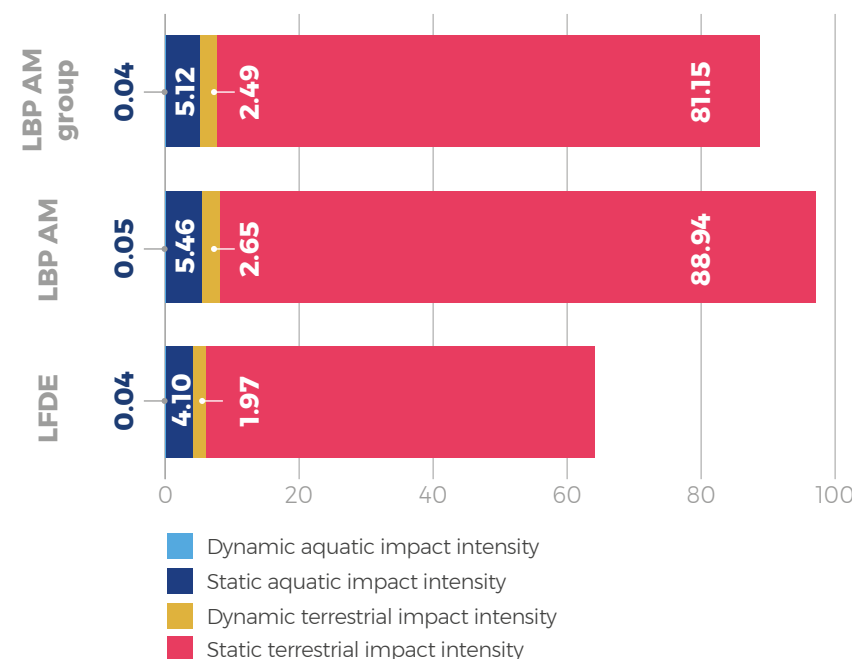
reflecting the current business model of the company being studied). This unique measure takes into account all current and past impacts on the two biomes considered. It can be consulted and monitored across all funds in the

LBP AM – LFDE range for convertible bonds, corporate bonds, sovereign bonds and equities. It provides information on the estimated biodiversity impacts of the companies in which the management company invests.

Biodiversity Footprint of LBP AM group (in MSA.km²/ K€)

91.86%
of assets covered
by the indicator

44.9 MSA.PPB
per billion euros
invested



Measurement of ecosystem dependencies

The BIA-GBS Dependencies database measures the dependence of investments on ecosystem services, using ENCORE's methodology combined with an internal methodology. This methodology measures the level of dependence of assets under management on 21 ecosystem services according to the Common International Classification of Ecosystem Services (CICES), both on companies' direct operations (scope 1) and on activities upstream in the value chain (scope 3 upstream).

- The critical dependency score measures the percentage of the entity's activity or value chain that is critically dependent on at least one ecosystem service, which is defined as high or very high dependency according to the ENCORE methodology (corresponding to a dependency score of 80% or more).
- The average dependency score measures an entity's average dependency on all ecosystem services related to its relevant activities. However, critical dependence on a single ecosystem service may not be reflected in the average score if dependence on other services is low.

The LBP AM group measured the dependence of its sectoral and global exposures on key ecosystem services as of December 31, 2024, and the results are summarized in the tables below.

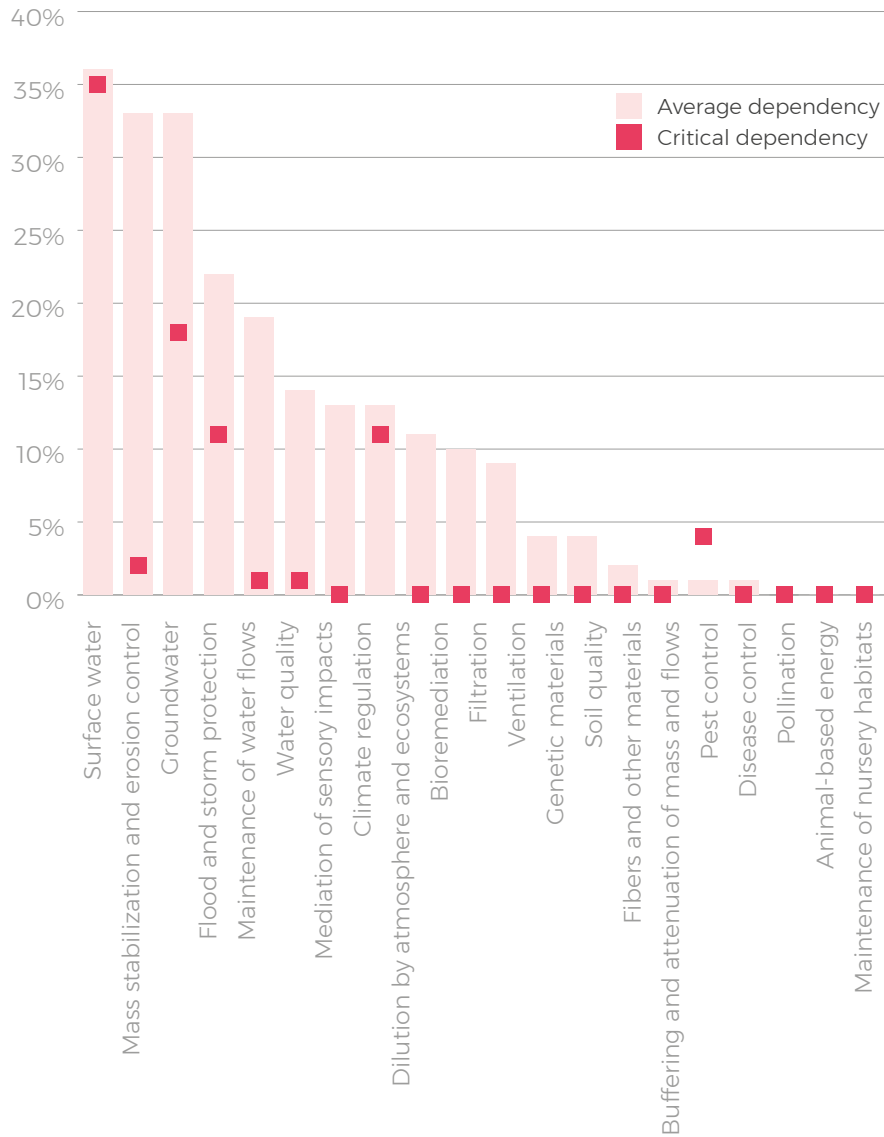
After analyzing the results, water was once again identified as the ecosystem service on which the group's investments are most dependent, on average and critically. As part of its biodiversity policy, LBP AM is therefore developing a specific approach to water resource management and use in order to target priority actions. In addition, drought risk is taken into account and analyzed in the physical risk management of the various portfolios.

Biodiversity risk management is ensured by several elements of the investment strategy deployed by LBP AM - LFDE:

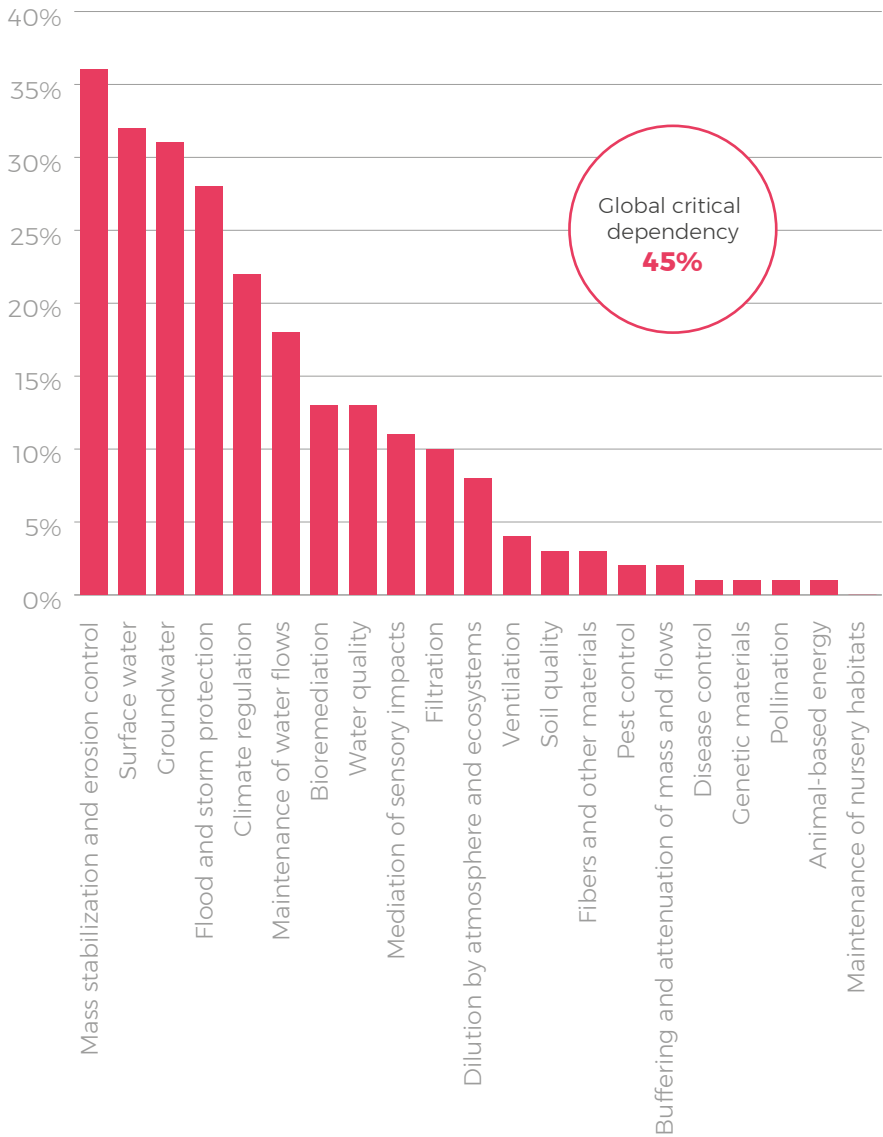
- Security selection based on GREaT ESG ratings through best-in-class or best-in-universe strategies. The binding application of these strategies in fund management tends to underweight the most exposed issuers.
- The exclusion policy related to biodiversity and the thematic exclusion policies on deforestation, pesticides, and deep-sea mining
- The engagement and voting policy, which aims to support companies on their path to better understanding and taking into account biodiversity issues.



Scope 1



Scope 3 upstream



3.2.1 The Engagement Policy and its Implementation

LBP AM engages in dialogue with the companies in which it invests to encourage them to reduce their impact on biodiversity and monitor their dependence on natural capital.

This policy is based on a number of collaborative engagements addressing specific issues, such as the publication of corporate action plans, and bilateral engagements with companies whose change in their practices could have a significant impact on reducing pressure on biodiversity. (See p. 28 of the Biodiversity Policy to access the correspondences between the various collaborative engagement themes and the pressures as defined by IPBES).

The bilateral engagements aim to establish a comprehensive strategy for the company, ranging from assessing its impacts, dependencies and risks to setting targets and implementing an action plan to achieve these targets. LBP AM - LFDE's engagement strategy is also tailored to issues specific to particular sectors and companies. Dialogue is therefore established in cases where investee companies are expected to address important biodiversity issues, such as deforestation, pesticide use, water resource management, or the circular economy. These may be reflected in votes at General Meetings. LBP AM and LFDE encourage listed companies with high greenhouse gas emissions and a significant impact on biodiversity to submit "Say-on-Climate" or "Say-on-Nature" resolutions to a shareholder vote.



Engagements made in 2024 on biodiversity protection:

In 2024, the LBP AM group communicated 64 areas for improvement on the theme of biodiversity to 56 companies. These engagements were made in accordance with the LBP AM Group's biodiversity policy. Among these areas for improvement, 8 were formulated in relation to deforestation risk management in sectors exposed to the exploitation of key commodities at risk (palm oil, soy, livestock and its derivatives, rubber, wood, and cocoa).

In 2024, LBP AM and LFDE led various collaborative initiatives with other investors on shared issues:

- **The international investor network Farm Animal Investment Risk & Return (FAIRR)** encourages agri-food companies to improve their practices in terms of animal welfare and nutrition. The network carries out several targeted engagement actions with companies identified as not implementing best practices in these areas in order to raise awareness and support them in driving change. In 2024, the LBP AM group participated in collaborative engagement campaigns on the theme of sustainable aquaculture and the integration of protein diversification into climate and nutrition strategies, by sending letters to 22 companies requesting an in-depth risk assessment and the deployment of targets on this subject.
- **CERES** is a US non-profit organization that brings together international investors who want to contribute to the fight against deforestation, mainly linked to livestock

farming and soybean cultivation in the Amazon. Within CERES, the LBP AM group participates in the following collaborative engagement campaigns: "Land use and Climate," "Deforestation," "Biodiversity," and "Valuing Water Initiative," committing at least one company through each initiative to encourage it to set biodiversity targets.

For example, an engagement was made with Inditex, a company specializing in textile production and distribution for the fast fashion market, in the Valuing Water Initiative campaign. As the company's responses to the bilateral questions asked by the LBP AM group regarding water management were vague, the LBP AM group decided to escalate the engagement by participating in and organizing this collaborative engagement, which focuses on the following expectations for 2030:

- 1 **Water quantity:** use the results of the company's water risk assessments to set local targets to reduce impacts in areas of high water stress.
- 2 **Water quality:** conduct risk assessments to identify priority sites and set targets to address negative impacts in its own operations and those of its suppliers
- 3 **Ecosystem protection:** link ecosystem protection and restoration goals to freshwater supply and/or aquatic biodiversity
- 4 **Access to water and sanitation:** adopt a policy on water, sanitation, and hygiene
- 5 **Monitoring** by the Board of Directors

- 6 **Lobbying:** align political commitment with scientific or contextual water policies

Following a meeting between investors participating in the engagement with Inditex, it was decided to recontact the company after the publication of its SRI report in 2024.

- **The Carbon Disclosure Project (CDP) Non Disclosure Campaign:** this initiative aims to improve the environmental transparency of portfolio companies on climate, water and forest issues. As part of this campaign, the LBP AM group has engaged as lead/co-lead investor with 12 companies on the themes of water and forests to push them to disclose more indicators. Each year, the CDP produces an activity report presenting the results of this engagement campaign. The 2024 report is available [here](#).
- **Nature 100:** Launched in September 2023 through a collaboration between CERES, IIGCC, Finance for Biodiversity Foundation, and Planet Tracker, the Nature Action 100 coalition brings together institutional investors to engage in dialogue with 100 key companies in the sectors that have the greatest impact on nature and encourage them to reduce their impact on biodiversity by 2030. In 2024, the LBP AM group made engagements with L'Oréal, Danone, and Carrefour.
- **ShareAction:** Founded in 2005, ShareAction coordinates numerous engagement campaigns with investors to address the major environmental and social challenges we face. The LBP AM group participated in an awareness campaign with the biggest players involved in pesticide production,

notably through its engagement with BASF. The LBP AM group encouraged the company to align itself and set targets in line with Goal 7 of the Global Biodiversity Framework.

- **Rainforest Investor Coalition:** A collaborative initiative between investors, coordinated by Storebrand AM in partnership with the NGO Rainforest Foundation Norway, which aims to address deforestation in the automotive supply chain. The LBP AM group has positioned itself as the lead investor in the engagement with Forvia. In 2024, the company showed progress in transparency and communication with its leather suppliers.
- **Ad hoc coalition of international investors:** Several international investors have initiated a collaborative engagement with Costco Wholesale Corporation. After an initial dialogue to establish a relationship with the company, we shared our points of interest, focusing in particular on the governance of environmental issues within the company, its climate policies and strategies, and the consideration of biodiversity in its policies.
- **VBDO:** Together with a group of investors participating in the engagement campaign on plastics led by the Dutch Association of Investors for Sustainable Development, the LBP AM group participated in the engagement with Ahold Delhaize. We questioned the company to understand its position on the United Nations treaty negotiations on plastics and the European Plastics Directive, its targets for single-use plastic packaging, and its work to reduce chemicals in packaging.

Expert opinion

Human Rights and Biodiversity: Intrinsically Linked Issues



Camille Bisconte de Saint Julien

Social and human rights analyst



Simona Rizzuto

SRI Analyst, Biodiversity

The Kunming-Montreal Global Biodiversity Framework, established at COP 15 CBD (Global Biodiversity Framework), confirmed the fundamental role of indigenous peoples and local communities in preserving biodiversity, as well as the importance of biodiversity for these populations. Similarly, the UN has established the right to a healthy, clean and sustainable environment as a fundamental right¹⁰. Aware of these fundamental interactions between biodiversity preservation and respect for human rights, the LBP AM group has adopted dedicated policies and analytical frameworks, foremost among which are the group's Biodiversity and Human Rights policies, which recognize the interdependence between the two issues and establish common guidelines for analysis and engagement.

Could you give an example of an industry that would be considered a priority, both in terms of human rights and biodiversity risks?

Simona: Basic consumer goods (commodities, food retail, and personal care products) are an excellent example. These sectors are both dependent on many agricultural raw materials and responsible for critical impacts on the ecosystem, linked to the unsustainable use of resources (deforestation, pollution, excessive water use...). Furthermore, the conditions under which these resources are harvested or exploited often expose workers in the value chains to significant risks in terms of fundamental labor rights, including forms of modern slavery. Furthermore, excessive or unsustainable use of these resources can have significant repercussions on health, living conditions, housing and, more broadly, on the socio-economic balance of surrounding local communities.

In concrete terms, how do these different risks interact?

Camille: In seeking to identify, prevent, and mitigate the risks of impacts on communities, the company will examine its agricultural model and the impact of its operations on the environment and biodiversity, and vice versa. For example, if a company in the consumer goods sector wants to prevent serious risks of harm to the rights of local communities in connection with the exploitation of an agricultural commodity, it will need to consider issues related to land use and its impact on neighboring soils and crops, as well as pollution through the use of fertilizers, pesticides, or chemicals that pose a risk to human health and biodiversity. They must also ensure that their use of resources does not deprive the local community of a resource that is essential to its livelihood.

"We hope to encourage companies to implement multi-thematic approaches that avoid blind spots and are more likely to deliver positive outcomes for people and biodiversity in the long term."

What is the LBP AM group doing to encourage companies in this sector to implement more robust practices in terms of biodiversity protection and human rights?

Simona: We are jointly engaging companies in the sector on biodiversity and human rights issues. For example, as part of the Nature Action 100 coalition, which analyzes 100 companies based on six indicators relating to their biodiversity strategy, the LBP AM group is engaging three companies in the basic consumer goods sector. Human rights issues

are among the expectations expressed to companies, particularly with regard to the rights of indigenous peoples, the impact of the transition on smallholder farmers, and improving transparency and supply chain management, particularly for raw materials at risk of deforestation. By strengthening this management, companies can better manage the risks of critical impacts related to natural capital, displacement, and violence against indigenous peoples.

Camille: These same companies have also made a specific commitment to human rights, particularly through the FIR Coalition against Forced Labor and Child Labor. This dialogue enables us to support companies in strengthening their human rights risk assessments in relation to supply chains, but also in improving their transparency. What is interesting about this cross-cutting approach to two interrelated issues is that it encourages companies to adopt a more holistic approach to risk and mobilizes a broader base of expertise and functions within them: human rights risk mapping can complement transition risk mapping and, conversely, the adoption of a policy dedicated to indigenous peoples' rights can also be supported internally by those responsible for biodiversity issues, who need this normative framework to better understand the expectations and challenges related to these rights. We hope to encourage companies to implement multi-thematic approaches that avoid blind spots and are more likely to deliver positive outcomes for people and biodiversity in the long term.

¹⁰ Resolution A/76/L.75

04

Supplementary Responsible Investment Report

Regulatory Keys to Understanding

Report prepared in compliance with the Energy and Climate Law

This report presents the alignment of the responsible investment policy of LBP AM and its subsidiary LFDE with national and European regulatory reporting frameworks on sustainable finance. On April 1, 2024, LFDE absorbed Tocqueville Finance SA, an asset management company that shared the same ESG policies and methodology as its parent company, LBP AM. As part of LFDE's integration into the LBP AM group, policies and methodologies have been harmonized¹. The information presented in this report is as of December 31, 2024, and reflects the policies and methodologies applied by the LBP AM² group.

¹ Information on LFDE's previous policies and methodologies is available in the 2023 reports

² The scope of LFDE's historical funds finalized the adoption of all LBP AM group policies and methodologies on January 1, 2025

4.1

Information Provided in Accordance with the Provisions of Article 29 of the Energy and Climate Law

4.1.1 The Entity's General Approach to Taking Environmental, Social and Governance Criteria Into Account

LBP AM is guided by strong SRI convictions. Its approach to taking environmental, social and governance criteria into account is based on a cross-functional SRI policy, which includes: the GREaT analysis methodology, a shareholder engagement commitment to sustainability, transparent exclusions and holistic thematic policies to support a range of funds rooted in responsible investment. Since 2020, almost all of its eligible open-ended funds have been SRI-certified, with a rigorous and auditable ESG approach. LBP AM has retained more than 100 funds certified under the SRI v3 label reform. In 2024, it organized its offering around four levels of ESG intensity (core, selectivity, SRI

label, impact/themes), combining broad coverage of ESG management needs (quantitative, credit, multi-management, convertibles...) and tailor-made solutions for institutional investors. Details of how ESG is integrated into LBP AM's investment strategy can be found in the 2024 SRI report (section 1.1).

LFDE is guided by strong SRI convictions. Its approach to taking environmental, social and governance criteria into account is based on a cross-functional SRI policy, which evolved in 2024 to now include: the GREaT analysis methodology and a qualitative rating of corporate governance, shareholder engagement in favor of sustainability,

transparent exclusions, and holistic thematic policies to inform an open range of funds with several shades of sustainability. Until the end of 2024, LFDE is adopting an approach based on three levels of ESG commitment. All of its funds incorporate a common ESG foundation, with some going further with SRI-certified management and others targeting a direct impact on sustainability issues (climate, SDGs...). As a specialist in stock picking, LFDE offers a wide range of styles (value, growth, environmental and social themes) tailored to different investor sensibilities. Details of how ESG is integrated into LBP AM's investment strategy can be found in the 2024 SRI report (section 1.1).

In addition, LBP AM and LFDE's membership of various industry initiatives enables them to play an active role in the development of SRI, tomorrow's standards in SRI management, and cutting-edge collaborative initiatives in shareholder engagement. The initiatives to which LBP AM and LFDE subscribe are listed in section 1.3.3.



4.1.2 Internal Resources Deployed by the Entity

In order to implement and develop their approach to ESG criteria, LBP AM and LFDE rely in particular on the following teams:



- **A Research team (based at LBP AM)** comprising quantitative analysts and fundamental and sustainable analysts, which combines financial and ESG expertise to integrate both approaches into the management process.
- **A team of SRI specialists**, SRI Solutions (based at LBP AM), which coordinates the development and deployment of cross-functional policies and methodologies.
- **Fund managers and analyst-managers**, at the heart of responsible management, embodied in particular by LFDE's Chief Sustainable Officer.
- More broadly, SRI is also part of the daily work of all teams: fund selection, risk managers, IT, structurers, sales, communications, and HR...
- **A Responsible Investment Research team (based at LFDE)** which provides close support to fund managers in the implementation of engagement policies, qualitative research and the application of responsible investment methodologies.

In total, 12% of the company's total FTE workforce is dedicated to implementing the ESG strategy (including cross-service provision between SGPs, which is not included in this figure).



- **A research team (based at LBP AM)** comprising quantitative analysts, fundamental analysts and sustainable analysts, combining financial and ESG expertise to integrate both approaches into the management process.
- **A team of SRI specialists**, SRI Solutions (based at LBP AM), which coordinates the development and deployment of cross-functional policies and methodologies.
- **Fund managers and analyst-managers**, at the heart of responsible management, embodied in particular by LFDE's Chief Sustainable Investment Officer.
- More broadly, SRI is also part of the daily work of all teams: IT, sales, communications, HR...
- **A Responsible Investment Research team (based at LFDE)** which provides close support to fund managers in the implementation of engagement policies, qualitative research and the application of responsible investment methodologies.

In total, 14% of the total number of FTEs are dedicated to the implementation of the ESG strategy (with cross-service provision between SGPs, which is not included in this figure).

4.1.3 Approach to Taking Environmental, Social, and Governance Criteria Into Account at the entity Governance Level

LBP AM relies on expert and structured governance to steer its responsible investment strategy, with a Management Board chaired by Emmanuelle Mourey and composed of SRI specialists. Several dedicated committees ensure the effectiveness and consistency of this approach:

- **The Sustainable Finance Committee** defines the SRI strategic guidelines and supervises their implementation.
- **The GREaT Committee** ensures the application of exclusion policies, enhanced ESG analysis and the management of engagement.
- **The Governance Committee** develops and approves the voting policy ahead of general meetings.
- **The ESG Regulatory Steering Committee** monitors regulatory developments and organizes the necessary changes.
- **The ESG Management Committee** meets weekly to share issuer monitoring and organize SRI actions in the field.
- Finally, **the Supervisory Board** ensures that LBP AM's actions are consistent with its mission as a responsible investor.

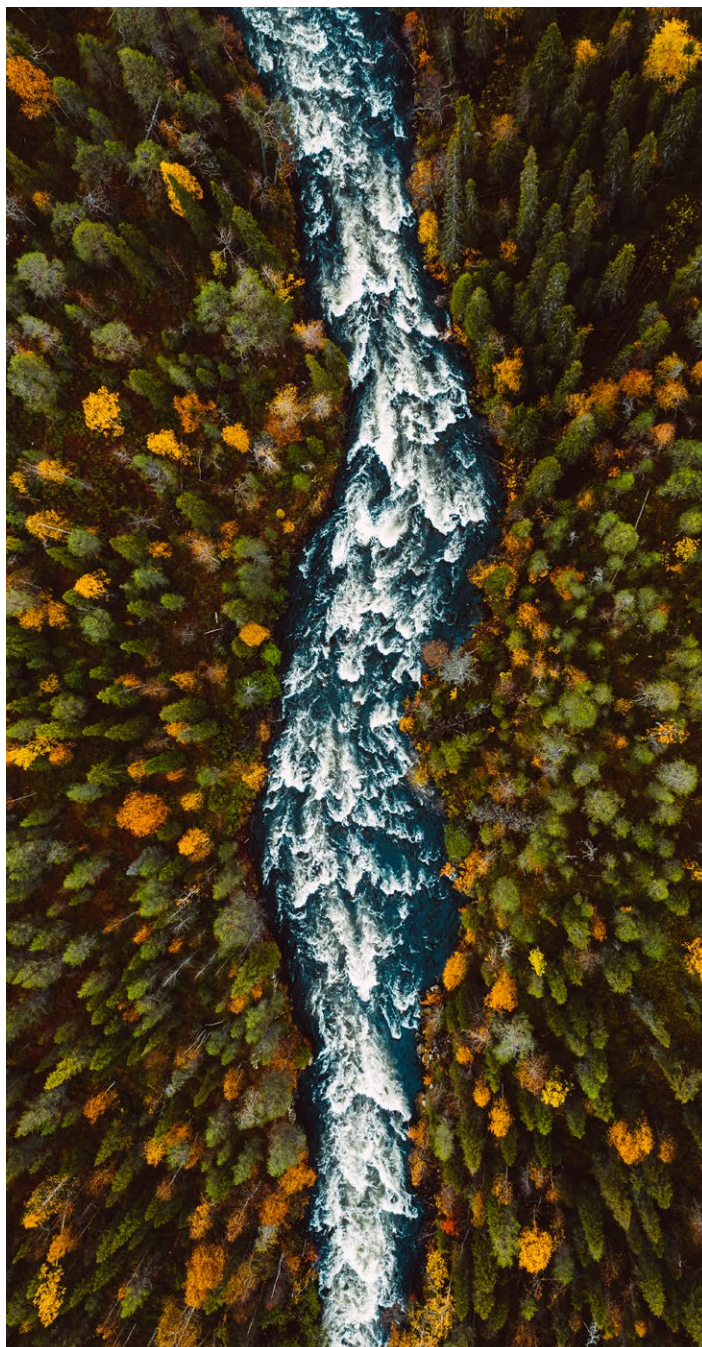
The integration of non-financial objectives into the remuneration policy reinforces the operational anchoring of this sustainable strategy.

- The compensation policy includes non-financial objectives specific to each business line, reflecting the importance of sustainability in overall performance.

LFDE places responsible investment at the heart of its governance, with a nine-member Executive Committee and a six-member Board of Directors, all of whom have experience in asset management. LFDE actively collaborates with LBP AM in several joint committees:

- **The Sustainable Finance Committee**, a shared strategic body, sets the broad guidelines for sustainable finance.
- **The GREaT Committee**, with a voting college specific to LFDE, oversees the application of exclusion policies and shareholder engagement.
- **The ESG Regulatory Steering Committee** monitors regulatory developments and organizes the necessary changes.
- **The ESG Management Committee** meets weekly to share issuer monitoring and organize SRI actions in the field.
- **The compensation policy** includes specific non-financial objectives for each business line, reflecting the importance of sustainability in overall performance.

Part 1.2 of the Group's SRI report describes the various governance mechanisms in place, as well as the knowledge, skills, and experience of its members.



4.1.4 Engagement strategy With Issuers or Asset Managers and its Implementation

LBP AM fully integrates the exercise of voting rights at general meetings into its responsible management process. In accordance with the Voting Policy, which it shares with LFDE, LBP AM applies clear principles for approving or rejecting resolutions, in line with its ESG commitments. This policy specifies the scope of intervention, the procedures for preparing votes and the criteria for analyzing resolutions. In addition, LBP AM has a structured, public shareholder engagement policy, which is a key lever of its SRI strategy, alongside ESG analysis, exclusion, and impact investing.

The voting results and engagement actions carried out in 2024 are detailed in section 2.3 of the group's SRI report.

LFDE considers the exercise of voting rights to be a natural extension of its mission as a responsible investor.

In line with the LBP AM group's common voting policy, the management company actively participates in general meetings, based on analysis criteria aligned with its ESG values. In addition, LFDE implements an ambitious shareholder engagement policy aimed at engaging with issuers on their environmental, social and governance practices, complementing its other SRI levers: ESG selection, sector exclusions and investment themes.

The results are presented in section 2.3 of the group's SRI report.

4.1.5 European Taxonomy and Fossil Fuels

N/A: Not available (data not calculated)

		Regulatory ratio (mandatory) based on counterparties' publications ²			Voluntary ratio (optional) reflecting estimates of counterparties' level of alignment ³		
		LBP AM GROUP	LBP AM	LFDE	LBP AM GROUP	LBP AM	LFDE
Share of exposures to economic activities eligible for the taxonomy	0020	64.92%	66.19%	61.17%	N/A	N/A	N/A
Share of exposures to economic activities not eligible for the taxonomy	0030	35.08%	33.81%	38.83%	N/A	N/A	N/A
Share of exposures to central governments, central banks or supranational issuers	0040	N/A	N/A	N/A	N/A	N/A	N/A
Total share of derivatives	0050	0.07%	N/A	N/A	N/A	N/A	N/A
Share of exposures to companies that are not required to disclose non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU	0060	33.03%	32.68%	41.73%	N/A	N/A	N/A

2 In accordance with the explanations provided by the European Commission in its draft guidance of February 2, 2022 (question 18), financial institutions shall use the most recent information published by their counterparties to determine the level of eligibility or alignment of their exposures with the European Taxonomy of Sustainable Activities. Entities subject to Instruction 2022-I-24 provide this information in the "Regulatory ratio" column.

3 They may also voluntarily publish additional ratios reflecting estimates of this level of alignment. Entities subject to Instruction 2022-I-24 may provide this information in the "Voluntary ratio" column. In accordance with Article 7.7 of Delegated Regulation (EU) 2021/2178, financial companies may, in particular, use estimates to assess the alignment with the taxonomy of their exposures to companies not subject to the disclosure requirements of Articles 19a and 29a of Directive 2013/34/EU, if they are able to demonstrate compliance with all the criteria set out in Article 3 of Regulation (EU) 2020/852, with the exception of the criterion set out in Article 3(b) of that Regulation.

Proportion of the asset manager's investments that are intended to finance activities aligned with the taxonomy, or associated with such activities, relative to its total investments		LBP AM GROUP	LBP AM	LFDE
Weighted average value of all investments intended to finance or associated with economic activities aligned with the taxonomy, relative to the total value of assets covered by the KPI , with the following weightings for investments in companies:	Based on turnover	4.09%	4.29%	3.49%
	Based on capital expenditure	6.20%	6.59%	5.07%

Share of the asset manager's investments that are allocated to activities that contribute significantly to the achievement of climate objectives

Weighted average value of all investments that are intended to finance or are associated with economic activities that contribute significantly to the achievement of the environmental objective relative to the total value of assets covered by the KPI

	(1) CLIMATE CHANGE MITIGATION	(2) CLIMATE CHANGE ADAPTATION	(3) SUSTAINABLE USE AND PROTECTION OF AQUATIC AND MARINE RESOURCES	(4) TRANSITION TO A CIRCULAR ECONOMY	(5) POLLUTION PREVENTION AND CONTROL	(6) PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS
Based on turnover	LBP AM group: 3.86% LBP AM: 4.06% LFDE: 3.28%	LBP AM group: 0.13% LBP AM: 0.13% LFDE: 0.12%	LBP AM group: 0 LBP AM: 0.01% LFDE: 0%	LBP AM group: 0.07% LBP AM: 0.08% LFDE: 0.08%	LBP AM group: 0.03% LBP AM: 0.02% LFDE: 0.04%	LBP AM group: 0 LBP AM: 0% LFDE: 0%
Based on investment expenditure	LBP AM: 6.13% LBP AM: 6.51% LFDE: 5%	LBP AM group: 0.01% LBP AM: 0.01% LFDE: 0%	LBP AM group: 0 LBP AM: 0 LFDE: 0%	LBP AM group: 0.04% LBP AM: 0.04% LFDE: 0.04%	LBP AM group: 0.03% LBP AM: 0.03% LFDE: 0.03%	LBP AM group: 0% LBP AM: 0 LFDE: 0%

4.1.6 Strategy for Alignment with the International Objectives of Articles 2 and 4 of the Paris Agreement

relating to the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are made entirely in France, its national low-carbon strategy referred to in Article L. 222-1 B of the Environment Code

LBP AM is in line with the decarbonization trajectory defined at the LBP AM group level, which aims to achieve carbon neutrality for its portfolios by 2050. An interim target has been set: 80% of the group's total assets under management will be aligned with a trajectory compatible with the Paris Agreement by 2030, then 100% by 2040. This strategy is based on the SBTi Portfolio Coverage methodology, which identifies issuers with targets validated by the SBTi. To date, this target has been set at group level, with no specific breakdown for LBP AM. Monitoring is carried out every six months by the sustainable finance committee and on a daily basis by fund managers via the GREaT 360 platform. A transition plan was developed in 2024 to structure the actions to be taken to achieve this objective. In 2024, the group also worked on formalizing a climate policy to clarify the actions already taken in terms of exclusion, engagement, and integration into analysis and selection tools. Both documents are publicly available.

LFDE contributes to the LBP AM group's climate strategy, which aims to achieve carbon neutrality for its portfolios by 2050, with an interim target for 2030: 80% of total assets under management aligned with an SBTi-compatible trajectory. This approach is based on the SBTi-Portfolio Coverage

methodology, in line with the commitments made by the group within the NZAMI. It should be noted that this objective remains at this stage defined globally for the group, with no differentiated objective for LFDE. Monitoring is carried out every six months by the sustainable finance committee and on a daily basis by fund managers via the GREaT 360 platform. A transition plan has been developed within the LBP AM group to structure the actions to be taken to achieve this objective. In 2024, the group also worked on formalizing a climate policy to clarify the actions already taken in terms of exclusion, engagement, and integration into analysis and selection tools. Both documents are publicly available.

An interim target has been set: 80% of the group's total assets under management aligned with a trajectory compatible with the Paris Agreement by 2030, then 100% by 2040.





4.1.7 Strategy for Alignment with Long-Term Biodiversity Objectives.

The entity provides a strategy for alignment with long-term biodiversity objectives, specifying the scope of the value chain covered, which includes targets set for 2030 and then every five years thereafter, on the following elements

The measures taken as part of LBP AM's biodiversity policy contribute to 19 of the 23 target actions defined in the Kunming-Montreal Global Biodiversity Framework.

Firstly, LBP AM is committed to excluding companies that have a significant impact on biodiversity and do not implement remediation plans. The methods used to compile this list, as well as additional exclusions relating to biodiversity, can be found in section 3.2. When making investment decisions, biodiversity is systematically integrated into the proprietary investment rating system, GREaT. LBP AM has also developed a dedicated biodiversity score, BIRD, for the management of certain funds and the identification of sustainable investments. LBP AM measures the biodiversity footprint of portfolios using the footprint methodology based on the Biodiversity Impact Analytics database powered

by the Global Biodiversity Score™ (BIA-GBS), which assesses the impact of a company's activities on biodiversity in relation to four of the five pressures defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Finally, LBP AM engages in dialogue with the companies in which it invests to encourage them to reduce their impact on biodiversity and monitor their dependence on natural capital. This policy is based on a number of collaborative engagements addressing specific issues, such as the publication of corporate action plans, and bilateral engagements with companies whose change in practices could have a significant impact. LBP AM is also committed to integrating biodiversity into its voting at General Meetings by including biodiversity in "Say-on-Climate" or "Say-on-Nature" resolutions. Details of the biodiversity engagement policy and its implementation are described in section 3.2.

With regard to LFDE, the measures taken as part of the biodiversity policy adopted by the LBP AM group contribute to 19 of the 23 target actions defined in the Kunming-Montreal Global Biodiversity Framework.

Firstly, LFDE is committed across its entire scope to excluding companies that have a significant impact on biodiversity and do not implement remediation plans. The methods used to compile this list, as well as additional exclusions relating to biodiversity, can be found in section 3.2. When making investment decisions, biodiversity is systematically integrated into the proprietary investment rating system, GREaT⁴. LFDE also uses a dedicated biodiversity score, BIRD, for the management of certain funds and the identification of sustainable investments. LFDE calculates the biodiversity footprint of portfolios using the footprint methodology based on the Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM

(BIA-GBS), which assesses the impact of a company's activities on biodiversity in relation to four of the five pressures defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). A detailed description of the various levers for implementing the LBP AM group's biodiversity policy and the associated actions are described in section 3.2.

Finally, LFDE has established a dialogue with the companies in which it invests to encourage them to reduce their impact on biodiversity and monitor their dependence on natural capital. This policy is based on a number of collaborative engagements addressing specific issues, such as the publication of corporate action plans, and bi-lateral engagements with companies whose change in practices could have a significant impact. LFDE is also committed to integrating biodiversity into its voting at the General Meeting by including biodiversity in "Say-on-Climate" or "Say-on-Nature" resolutions. Details of the engagement policy and its implementation are described in section 3.2.

⁴ The scope of LFDE's historical funds finalized the adoption of the proprietary GREaT investment rating system on January 1, 2025

4.1.8 Approach to Taking Environmental, Social, and Governance Criteria Into Account in Risk Management, Particularly Physical, Transition, and Liability Risks Related to Climate Change and Biodiversity



LBP AM analyzes the climate risks of issuers and portfolios through:

- Its quantitative ESG rating methodology, GREaT, which systematically integrates this dimension through a dedicated criterion
- A qualitative ESG materiality analysis, which determines when these risks pose a sustainability risk for investments, carried out by the fundamental analysis team for credit portfolios. This is coupled with monitoring of climate-related litigation.
- Ad hoc measurement indicators applied to all LBP AM investments and a climate risk assessment by portfolio, carried out by the risk management department. This process is described in section 2.4. This analysis thus feeds into the management of physical, transition and litigation risks related to the climate challenges of these issuers and portfolios. This is ensured by several elements of the investment strategy deployed by LBP AM:
- Security selection based on GREaT ESG ratings (assets invested in Article 8 and 9 funds),
- A portfolio transition strategy linked to a quantitative target for aligning LBP AM Group assets (see indicator 1.7 above),
- A coordination of the various investment policies specific to LBP AM that incorporate this issue (exclusion policy, sector policy, engagement policy), thereby giving rise to exclusion and engagement actions.

LFDE analyzes the climate risks of issuers and portfolios through:

- Its quantitative ESG rating methodology, GREaT⁵, which systematically integrates this dimension through a dedicated criterion
- A qualitative ESG materiality analysis, which determines when these risks pose a sustainability risk for investments, carried out by the fundamental analysis team for credit portfolios. This is coupled with monitoring of climate-related litigation.
- A qualitative analysis of the governance quality of companies in the portfolios This analysis thus feeds into the management of physical, transition and litigation risks related to the climate challenges of these issuers and portfolios. This is ensured by several elements of LFDE's investment strategy:
- A selection of securities based on GREaT⁶ ESG ratings (assets invested in Article 8 and 9 funds),
- A combination of LFDE's various investment policies that incorporate this issue (exclusion policy, sector policy, engagement policy), resulting in exclusion and engagement actions.

⁵ The scope of LFDE's historical funds finalized the adoption of the proprietary GREaT investment rating system on January 1, 2025

⁶ The scope of LFDE's historical funds finalized the adoption of the proprietary GREaT investment rating system on January 1, 2025

4.1.9 Quantitative Indicators from Article D. 533-16-1 of the Monetary and Financial Code (Appendix D)

N/A: Not available (data not calculated)

N/R: Not relevant (distinction by entity is not relevant, refer to group-level data)

Detail and indicator/paragraph number	Metric	Indicator figure		
		LBP GROUP AM	LBP AM	LFDE
1. INFORMATION RELATING TO THE ENTITY'S GENERAL APPROACH				
1.c. Overall percentage of assets under management that take into account environmental, social and governance criteria in the total assets managed by the entity	As a percentage of assets under management	83%	81%	90%
2. INFORMATION ON INTERNAL RESOURCES DEPLOYED BY THE ENTITY				
2.a. Description of the financial, human and technical resources dedicated to taking environmental, social and governance criteria into account in the investment strategy, relative to the total assets under management or held by the entity. The description includes all or part of the following indicators: percentage share and amount in euros of budgets allocated to environmental, social and governance data; amount of investments in research; use of external service providers and data suppliers	Percentage of FTEs concerned out of total FTEs	13%	12%	14%
	Percentage of dedicated budgets out of the financial institution's total budget	N/A	15%	10%
	Amounts in euros of dedicated budgets	N/R	€2.8 million	0
	Amount of investments in research [2] (in €)	€967,153	€688,353	€278,801
	Number of external service providers and data suppliers consulted	8	N/R	N/R
4. INFORMATION ON THE ENGAGEMENT STRATEGY WITH ISSUERS OR MANAGEMENT COMPANIES AND ITS IMPLEMENTATION				
4.c. Assessment of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated dialogue, the topics covered and the follow-up actions to this strategy	Percentage of companies involved in dialogue out of all companies concerned by the issue covered	519 ESG areas for improvement identified with 261 companies in 26 countries, including: - 64 areas for improvement on the theme of biodiversity, including 8 on deforestation risk management - 46 areas for improvement on the theme of climate and transition plans - 282 areas for improvement on governance 101 areas for improvement on human rights with 79 companies	N/R	N/R
4.d. Review of the voting policy, in particular with regard to the filing and voting of resolutions on environmental, social and governance issues at general meetings	Total number of proposals filed on ESG issues	0	0	0
	Total number of votes on ESG issues	130	117	86
	Number of proposals filed on environmental issues	0	0	0
	Number of votes on environmental issues	69	68	29
	Number of proposals filed on social issues	0	0	0
	Number of votes on social issues	207	182	121
	Number of proposals filed on governance quality issues	0	0	0
	Number of votes on governance quality issues	20.838	15.102	13.314
	total % of proposals filed on ESG issues out of total proposals filed	0%	0%	0%
	total % of votes (yes/no) on ESG issues out of total votes cast	0.6%	0.8%	0.6%
	% of proposals filed on environmental issues out of total proposals filed	0%	0%	0%
	% of votes on environmental issues out of total votes cast	0.30%	0.40%	0.20%
	% of proposals filed on social issues out of total proposals filed	0%	0%	0%
	% of votes on social issues out of total votes cast	1%	1.2%	0.9%
	% of proposals filed on governance quality issues out of total proposals filed	0%	0%	0%
	% of votes on governance quality issues out of total votes cast	98.10%	97.6%	98.3%
5. INFORMATION RELATING TO THE EUROPEAN TAXONOMY AND FOSSIL FUELS				
5.b. Share of outstanding amounts in companies active in the fossil fuel sector, as defined in the delegated act pursuant to Article 4 of this Regulation. [1]	[1] + Share of outstanding amounts as a percentage	6.68%	7.07%	5.46%
6. INFORMATION ON THE STRATEGY FOR ALIGNMENT WITH THE INTERNATIONAL CLIMATE CHANGE MITIGATION OBJECTIVES SET OUT IN THE PARIS AGREEMENT				
6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before its expiry date. The target includes direct and indirect greenhouse gas emissions in absolute terms or intensity terms relative to a reference scenario and a reference year. It may be expressed by measuring the implicit temperature increase or by the volume of greenhouse gas emissions	Quantitative target for 2030 expressed in terms of GHG emissions (if applicable)	80% of outstanding loans aligned with Net Zero by 2030	N/R (target defined at the LBP AM group level)	N/R (target defined at the LBP AM group level)
	Unit of measurement for the quantitative target for 2030	% of outstanding loans aligned with Net Zero	N/R (target defined at the LBP AM group level)	N/R (target defined at the LBP AM group level)
	Amount of assets under management (€) covered by the quantitative alignment target expressed in terms of GHG emissions	€49.5 billion as of December 31, 2024 Representing 80% of total assets of €61.9 billion	N/R (target defined at the LBP AM group level)	N/R (target defined at the LBP AM group level)
	Share of assets under management covered by the quantitative alignment target expressed as a percentage of total assets under management (%)	80%	N/R (target defined at the LBP AM group level)	N/R (target defined at the LBP AM group level)
	Quantitative target for 2030 expressed in terms of implicit temperature increase (if applicable)	-	N/R	N/R
	Amount of assets under management (€) covered by the quantitative alignment target expressed in terms of implicit temperature increase	-	N/R	N/R
	Share of outstanding loans covered by the quantitative alignment target expressed as a percentage of total outstanding loans (%)	-	N/R	N/R
6.b Where the entity uses an internal methodology, details of this methodology for assessing the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy	Use of an internal methodology? (yes/no)	NO	N/R	N/R
6. b. ii. Level of coverage at portfolio level (the level of coverage between asset classes must be specified in the report)	Level of portfolio coverage in %		N/R	N/R
6. b. iii. The time horizon used for the assessment	Time horizon for the assessment (date)	2030	N/R	N/R
6. c. Quantification of results using at least one indicator (if several indicators are used, add as many columns as there are indicators used)	Free metric (consistent with the objective mentioned in 6.a., if applicable), numerical value in %	44% of assets aligned	44%	45%
	Description of the free metric (text)	The methodology currently used is SBT-PC Science-Based Targets - Portfolio Coverage, which aims to increase the proportion of assets invested in issuers committed to decarbonization and having validated their target with an independent body, such as the SBT initiative. According to this market-based method, if a company has issued a decarbonization target validated by the SBTi, all assets invested in that company are considered aligned.	N/R	N/R
	Free metric measurement unit	% of assets under management aligned with Net Zero Coverage: listed asset classes	N/R	N/R
6.f. Changes in the investment strategy in relation to the Paris Agreement alignment strategy, including policies put in place to phase out coal and unconventional hydrocarbons, specifying the phase-out schedule and the share of total assets managed or held by the entity covered by these policies	Coal: % of total assets managed or held by the entity	3.13% (€1,937,280,330.34)	3.5% (€1,642,972,733.77)	1.97% (€294,307,596.57)
	Unconventional hydrocarbons: % of total assets under management or owned by the entity	1.10% (€681,777,496.11)	1.08% (€508,010,827.11)	1.16% (€173,766,669)
	Conventional hydrocarbons: % of total assets under management or owned by the entity	3.17% (€1,960,213,283.32)	3.48% (€1,632,909,345.15)	2.19% (€327,303,938.17)
	Have you established a timetable for phasing out coal? (yes/no)	Yes	N/R	N/R
	Have you established a timetable for phasing out hydrocarbons? (yes/no)	No		
	Does the policy systematically exclude developers of new unconventional hydrocarbon capacities?	No		
	Does the policy systematically exclude developers of new conventional hydrocarbon capacities?	No		
	Indicate the final phase-out date for coal set by your policy (Date)	2030 for OECD countries and 2040 for the rest of the world	N/R	N/R
7. INFORMATION ON THE STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES				
7. c. Mention of support for a biodiversity footprint indicator and, where applicable, how this indicator measures compliance with international biodiversity targets.	Free metric (MSA.ppb*/Md€ invested)	44 MSA.ppb*/M€ invested	48 MSA.ppb*/Md€ invested	35 MSA.ppb*/Md€ invested
	Brief description of the metric (text)	The database (BIA-CBS) assesses the impact of a company's activities on biodiversity in relation to four of the five pressures defined by IPBES: ■ Land and sea use change; ■ Over-exploitation of natural resources; ■ Pollution; ■ Climate change. This impact is expressed in MSA.km². MSA (Mean Species Abundance) is a metric recognized by the scientific community as one of the metrics used to aggregate different types of impacts on biodiversity in order to assess the integrity of ecosystems by measuring the average abundance of species in a given location. The metric covers aquatic and terrestrial biomes and is expressed in two time frames: the static footprint (stock) and the dynamic footprint (flow). A single measure calculated by aggregation is expressed in MSA.ppb*. This footprint measurement makes it possible to report on the estimated impacts on biodiversity of the companies in which the management company invests. As this indicator is based on estimates, it cannot be used on its own to monitor compliance with the Kunming-Montreal Framework objectives. For this reason, it is preferable to use several more specific types of indicators, summarized in LBP AM's biodiversity policy.	N/R	N/R
	Unit of measurement for the free metric (text)	MSA.ppb*	N/R	N/R
	Amount of assets (€) covered by the biodiversity footprint indicator	€49 billion	€37 billion	€12 billion
	Share of assets under management covered by the biodiversity footprint indicator as a percentage of total assets under management (%)	81.22%	N/A	89.47%

4.1.10 Continuous Improvement Plan

Appendix E - Table of correspondence with the provisions of Article D. 533-16-1 of the Monetary and Financial Code, including any improvement plans

		Is the required information presented in the report, and if not, is an explanation provided?	Indicate the sections and pages of the report that deal with the subject	If the information is not presented: narrative explanation of the reasons for the omission with presentation of the improvement plan			
				REASON FOR OMISSION	NARRATIVE EXPLANATION OF THE REASON FOR THE OMISSION	IMPROVEMENT PLAN	DEADLINE (YEAR) FOR PRESENTING THE PLANNED INFORMATION
		0010	0020	0030	0040	0050	0060
1: GENERAL APPROACH OF THE ENTITY							
Summary of the entity's general approach to taking environmental, social, and governance criteria into account, particularly in its investment policy and strategy	0010	Information presented	Part 1.1				
Content, frequency, and means used to inform subscribers, affiliates, contributors, beneficiaries, or customers about the criteria relating to ESG objectives taken into account	0020	Information presented	Part 1.3.4				
List of financial products mentioned under Articles 8 and 9 of the Disclosure Regulation (SFDR) (respectively, products that promote environmental and/or social characteristics and products that have sustainable investment objectives)	0030	Information presented	Part 4.1.1				
Consideration of ESG criteria in the decision-making process for the allocation of new management mandates	0040	Information presented	Part				
Adherence of the entity, or certain financial products, to a charter, code, initiative or label on the consideration of ESG criteria, as well as a summary description thereof, in accordance with Article 4(d) of the SFDR	0050	Information presented	Part 1				
2: INTERNAL RESOURCES DEPLOYED BY THE ENTITY							
Description of the financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy, relative to the total assets under management or held by the entity. The description includes all or some of the following indicators: percentage share of corresponding full-time equivalents; percentage share and amount in euros of budgets allocated to ESG data; amount of investments in research; use of external service providers and data providers	0060	Information presented	Parts 1.3.1 and 1.3.2				
Actions taken to strengthen the entity's internal capabilities. The description includes all or part of the information relating to training, communication strategy, and the development of financial products and services associated with these actions	0070	Information presented	Part 1.3				
3: APPROACH TO TAKING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA INTO ACCOUNT AT THE ENTITY'S GOVERNANCE LEVEL							
Knowledge, skills, and experience of the governance bodies, in particular the administrative, supervisory, and management bodies, in making decisions on the integration of ESG criteria into the investment policy and strategy of the entity and, where applicable, the entities it controls. The information may include, in particular, the level of supervision and the associated process, the reporting of results, and the skills	0080	Information presented	Part 1.2.1				
Inclusion, in accordance with Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, in remuneration policies of information on how these policies are tailored to the integration of sustainability risks, including details on the criteria for linking the remuneration policy to performance indicators	0090	Information presented	Part 1.2.2				
Integration of ESG criteria into the internal rules of the entity's board of directors or supervisory board	0100	Explanation(s) provided for the absence of information		Info N/A		Feasibility of updating the rules to be investigated, taking into account possible changes to Article 29 LEC in 2025	2030
4: ENCAGEMENT STRATEGY WITH ISSUERS							
Scope of companies covered by the engagement strategy.	0110	Information presented	Part 2.3.1				
Presentation of the voting policy and review.	0120	Information presented	Part 2.3.2				
Review of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated dialogue, the topics covered and the follow-up actions to this strategy.	0130	Information presented	Part 2.3.1				
Review of the voting policy, in particular with regard to the tabling and voting of resolutions on environmental, social and governance issues at general meetings.	0140	Information presented	Part 2.3.2				
Decisions taken regarding investment strategy, particularly with regard to sectoral divestment.	0150	Information presented	Section 2.2.1				
Note: If the entity publishes a specific report on its shareholder engagement policy, this information may be included therein by reference to this article.							
5: EUROPEAN TAXONOMY AND FOSSIL FUELS							
Proportion of outstanding amounts relating to activities that comply with the technical screening criteria defined in the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to promote sustainable investment and amending Regulation (EU) 2019/2088, in accordance with the delegated act adopted pursuant to Article 8 of that Regulation	0170	Information presented	part 4.1.5				
Share of outstanding exposures in the fossil fuel sector, as defined in the delegated act pursuant to Article 4 of the SFDR	0180	Information presented	Part 4.1.5				
6: STRATEGY FOR ALIGNMENT WITH THE INTERNATIONAL OBJECTIVES OF ARTICLES 2 AND 4 OF THE PARIS AGREEMENT ON THE MITIGATION OF GREENHOUSE GAS EMISSIONS AND, WHERE APPLICABLE, FOR FINANCIAL PRODUCTS WHOSE UNDERLYING INVESTMENTS ARE MADE ENTIRELY IN FRENCH TERRITORY, ITS NATIONAL LOW-CARBON STRATEGY REFERRED TO IN ARTICLE L. 222-1 B OF THE ENVIRONMENTAL CODE (IN LINE WITH POINT D) OF ARTICLE 4(2) OF THE DISCLOSURE REGULATION - SFDR.							
A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before its expiry date. The target includes direct and indirect greenhouse gas emissions in absolute terms or intensity terms relative to a reference scenario and a reference year. It may be expressed by measuring the implicit temperature increase or by the volume of greenhouse gas emissions	0190	Information presented	Part 3.1.3				
Where the entity uses an internal methodology, details of that methodology for assessing the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy	0200	Explanation(s) provided for the absence of information	Part 3.1.3	Information not relevant (no internal methodology)	N/A	N/A	N/A
A quantification of the results using at least one indicator.	0210	Information presented	Part 3.1.2				
For entities managing index funds, information on the use of the Union's "climate transition" and "Paris Agreement" benchmarks defined by Regulation (EU) 2019/2089 of the European Parliament and of the Council of November 27, 2019.	0220			Information not relevant to the entity (no index funds)			
The role and use of assessment in the investment strategy, including the complementarity between the assessment methodology used and other indicators on environmental, social, and governance criteria used more broadly in the investment strategy.	0230	Information presented	Part 3.1.2				
Changes to the investment strategy in relation to the strategy for alignment with the Paris Agreement, and the policy in place for a gradual phase-out of coal and unconventional hydrocarbons, specifying the phase-out schedule and the proportion of total assets under management or held covered by these policies.	0240	Information presented	Part 3.1.2				
Any follow-up actions on the results and changes made.	0250	Information presented	Part 3.1.3				
The frequency of the assessment, the expected dates of updates and the relevant factors for change	0260	Information presented	Part 3.1.1				
7: STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES. THE ENTITY PROVIDES A STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES, SPECIFYING THE SCOPE OF THE VALUE CHAIN SELECTED, WHICH INCLUDES TARGETS SET FOR 2030 AND THEN EVERY FIVE YEARS THEREAFTER, ON THE FOLLOWING ELEMENTS.							
Measurement of compliance with the objectives set out in the Convention on Biological Diversity adopted in 1992.	0270	Explanation(s) provided for the absence of information	Part 3.2.1	No data available	LBP AM/LFDE has mapped the contribution of its policy to the CBD objectives. The LBP AM group's investment policy contributes to 19 of the 23 target actions defined in the Kunming-Montreal Framework Agreement. More details in the document: LBP AM_Politique_Biodiversité_2024.pdf However, this dimension cannot be measured. In terms of measurement, a proprietary biodiversity indicator called "BIRD" provides a holistic and qualitative assessment of the quality of biodiversity management.	Active monitoring of the development of quantitative biodiversity impact assessment methodologies, in particular through participation in market initiatives such as Finance for Biodiversity Pledge, or through collaboration with the IFD.	2030
Analysis of contributions to reducing the main pressures and impacts on biodiversity defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.	0280	Information presented	Part 2.2				
Mention of support for a biodiversity footprint indicator and, where applicable, how this indicator measures compliance with international biodiversity targets.	0290	Information presented	Part 2.2				
8: APPROACH TO TAKING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA INTO ACCOUNT IN RISK MANAGEMENT. IN ACCORDANCE WITH ARTICLE 3 OF REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF NOVEMBER 27, 2019, THE DISCLOSURE OF INFORMATION ON THE CONSIDERATION OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA IN RISK MANAGEMENT INCLUDES, IN PARTICULAR, PHYSICAL, TRANSITION, AND LIABILITY RISKS RELATED TO CLIMATE CHANGE AND BIODIVERSITY, AND IN PARTICULAR.							
Process for identifying, assessing, prioritizing, and managing risks related to the consideration of ESG criteria, how risks are integrated into the entity's conventional risk management framework, and how this process meets the recommendations of the European supervisory authorities of the European financial supervisory system.	0300	Information presented	Part 3.1.3				
A description of the main ESG risks taken into account and analyzed, including for each risk a characterization, segmentation, indication of the economic sectors and geographical areas affected by these risks, and an explanation of the criteria used.	0310	Information presented	Part 3.1.3				
An indication of the frequency of the review of the risk management framework.	0320	Information presented	Part 3.1				
An action plan to reduce the entity's exposure to the main environmental, social and governance risks taken into account.	0330	Information presented	Part 1.2				
A quantitative estimate of the financial impact of the main ESG risks identified and the proportion of assets exposed, and the time horizon associated with these impacts at the level of the entity and the assets concerned, including the impact on the valuation of the portfolio. Where a qualitative statement is published, the entity shall describe the difficulties encountered and the measures envisaged to assess the financial impact of these risks on a quantitative basis.	0340	Explanation(s) provided for the absence of information	Part 3.1.2	Absence of data	Quantitative estimates are made for climate-related risks, but the risk analysis in place does not allow for monetary quantification of risks related to biodiversity and human rights due to methodological difficulties in translating these risks into monetary values and aggregating values in a consistent manner.	Active monitoring to track methodological developments and identify best practices in this area.	2030
An indication of changes in methodological choices and results.	0350	Information presented	Section 3.2.2				

4.1.11 List of Classified Financial Products

Articles 8 and 9 of the Disclosure Regulation (SFRD)

List of open-ended funds managed by LBP AM and LFDE:

LBP AM		LD FE
FUND ARTICLE 8		
LBP AM ISR DIVERSIFIE	FEDERIS ISR EURO	TOCQUEVILLE FINANCE ISR
LBP AM ISR AMERICAN EQUITIES	LBP AM ISR PRO EURO EQUITIES	TOCQUEVILLE SILVER AGE ISR
LBP AM ISR CHINA GROWTH EQUITIES	LBP AM ENERGY TRANSITION - INFRASTRUCTURE COMPARTIMENT TE	TOCQUEVILLE TECHNOLOGY ISR
AEGON EUROPEAN HIGH YIELD BOND FUND	AEGON STRATEGIC GLOBAL BOND FUND	Echiquier Agenor Euro SRI Mid Cap
LBP AM ISR EMERGING EUROPEAN EQUITIES	LBP AM ISR ABSOLUTE RETURN CREDIT	Echiquier Agressor
LBP AM ISR ACTIONS JAPON	LBP AM ISR ABSOLUTE RETURN RATES	Artificial Intelligence Portfolio
LBP AM ISR MULTI EMERGING EQUITIES	LBP AM ISR HORIZON EQUITIES	Echiquier Agenor SRI Mid Cap Europe Fund
LBP AM ISR FRANCE EQUITIES	LBP AM INFLATION FLEXIBLE	Echiquier Alpha Major SRI
LBP AM PROTECTED RETIREMENT 85	LBP AM ISR MULTI ACTIONS EURO	Echiquier Avenir Dynamique
LBP AM ISR GLOBAL EQUITIES	LBP AM ISR MULTI GLOBAL STOCKS	Agenor SRI Mid Cap Europe Portfolio
LBP AM ISR PEA STRATEGY 1	LBP AM ISR DIVERSIFIED PLUS	Echiquier Avenir
TOCQUEVILLE FRANCE MICRO CAP	LBP AM 90 HORIZON JULY 2027	Echiquier Credit SRI Europe
INSURERS - CAISSE DES DEPOTS SUSTAINABLE RECOVERY FRANCE - LBP AM TOCQUEVILLE FINANCE COMPARTIMENT	LBP AM 90 HORIZON DECEMBER 2027	Echiquier Credit Target Income 2027
DECISIEL ISR EQUITIES	LBP AM 90 HORIZON MARCH 2028	Echiquier Emerging Ex China
DECISIEL ISR DIVERSIFIED	LBP AM 90 HORIZON JULY 2028	Entrepreneurs Portfolio
DECISIEL ISR EQUITIES 70	LBP AM 90 HORIZON DECEMBER 2028	Eurofund Equilibre
DECISIEL ISR EQUITIES 70 SOLIDARITY	LBP AM ISR PROTECT 80-85 MAY 2028	Echiquier Excelsior
DECISIEL ISR BOND	LBP AM ISR PROTECT 80-85 SEPTEMBER 2028	Echiquier Global Flexible
DECISIEL ISR MONETARY	LBP AM 80 PEA HORIZON DECEMBER 2025	Hybrid Bond Portfolio
LBP AM ISR ACTIONS FOCUS FRANCE	LBP AM ISR LONG-TERM BONDS	High Yield SRI Europe Fund
LBP AM ISR EQUITIES FOCUS EUROPE	LBP AM ISR DIVIDEND EQUITIES EURO	Echiquier Japan
LBP AM ISR EURO FOCUS EQUITIES	LBP AM EMERGING MARKETS PEA EQUITIES	Echiquier Luxury
LBP AM ISR EUROPE 50 EQUITIES	LBP AM US PEA EQUITIES	AMSelect Echiquier Europe Equity Mid Cap
LBP AM RESPONSIBLE EURO EQUITIES	LBP AM 3 MONTHS	Echiquier Major SRI Growth Europe
LBP AM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	LBP AM SHORT TERM	Echiquier Major SRI Growth Europe Fund
TOCQUEVILLE EURO EQUITY ISR	LBP AM ISR DIVERSIFIED EQUITIES	Tremplin PME M
LBP AM ISR EUROMONDE EQUITIES	LBP AM ISR SMALL CAP EURO EQUITIES	Novi 1 Listed Equities
TOCQUEVILLE EURO ISR GROWTH	LBP AM ISR EUROPE EQUITIES	Novi listed 2020
TOCQUEVILLE MID CAP EURO ISR	LBP AM ISR SOLIDARITY STOCKS	Echiquier Patrimoine
FEDERIS ISR US EQUITIES	LBP AM ISR CORPORATE BOND	Echiquier ARTY SRI Fund
LBP AM ISR EURO LARGE CAP EQUITIES	LBP AM ISR OBLI REVENUES	Echiquier Robotics
LBP AM ISR ASIAN EQUITIES	SOREA ISR EURO EQUITIES	Echiquier ARTY SRI
LBP AM ISR AVENIR EURO	LBP AM ISR EUROPE CONVERTIBLE BONDS	SG Echiquier Diversified French Equities ISR
TOCQUEVILLE VALUE EURO ISR	LBP AM ISR CONVERTIBLE GLOBAL	SG Echiquier Actions Europe Midcap ISR
LBP AM ISR EX-EURO EQUITIES	LBP AM ISR CONVERTIBLE OPPORTUNITIES	SOLYS-LFDE International Selection
INSURERS - CAISSE DES DEPOTS SUSTAINABLE RECOVERY FRANCE - LBP AM - PRIVATE DEBT COMPARTIMENT	LBP AM ISR ABSOLUTE RETURN CONVERTIBLES	Echiquier Space
LBP AM ISR AVENIR EPARGNE	SOREA BONDS	Echiquier Short Term Credit SRI
LBP AM SRI HUMAN RIGHTS	SOREA ISR GROWTH	SOLYS-LFDE Transatlantic
TOCQUEVILLE FOCUS EUROPEAN GROWTH ISR	SOREA ISR DYNAMIC AND SOLIDARITY	Echiquier USA
TOCQUEVILLE EUROPEAN GROWTH ISR	SOREA ISR BONDS	UFF SME Springboard C
LBP AM FranceCap 100 NOVEMBER 2030	SOREA ISR MONETARY	Echiquier Value Euro
LBP AM ISR FLEXIBLE FINANCIAL DEBT	TONI ISR EQUITIES 100	Echiquier World Equity Growth
LBP AM ISR PEA STRATEGY 2	LBP AM ISR RATES	Echiquier World Equity Growth Fund
LBP AM ISR EMERGING MARKETS EQUITIES	LBP AM ISR MEDIUM-TERM BONDS	Echiquier World Next Leaders
LBP AM ISR EUROPE BONDS	TOCQUEVILLE OLYMPE PATRIMOINE	IMMO DIVERSIFICATION ISR
LBP AM ISR PRO ALTO	LBP AM ISR TOTAL RETURN CREDIT	Tocqueville Dividende ISR
LBP AM ISR PRO GLOBAL RETURN	LBP AM ISR US EQUITIES 500	Tocqueville Materials For The Future
LBP AM ISR EURO HIGH YIELD	LBP AM SRI US EQUITIES	Tocqueville Megatrends ISR
LBP AM ISR OBLI NOVEMBER 2028	LBP AM ISR GLOBAL EUROPEAN EQUITIES	Tocqueville France ISR
LBP AM ISR OBLI JULY 2026	LBP AM SRI EQUITIES 80	Tocqueville SME
LBP AM ISR OBLI FEBRUARY 2029	LBP AM ISR PROFILE 50	Tocqueville Global Tech ISR
LBP AM ISR OBLI MARCH 2028	VIVACCIO ISR EQUITIES	Tocqueville Small Cap Euro ISR
LBP AM ISR OBLI JUNE 2029	LBP AM VOIE LACTEE	Tocqueville Value Europe ISR
FEDERIS ISR FRANCE	LBP AM ISR PROFILE 25	UFF SME Values



4.2

Information Derived From the Provisions of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019

4.2.1 Introduction

LBP AM (LEI: 9695005YEKXREPY54B44) takes into account the main adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on the main adverse impacts on sustainability factors of LBP AM and its subsidiary, La Financière de l'Échiquier (LEI: 9695009FIABOZ346XE79). This statement on the main adverse impacts on sustainability factors covers a reference period from January 1, 2024 to December 31, 2024.

The identification, prioritization, and management of the main adverse impacts on sustainability factors are based on a set of complementary tools, policies, and procedures. It is based primarily on cross-cutting

policies within the SGP, designed to address each issue in a holistic manner. These policies specify, for each sustainability theme they cover, the treatment to be applied in terms of exclusion, selection, engagement and voting rules, and are thus translated into management actions. Further information on the development and impact of these cross-cutting policies is available in the section "Description of policies to identify and prioritize the main negative impacts on sustainability factors" below.

In addition to these policies, the LBP AM group applies additional criteria to certain ESG fund ranges to strengthen the consideration of the main negative impacts, including:



■ **For funds with the French SRI label**, the application of requirements relating to the selection of securities based on ESG ratings established by the proprietary GREaT methodology enables a holistic consideration of the negative impacts of investments on sustainability factors. These funds also have two ESG performance indicators that reinforce the consideration of the main negative impacts of investment decisions. Additional information on these indicators is available in the section "Description of policies to identify and prioritize the main negative impacts on sustainability factors" below.

■ **For certain funds that do not have the French SRI label but apply ESG criteria for investment selection**, in particular in

accordance with the requirements of AMF Position-Recommendation DOC-2020-03 on information to be provided by collective investment schemes incorporating non-financial approaches. These funds use the proprietary GREaT methodology in most cases. Funds may also have one or more ESG performance indicators in a similar way to funds with the SRI label.

It should be noted that the selection of issuers based on ESG ratings is not intended to set independent quantitative targets for each sustainability theme. This aggregate rating provides managers with information on the overall ESG performance of companies, with a view to complying with the exclusion or rating upgrade criteria defined in the prospectus or the SFDR annex to the

prospectus. As a result, companies with significant negative impacts will tend to be excluded or underweighted in labeled portfolios. Additional information on the GREaT rating methodology is available in the section "Description of policies to identify and prioritize the main adverse impacts on sustainability factors" below.

The section "Description of the main adverse impacts on sustainability factors" below provides a quantification of the main adverse impacts of LBP AM's investment decisions

- Based on the indicators defined in the Delegated Regulation to REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of November 27, 2019 on sustainability-related disclosures in the

financial services sector ("SFDR"). The table also shows the impact of the various policies and tools mentioned above on each of the indicators. Details of the assumptions and choices made for calculating the indicators are provided at the top of the table.

4.2.2 Summary of the Main Adverse Impacts on Sustainability Factors

The LBP AM group has chosen to distinguish between listed assets and private assets given the significantly different nature of the assets in question. For each indicator, the group has therefore produced a report for listed assets on the one hand and a report for real and private assets on the other.

The assets under management considered are as follows:

- Assets listed: €47 billion;
- Real and private assets – infrastructure and corporate: €4.8 billion;
- Real and private assets – real estate: €1.1 billion.

With regard to data relating to listed assets, LBP AM and LFDE use several providers to calculate negative impact indicators: Clarity AI, ISS ESG, Moody's ESG and MSCI. The data provided consists in part of estimated data, but the LBP AM group has not been able to distinguish between data reported by companies and estimated data for this financial year. With regard to missing data, and unless otherwise stated in the "explanations" column, the LBP AM group has taken the methodological decision to replace missing values for eligible assets with the average observed for the assets covered, with the exception of calculations relating to total exposure. Ineligible securities are considered to have no impact (i. e. 0). This approach may result in an overstatement or understatement of the value of the indicator. Another

approach would have been to assign a zero value to missing data, which would have resulted in a systematic and potentially significant underestimation of the negative impacts of investment decisions on sustainability factors. The values shown should therefore be treated with caution, and their quality should improve as issuers' reporting improves. For transparency purposes, the LBP AM group provides the share of eligible assets and the coverage of eligible assets so that readers can reconstruct the value based on the available data. With regard to data on private debt assets, the LBP AM group has sought to obtain information directly from counterparties. However, the collection of data for investments already contracted is made difficult by the absence of a contractual obligation on counterparties to provide the information. The LBP AM group makes every effort to include systematic reporting in its new financing agreements. For this asset class, PAIs are calculated solely on the basis of available data. No estimates are made for missing data, as the limited amount of available data and the highly specific nature of each investment make it impossible to produce relevant estimates. PAIs are therefore expressed on the asset covered.



The Following Table Summarizes the List of PAIs Monitored by LBP AM – LFDE

Application	Theme	Indicator of negative impact on sustainability	ESG
Investment in companies	Greenhouse gas emissions	GHG emissions (levels 1, 2, and 3)	1
		Carbon footprint	2
		GHG intensity of companies benefiting from investments	3
		Exposure to companies active in the fossil fuel sector	4
		Share of non-renewable energy consumption and production	5
		Energy consumption intensity by climate-impacting sector	6
	Biodiversity	Activities with a negative impact on biodiversity-sensitive areas	7
	Water	Discharges into water	8
	Waste	Ratio of hazardous and radioactive waste	9
	Social and personnel issues	Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	10
		Lack of compliance processes and mechanisms to monitor adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	11
		Uncorrected gender pay gap	12
		Gender diversity in governance bodies	13
		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical or biological weapons)	14
Investments in sovereign and supranational issuers	Environment	GHG intensity	15
	Social	Investment countries with social violations	16
Investments in real estate assets	Fossil fuels	Exposure to fossil fuels via real estate assets	17
	Energy efficiency	Exposure to energy-inefficient real estate assets	18

4.2.3 Description of the Main Negative Impacts on Sustainability Factors and Historical Comparison

Appendix C – Description of the main impacts on sustainability factors (Annex 1 of Regulation (EU) 2022/1288) Indicators applicable to investments in companies

Table 1.1

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
1. GREENHOUSE GAS EMISSIONS				
Scope 1 GHG emissions in tons of CO ₂	1,794,261 tCO ₂ e	LBP AM group: 1,538,798 tCO ₂ e	LBP AM group: eligible assets: 81.22%; coverage of eligible assets: 95.93% - Change of -255,463 tCO ₂ e	Strategy for achieving carbon neutrality The LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 in order to align its asset management with a GHG emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it defined and published an ambitious decarbonization trajectory for its investment portfolios in 2022. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestone for 2030: 80% of total assets under management in line with the 2050 carbon neutrality target Shareholder engagement In line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, the LBP AM group encourages companies to: ■ Formalize robust transition plans to align their activities and practices over time with a scenario that limits global warming to 1.5°C. ■ Regularly consult their shareholders on this transition plan and its implementation, in particular through "Say-on-Climate" resolutions. ■ Assess, reduce, and decarbonize their exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations apply to all sectors and are implemented with particular attention and prioritization in so-called "high-stakes" sectors. In addition to bilateral engagements, the LBP AM group has participated in the following collaborative initiatives: ■ The Carbon Disclosure Project (CDP) Science-Based Targets Campaign: The Science Based Targets initiative (SBTi) is an international association that certifies that companies' GHG emission reduction targets are consistent with the international targets of the Paris Agreement. The CDP's engagement campaign aims to encourage companies to commit to the Science Based Targets initiative to set science-based decarbonization targets aligned with the 1.5°C global warming scenario. ■ The Carbon Disclosure Project (CDP) Non Disclosure Campaign: this initiative aims to improve the environmental transparency of portfolio companies on climate, water and forest issues. As part of this campaign, the LBP AM group has committed as a lead/co-lead investor with nine companies on climate change to encourage them to disclose more indicators. The 2024 activity report is available here. ■ The Climate Action 100+ initiative, led by the PRI and the IIGCC, aims to encourage major global emitters of greenhouse gases to reduce their emissions in line with the Paris Agreement targets. By signing the initiative's charter, the LBP AM group is committed to working to encourage the energy transition through its fund investments. In 2024, Engie became a supporting investor through CA 100+
		LBP AM: 1,214,156 tCO ₂ e	LBP AM: eligible assets: 78.59%; coverage of eligible assets: 96.33%	
		LFDE: 323,289 tCO ₂ e	LFDE: eligible assets: 89.47%; coverage of eligible assets: 94.82%	
PAI regarding private debt Scope 1 GHG emissions in tons of CO ₂	30,453 tCO ₂ e Coverage of eligible assets: 31%	67,865 tCO ₂ e Coverage of eligible assets: 36%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors. The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Strategy for achieving carbon neutrality: Investments in real and private assets are integrated into the carbon neutrality strategy mentioned above. ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the initiatives implemented to measure and reduce their carbon emissions. Shareholder engagement the engagement policy specified for listed assets is tailored to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO ₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts.
Scope 2 GHG emissions in tons of CO ₂	570,926 tCO ₂ e	LBP AM group: 518,693 tCO ₂ e	LBP AM group: eligible assets: 81.22%; coverage of eligible assets: 95.93% - Change of -52,233 tCO ₂ e	Strategy for achieving carbon neutrality The LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 in order to align its asset management with a GHG emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it defined and published an ambitious decarbonization trajectory for its investment portfolios in 2022. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestone for 2030: 80% of total assets under management in line with the 2050 carbon neutrality target Shareholder engagement In line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, the LBP AM group encourages companies to: ■ Formalize robust transition plans to align their activities and practices over time with a scenario that limits global warming to 1.5°C. ■ Regularly consult their shareholders on this transition plan and its implementation, in particular through "Say-on-Climate" resolutions. ■ Assess, reduce, and decarbonize their exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations apply to all sectors and are implemented with particular attention and prioritization in so-called "high-stakes" sectors. In addition to bilateral engagements, the LBP AM group has participated in the following collaborative initiatives: ■ The Carbon Disclosure Project (CDP) Science-Based Targets Campaign: The Science Based Targets initiative (SBTi) is an international association that certifies that companies' GHG emission reduction targets are consistent with the international targets of the Paris Agreement. The CDP's engagement campaign aims to encourage companies to commit to the Science Based Targets initiative to set science-based decarbonization targets aligned with the 1.5°C global warming scenario. ■ The Carbon Disclosure Project (CDP) Non Disclosure Campaign: this initiative aims to improve the environmental transparency of portfolio companies on climate, water and forest issues. As part of this campaign, the LBP AM group has committed as a lead/co-lead investor with nine companies on climate change to encourage them to disclose more indicators. The 2024 activity report is available here. ■ The Climate Action 100+ initiative, led by the PRI and the IIGCC, aims to encourage major global emitters of greenhouse gases to reduce their emissions in line with the Paris Agreement targets. By signing the initiative's charter, the LBP AM group is committed to working to encourage the energy transition through its fund investments.
		LBP AM: 405,268 tCO ₂ e	LBP AM: eligible assets: 78.55%; eligible asset coverage: 96.33%	
		LFDE: 113,033 tCO ₂ e	LFDE: eligible assets: 89.47%; coverage of eligible assets: 94.82%	
PAI regarding private debt Scope 2 GHG emissions in tons of CO ₂ equivalents	5,203 tCO ₂ e Coverage of eligible assets: 31%	5,023 tCO ₂ e Coverage of eligible assets: 38%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors. The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Strategy for achieving carbon neutrality investments in real and private assets are integrated into the carbon neutrality strategy mentioned above. ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the initiatives implemented to measure and reduce their carbon emissions. Shareholder engagement The engagement policy specified for the listed assets is adapted to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO ₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts.
Scope 3 GHG emissions in tons of CO ₂	25,807,323 tCO ₂ e	LBP AM group: 28,333,268 tCO ₂ e	LBP AM group: eligible assets: 81.22%; coverage of eligible assets: 89.58% - Change of 2,525,945 tCO ₂ e	Strategy for achieving carbon neutrality the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 to align its asset management with a GHG emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it defined and published an ambitious decarbonization trajectory for its investment portfolios in 2022. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestone for 2030: 80% of total assets under management in line with the 2050 carbon neutrality target Shareholder engagement: in line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, the LBP AM group encourages companies to: ■ Formalize robust transition plans to align their activities and practices over time with a scenario that limits global warming to 1.5°C. ■ Regularly consult their shareholders on this transition plan and its implementation, in particular through "Say-on-Climate" resolutions. ■ Assess, reduce, and decarbonize their exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations apply to all sectors and are implemented with particular attention and prioritization in so-called "high-stakes" sectors. In addition to bilateral engagements, the LBP AM group has participated in the following collaborative initiatives: ■ The Carbon Disclosure Project (CDP) Science-Based Targets Campaign: The Science Based Targets initiative (SBTi) is an international association that certifies that companies' GHG emission reduction targets are consistent with the international targets of the Paris Agreement. The CDP's engagement campaign aims to encourage companies to commit to the Science Based Targets initiative to set science-based decarbonization targets aligned with the 1.5°C global warming scenario. ■ The Carbon Disclosure Project (CDP) Non Disclosure Campaign: this initiative aims to improve the environmental transparency of portfolio companies on climate, water and forest issues. As part of this campaign, the LBP AM group has committed as a lead/co-lead investor with nine companies on climate change to encourage them to disclose more indicators. The 2024 activity report is available here: https://cdn.cdp.net/cdp-production/comfy/cms/files/files/000/009/640/original/CDP_NDC_Report_2024_20_02_25_01.pdf ■ The Climate Action 100+ initiative, led by the PRI and the IIGCC, aims to encourage major global emitters of greenhouse gases to reduce their emissions in line with the Paris Agreement targets. By signing the initiative's charter, the LBP AM group is committed to working to encourage the energy transition through its fund investments.
		LBP AM: 23,291,256 tCO ₂ e	LBP AM: eligible assets: 78.59%; coverage of eligible assets: 01.95%	
		LFDE: 4,785,620 tCO ₂ e	LFDE: eligible assets: 89.47%; coverage of eligible assets: 83.31%	
PAI regarding private debt Scope 3 GHG emissions in tons of CO ₂	105,390 tCO ₂ e Coverage of eligible assets: 27%	275,529 tCO ₂ e Coverage of eligible assets: 35%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors. The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Net zero strategy: investments in real and private assets are integrated into the net zero strategy mentioned above. ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the initiatives implemented to measure and reduce their carbon emissions. Shareholder engagement: the engagement policy specified for listed assets is tailored to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO ₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts.

Climate indicators and other environmental indicators

Impact 2023

Impact 2024

Explanation

Measures taken, measures planned, and targets set for the next reporting period

2. CARBON FOOTPRINT

Carbon footprint in tons of CO ₂ equivalents per million euros invested	520 tCO ₂ e per million euros invested	LBP AM group: 605.13 tCO ₂ e per € million invested eligible	LBP AM group: Coverage of eligible assets: 89%	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets In line with our ambition, the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 in order to align its asset management with a greenhouse gas emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it has defined and published, as of 2022, an ambitious decarbonization trajectory for the investment portfolios it manages through its two management companies, LBP AM and Tocqueville Finance, including open-ended and dedicated funds across all asset classes, with the aim of achieving carbon neutrality by 2050. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestones: ■ 2030 target: 80% of total assets under management in line with the 2050 carbon neutrality target ■ 2040 ambition: 100% of assets under management in line with the 2050 carbon neutrality target ■ 2050 ambition: carbon neutrality of assets under management. Performance indicator applied to certain funds: Certain funds that have obtained the French SRI label have a performance indicator that measures the CO₂ emissions attributable to the fund's investments. This indicator is expressed in tCO₂ per million euros invested and covers Scope 1 and 2 emissions. The fund must achieve a better score than its benchmark index or its defined ESG analysis universe in order to apply the selection criteria of the French SRI label. The use of this indicator is indicated in the SFDR annex to the prospectus of the funds concerned. Measurement indicator - ESG integration: The fund's carbon footprint for all emissions (scopes 1, 2, and 3) is calculated for each fund and made available to managers
		LBP AM: 675.35 tCO ₂ e per €1 million of eligible assets under management	LBP AM: coverage of eligible assets: 92%	
		LFDE: 391.66 tCO ₂ e per € million invested and eligible	LFDE: coverage of eligible assets: 83%	

Change The increase is linked to the increase in our assets under management, the integration of LFDE assets and the eligibility ratio for this measure. This increase is offset by the reduction in our carbon footprint, resulting from the reduction in our investments in companies with high carbon emissions (PRYSMIAN, AIRBUS) and/ or the reduction in their emissions (SIEMENS, SIGNIFY).

PAI regarding private debt	558 tCO ₂ e per € million invested	334 tCO ₂ e per € million invested	Eligible assets: 100% of AuM	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets: Investments in real and private assets are integrated into the carbon neutrality strategy mentioned above. ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the initiatives implemented to measure and reduce their carbon emissions. Shareholder engagement: The engagement policy specified for the listed assets is adapted to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts.
Carbon footprint in tons of CO ₂ equivalents per million euros invested	Coverage of eligible assets: 31%	Coverage of eligible assets: 38%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

3. GHG INTENSITY OF COMPANIES BENEFITING FROM INVESTMENTS

GHG intensity of companies benefiting from investments in tons of CO ₂ equivalents per million euros of turnover of companies benefiting from investments	1,122 tCO ₂ e per million euros invested	LBP AM group: 1,013.2 tCO ₂ e per € million in revenue	LBP AM group: eligible assets: 81.22%; coverage of eligible assets: 89.65%	Strategy for achieving carbon neutrality the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 to align its asset management with a GHG emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it defined and published an ambitious decarbonization trajectory for its investment portfolios in 2022. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestone for 2030: 80% of total assets under management in line with the 2050 carbon neutrality target This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestones: ■ 2030 target: 80% of total assets under management in line with the 2050 carbon neutrality target ■ 2040 ambition: 100% of assets under management in line with the 2050 carbon neutrality target ■ 2050 ambition: carbon neutrality of assets under management. Shareholder engagement: In line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, the LBP AM group encourages companies to: ■ Formalize robust transition plans that enable the implementation of a transparent and credible transition strategy in order to align their activities and practices over the long term with a scenario that limits global warming to 1.5°C. ■ Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions submitted to a vote at the general meeting, commonly known as "Say-on-Climate" resolutions. These enable shareholders to vote specifically on companies' energy transition strategies and targets, and on their implementation during a financial year. ■ Assess, reduce, and disclose its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations apply to all sectors and are implemented with particular attention and prioritization in so-called "high-stakes" sectors. They are therefore set out and implemented in two sectoral policies: oil and gas, and coal. In accordance with this policy, the LBP AM group participated in the Science-Based Targets Campaign organized by the Carbon Disclosure Project (CDP), which targeted more than a thousand companies with a view to obtaining a commitment from them to transition their activities in line with the Science-Based Target Initiative. In addition, the LBP AM group actively encourages companies to submit their climate strategies to a shareholder vote, for which it has established specific requirements (Say-on-Climate voting policy). Where necessary, the LBP AM group may also participate in the submission of resolutions. In 2024, the LBP AM group had the opportunity to formally vote on 15 say-on-climate resolutions. Among these, it opposed nine resolutions whose plans did not meet the criteria set out in its voting policy. The LBP AM group opposes all say-on-climate resolutions of oil, gas and mining companies on which it has voted. Measurement indicator - ESG integration: The fund's carbon intensity across all emissions (scopes 1, 2 and 3) is calculated for each fund and made available to managers.
		LBP AM: 1,115.17 tCO ₂ e per million euros of revenue.	LBP AM: eligible assets: 78.59%; coverage of eligible assets: 91.96%	
		LFDE: 702.84 tCO ₂ e per € million in revenue	LFDE: eligible assets: 89.47%; coverage of eligible assets: 83.29%	

Change Change of 108 t/M€ of revenue. i.e. -10%, explained by a reduction in positions in securities that were the main contributors to N-1 (PRYSMIAN, AIRBUS) or a reduction in emissions from the main emitters (SCHNEIDER, SIGNIFY).

PAI regarding private debt	257 tCO ₂ e per € million in revenue	1,442 tCO ₂ e per million euros of revenue	Eligible assets: 100% of AuM	Strategy for achieving carbon neutrality investments in real and private assets are integrated into the carbon neutrality strategy mentioned above. ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the initiatives implemented to measure and reduce their carbon emissions.
GHG intensity of companies benefiting from investments in tons of CO ₂ equivalents per million euros of revenue of companies benefiting from investments	Coverage of eligible assets: 20%	Coverage of eligible assets: 35%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

4. EXPOSURE TO COMPANIES ACTIVE IN THE FOSSIL FUEL SECTOR

Share of investments in companies active in the fossil fuel sector	7.5%	LBP AM group: 6.68%	LBP AM group: Amount invested in coal: €1,936,140,000 Amount invested in oil and gas: €2,200,970,000	Exclusion policy - Coal: exclusion of issuers involved in the exploration, production, storage, distribution, and sale of thermal coal based on the following criteria: ■ No plan for a controlled phase-out of coal by 2030 (for companies headquartered in an OECD country) and by 2040 (rest of the world) ■ Development of new projects involving the use of thermal coal or expansion of existing projects. ■ Generation of more than 5% of revenue from the extraction and sale of thermal coal. Other exclusion criteria, based on activity thresholds, are established according to the type of company and may be waived if the company has put in place a credible exit plan. Exclusion policy - Oil & Gas The LBP AM group's Oil & Gas sector policy on investments in companies and project companies operating (exploration, production, processing, transportation, refining, distribution, directly or as a partner or shareholder) in the oil and gas sector defines the principles applicable by LBP AM and LFDE to align their sector allocation by 2030 distribution, directly or as a partner or shareholder) in the oil and gas sector, defines the principles applicable by LBP AM and LFDE to align their sector allocation in the oil and gas sector by 2030 with the goal of carbon neutrality by 2050, by: Promoting and supporting the orderly and just energy transition of the real economy necessary to achieve the objectives of the Paris Agreement -Contributing to the management of climate-related financial risks – transition risks, legal risks and physical risks – for their own portfolios. The oil and gas policy excludes companies that derive 20% or more of their revenue from unconventional energy sources. Companies that are unable to complete their energy transition by 2030 are also excluded, insofar as they do not currently have a target for carbon neutrality for scope 1 and 2 emissions or a target for reducing scope 3 GHG emissions. Strategy for achieving carbon neutrality: the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMI) in 2021 in order to align its asset management with a trajectory for managing associated GHG emissions that is compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels." Within this framework, it has defined and published an ambitious decarbonization trajectory for its investment portfolios, including open-ended and dedicated funds across all asset classes, with the aim of achieving carbon neutrality by 2050. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestones: -f 2030: 80% of total assets under management in line with the 2050 carbon neutrality target Shareholder engagement - Coal: With regard to thermal coal, the LBP AM group has implemented a specific engagement strategy for issuers whose activity/exposure exceeds certain quantitative thresholds defined in the policy, but who have plans to phase out coal. It is based on a qualitative analysis of the quality and credibility of these plans to determine the applicable treatment. The decision to retain the security in the portfolio is made at the end of the calendar year. Shareholder engagement - Oil and gas: the LBP AM group has implemented a demanding shareholder engagement strategy to support the companies in which it invests in their energy transition, requiring them to adopt and publish a clear and credible energy transition strategy towards carbon neutrality that is aligned with climate and energy scenarios that limit global warming to 1.5°C, using primarily permanent, this strategy must, in particular, adapt investment management to the challenge of investment concentration in existing fields. - This strategy must, in particular, adapt investment management to the challenge of investment concentration in existing fields. The aim is to avoid lock-in effects on regional economies and companies invested in fossil fuels and, where appropriate, depending on the operating costs of assets and their position in the value chain, to avoid increasing the risk of stranded assets or a decline in commercial activities. - It should also make it possible to control the physical risks arising from climate change and take into account the challenges of a just transition.
		LBP AM: 7.07%	LBP AM: Amount invested in coal: €1,641,840,000 Amount invested in oil: €1,677,730,000	
		LFDE: 5.46%	LFDE: Amount invested in coal: €294,310,000 Amount invested in oil: €523,240,000	

The decrease is due to the addition of LFDE assets to the scope and the reduction of fossil fuel companies within LBP AM and LFDE.

PAI regarding private debt	0%	0%	Eligible assets: 100% of AuM	Exclusion policy - Coal: Exclusion of issuers in the mining and electricity production sectors that have not committed to phasing out coal within a timeframe compatible with the IPCC recommendations to limit global warming to 1.5°C. For the rest of the value chain (upstream and downstream service providers), exclusion of issuers that generate more than 20% of their revenue from thermal coal. Exclusion policy - Oil and gas: For private debt investments, the requirements applied to listed assets are applied. For infrastructure investments, exclusion since September 1, 2022 of all new greenfield or brownfield projects dedicated to unconventional resources, as well as any investment in greenfield gas (fossil) and oil projects. Strategy for achieving carbon neutrality investments in real and private assets are integrated into the carbon neutrality strategy mentioned above.
Share of investments in companies active in the fossil fuel sector	Coverage of eligible assets: 31%	Coverage of eligible assets: 40%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

Climate indicators and other environmental indicators

Impact 2023

Impact 2024

Explanation

Measures taken, measures planned and targets set for the next reporting period

5. SHARE OF NON-RENEWABLE ENERGY CONSUMPTION AND PRODUCTION

Share of energy consumption and production of investee companies that comes from non-renewable energy sources, compared to that from renewable energy sources, expressed as a percentage of total energy sources	Energy consumed: 59%	LBP AM group: Energy consumed: 56% Energy produced: 46%	LBP AM group: Coverage of eligible assets: 92% (energy consumed) and 90% (energy produced)	ESG rating of issuers used for portfolio selection: The rating assigned to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their strategy on energy consumption and emissions from their energy consumption. The following are taken into account: technological choices and developments; use of renewable energies; management of atmospheric emissions linked to energy consumption.
		LBP AM: Energy consumed: 56% Energy produced: 50%	LBP AM: Coverage of eligible assets: 92% (energy consumed) and 89% (energy produced)	
		LFDE: Energy consumed: 57% Energy produced: 31%	LFDE: Coverage of eligible assets: 89% (energy consumed) and 93% (energy produced) The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values) The decrease in the share of energy consumption from non-renewable sources is mainly due to reduced investments in companies that are heavy consumers of non-renewable energy (e.g. TOTAL ENERGIES SE) The decrease in the share of non-renewable energy production is the result of a decrease in the non-renewable energy production ratio of the largest contributors (now close to 50%) and a decrease in investment in companies with a high non-renewable energy production ratio.	
PAI regarding private debt Share of energy consumption and production of investee companies that comes from non-renewable energy sources, compared to that from renewable energy sources, expressed as a percentage of total energy sources	Energy consumed 71.8%	Energy consumed 36.6%	Eligible assets: 100% of AuM	
	Coverage of eligible assets: 30%	Coverage of eligible assets: 37%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors"	
	Energy produced: 0%	Energy produced: 2.6%	The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	
	Coverage of eligible assets: 13%	Coverage of eligible assets: 20%		

6. ENERGY CONSUMPTION INTENSITY BY SECTOR WITH HIGH CLIMATE IMPACT

Energy consumption in GWh per million euros of turnover of companies benefiting from investments, by climate-impacting sector	Sector A: 0.27 GWh per million euros of turnover	LBP AM group: Sector A: 0.42 GWh per € million in revenue	LBP AM group: Sector A: Eligible assets: < 1% Coverage 100%.	ESG rating of issuers used for portfolio selection: The rating assigned to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to their investment policies in low-carbon technologies and the energy efficiency of their infrastructure.
	Sector B: 1.1 GWh per million euros of revenue	Sector B: 0.98 GWh/M€ of turnover	Sector B: Eligible assets: 0.74% Coverage 92.05%.	
	Sector C: 0.9 GWh per million euros of turnover	Sector C: 0.34 GWh/M€ of turnover	Sector C: Eligible assets: 34.79% Coverage 97.05%.	
	Sector D: 2.3 GWh per million euros of turnover	Sector D: 2.13 GWh/M€ of turnover	Sector D: Eligible assets: 3.36% Coverage 98.60%.	
	Sector E: 2.0 GWh per million euros of turnover	Sector E: 1.57 GWh/M€ of turnover	Sector E: Eligible assets: 0.63% Coverage 97.15%.	
	Sector F: 2.4 GWh per € million in revenue	Sector F: 0.25 GWh/M€ of turnover	Sector F: Eligible assets: 1.58% Coverage 99.55%. The significant change in sector F is due to a high 2023 value for the provider, which fell sharply in 2024.	
	Sector G: 0.1 GWh per € million in turnover	Sector G: 0.07 GWh/M€ of turnover	Sector G: Eligible assets: 3.70% Coverage 97.45%.	
	Sector H: 0.8 GWh per € million in revenue	Sector H: 0.73 GWh/M€ of turnover	Sector H: Eligible assets: 1.72% Coverage 96.72%.	
		Sector L: 0.35 GWh/ M€ of turnover	Sector L: Eligible assets: 2.09% Coverage 92.44%.	
		LBP AM: Sector A: 0.42 GWh/M€ of revenue	LBP AM: Sector A: Eligible assets: < 1% Coverage 100%.	
		Sector B: 0.94 GWh/M€ of revenue	Sector B: Eligible assets: 0.82% Coverage 91.31%.	
		Sector C: 0.35 GWh/M€ of revenue	Sector C: Eligible assets: 32.93% Coverage 97.55%.	
		Sector D: 2.26 GWh/M€ of revenue	Sector D: Eligible assets: 3.36% Coverage 99.03%.	
		Sector E: 1.48 GWh/M€ of revenue	Sector E: Eligible assets: 0.69% Coverage 96.60%.	
		Sector F: 0.21 GWh/M€ of revenue	Sector F: Eligible assets: 1.74% Coverage 99.75%.	
		Sector G: 0.06 GWh/M€ of revenue	Sector G: Eligible assets: 2.99% Coverage 97.63%.	
		Sector H: 0.86 GWh/M€ of turnover	Sector H: Eligible assets: 1.78% Coverage 97.09%.	
		Sector L: 0.35 GWh/M€ of revenue	Sector L: Eligible assets: 2.27% Coverage 92.15%.	
		LFDE: Sector A: N/A	LFDE: Sector A: eligible assets 0.47% Coverage 96%	
		Sector B: 1.23 GWh/M€ of turnover	Sector B: eligible assets 0.47% Coverage 96%	
		Sector C: 0.32 GWh/M€ of turnover	Sector C: eligible assets 40.6% Coverage 95.8%	
		Sector D: 1.59 GWh/M€ of turnover	Sector D: eligible assets 2.44% Coverage 96.8%	
		Sector E: 2.03 GWh/M€ of turnover	Sector E: eligible assets 0.42% Coverage 100%	
		Sector F: 0.48 GWh/M€ of turnover	Sector F: eligible assets 1.08% Coverage 98.5%	
		Sector G: 0.08 GWh/M€ of turnover	Sector G: eligible assets 5.94% Coverage 97.2%	
		Sector H: 0.28 GWh/M€ of turnover	Sector H: eligible assets 1.52% Coverage 95.4%	
		Sector L: 0.36 GWh/M€ of revenue	Sector L: eligible assets: 1.53% Coverage: 93.8%	
PAI regarding private debt Energy consumption in GWh per million euros of turnover of companies benefiting from investments, by climate-impacting sector	Sector C: 0.08 GWh per € million in revenue	Sector C: 23.8 CWh per € million in revenue Total coverage of eligible assets: 3%	LBP AM was unable to obtain the eligible outstanding amount by sector, but only the coverage rates for each sector in relation to the overall portfolio	ESG rating of issuers used for the assessment of investment projects: The rating assigned to the project based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset class in question, was updated in 2022 to include the indicators shown opposite.
	Sector D: 4.73 GWh per € million in revenue	Sector D: 0.4 CWh per € million in revenue Total coverage of eligible assets: 9%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors"	
	Sector E: 0.3 CWh per € million in turnover	Sector F: 0.0 CWh per € million in turnover Total coverage of eligible assets: 7%	The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	
	Sector F: 4.2 CWh per € million in turnover	Sector G: 0.1 CWh per € million in turnover Total coverage of eligible assets: 1%		
	Sector G: 20.8 GWh per € million in turnover	Sector H: 0.0 CWh per € million in turnover Total coverage of eligible assets: 4%		
	Sector H: 0.05 GWh per € million in turnover Total coverage of eligible assets: 14%			

7. BIODIVERSITY

Activities with a negative impact on biodiversity-sensitive areas

Proportion of investments made in companies with sites/ facilities located in or near biodiversity-sensitive areas, if the activities of these companies have a negative impact on these areas	49.5%	LBP AM group: 2.05%	LBP AM group: Eligible assets: 81.2% Coverage on eligible assets: 88.02.	Exclusion policy Exclusion of companies that have a significant negative impact on biodiversity, according to the management company's analysis, and that have not implemented an internal policy or action plan to reduce this negative impact. The company's analysis is based, among other things, on the msa.ppb" biodiversity footprint in absolute terms and relative to its peers, and on the level of severe controversy surrounding biodiversity. Exclusion of producers and traders of agricultural raw materials deemed to be at high risk of deforestation by the European "EU Deforestation-Free Regulation" (EUDR), which have been the subject of controversy relating to a high impact on deforestation and have not made any commitments to corrective measures or have not implemented risk identification principles with formalized objectives. Exclusion of players whose turnover derives more than 20% from the manufacture or sale of pesticides. Shareholder engagement The LBP AM group is implementing a policy to encourage companies to identify and monitor their impact on biodiversity. This engagement strategy primarily targets sectors identified as high-risk, based on an analysis of dependencies and impacts on investments. The engagement takes the form of individual or collective initiatives alongside NGOs or associations. These shareholder engagement initiatives encourage companies to: ■ Integrate these issues into their governance and report in accordance with the TNFD framework by analyzing the impacts and dependencies related to biodiversity and ecosystem services ■ Define a biodiversity policy that includes setting targets and implementing actions The full list of collaborative engagements on this topic in which the LBP AM group is involved is available on the management companies' websites. ESG rating of issuers used for portfolio selection The rating assigned to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to the impact of their activities on fragile ecosystems. In particular, the biodiversity protection and land use policies implemented by companies are taken into account.
		LBP AM: 2.15%	LBP AM: Eligible assets: 78.59% Coverage of eligible assets: 86.87%	
		LFDE: 1.73%	LFDE: Eligible assets: 89.47% Coverage of eligible assets: 91.16% The changes are mainly due to a change in data provider between 2023 (Moody's, data based on estimates related to the nature of the company's business) and 2024 (Clarify+ proven impact of sites)	
PAI regarding private debt Proportion of investments made in companies with sites/ facilities located in or near biodiversity-sensitive areas, if the activities of these companies have a negative impact on these areas	4.3%	14.2%	Eligible assets: 100% of AuM	ESG rating of issuers used for the assessment of investment projects: ■ Private debt financing: the rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset class in question, includes a criterion relating to initiatives implemented to reduce impacts on biodiversity. ■ Infrastructure financing: the rating assigned to the project based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset class in question, includes a criterion relating to the procedures put in place to protect biodiversity. The analysis grid was updated in 2022 to include the indicator defined by European regulators, as well as an indicator measuring land artificialization and a controversy indicator applied to the counterparty.
	Coverage of eligible assets: 33%	Coverage of eligible assets: 41%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors"	
			The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
WATER				
8. Discharges into water				
Tons of discharges into water from investee companies, per million euros invested, weighted average	0.81 tons per million euros invested	LBP AM group: 0.0016 t/M€ invested	LBP AM group: Value calculated on eligible assets covered Eligible assets: 81.22% Coverage of eligible assets: 27.33%	Shareholder engagement: the LBP AM group has implemented a policy to encourage companies to better identify and control the pressures their activities place on freshwater and seawater resources. This policy is implemented through individual or collective initiatives alongside NGOs and associations. As a member of the Valuing Water Finance Initiative, the LBP AM group engages with the most at-risk companies to encourage them to: ■ Manage the amount of water consumed and its impact on access to water by calculating their water footprint, mapping water withdrawal sites and their correlation with areas of high water stress, and setting water consumption reduction targets. ■ Manage water quality and pollutant emissions and ecosystem degradation by implementing water pollution reduction action plans and remediation plans. ■ Integrate these issues into governance and relations with suppliers and customers
	Coverage of eligible assets: 2%	LBP AM: 0.0019 t/M€	LBP AM: Eligible assets: 78.59% Coverage: 29.14%	
		LFDE: 0.00049 t/M€	LFDE: Eligible assets: 89.47% Coverage: 22.35%	

The change is largely due to a change of supplier (from Moody's to Clarity)

PAI regarding private debt	0 tons per M€ invested	0 tons per € million invested	Eligible assets: 100% of AuM	ESG rating of issuers used for the assessment of investment projects: ■ Private debt financing: the rating assigned to issuers based on the proprietary GREaT methodology, adapted to the specific characteristics of the asset class in question, includes a criterion relating to initiatives implemented to reduce water consumption. The analysis grid was updated in 2022 to include a measure of the volume of water reused. ■ Infrastructure financing: the rating assigned to the project based on the proprietary GREaT methodology, adapted to the specific characteristics of the asset class in question, includes a criterion relating to procedures put in place to promote good water management. The analysis grid was updated in 2022 to include a measure of water recycling and a controversy indicator applied to the counterparty.
Tons of discharges into water from investee companies, per million euros invested, weighted average	Coverage of eligible assets: 2%	Coverage of eligible assets: 37%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

WASTE				
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9. Hazardous and radioactive waste ratio				
Tons of hazardous and radioactive waste produced by investee companies, per million euros invested, weighted average	7.8 tons per million euros invested	LBP AM group: 5.49 tons per million euros invested	LBP AM group: Value calculated on eligible assets covered 100% of AuM Coverage: 93.27%	Exclusion policy: The LBP AM group excludes companies from its investments if more than 20% of their revenue comes from the manufacture or sale of pesticides
		LBP AM: 3.33 t/M€ invested	LBP AM: Eligible assets: 100% of AuM Coverage: 92.94%	
		LFDE: 11.36 t/M€ invested	LFDE: Eligible assets: 100% of AuM Coverage: 94.18%	

The data used comes from Moody's ESG and consists solely of data reported by the companies themselves

The low coverage of the indicator, which mainly targets the most polluting issuers, makes the analysis uncertain

PAI regarding private debt	2.93 tons per million euros invested	1.3 tons per € million invested	Eligible assets: 100% of AuM	ESG rating of issuers used for the assessment of investment projects: ■ Private debt financing: the rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset class in question, includes a criterion relating to initiatives implemented to reduce waste production. ■ Infrastructure financing: the rating assigned to the project based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset class in question, includes a criterion relating to procedures put in place to reduce waste production. The analysis grid was updated in 2022 to include a controversy indicator applied to the counterparty.
Tons of hazardous and radioactive waste produced by investee companies, per million euros invested, weighted average	Coverage of eligible assets: 18%	Coverage of eligible assets: 40%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimate of values)	

INDICATORS RELATED TO SOCIAL ISSUES, PERSONNEL, RESPECT FOR HUMAN RIGHTS, AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION				
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SOCIAL AND PERSONNEL ISSUES				
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10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises				
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Share of investment in companies that have participated in violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises (expressed as a percentage)	3%	LBP AM group: 2.42%	LBP AM group: Eligible assets: 81.22% Coverage: 94.88%	Exclusion: Exclusion of companies that risk causing, contributing to or being linked to a severe impact on human rights, the environment or the principles of good governance and/or that seriously, repeatedly and without remedy violate international standards on human rights, the environment and good governance, and for which LBP AM has assessed that exclusion is the best lever to reduce the risk of ongoing and future violations of standards, including the UNGPs and the OECD Guidelines.
		LBP AM: 2.13%	LBP AM: Eligible assets: N/A Coverage: 94.45%	
		LFDE: 3.33%	LFDE: Eligible assets: N/A Coverage: 96.06%	

Eligible assets that are not hedged are considered as "neutral" (i.e. no violations observed)

The main contributors involved in violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises are AMAZON.COM INC, ALPHABET INC, TOTALENERGIES, ENI SPA, and TESLA INC.

PAI regarding private debt	0%	2.2%	Eligible assets: 100% of AuM	Exclusion: exclusion of companies guilty of serious and/or repeated violations of the principles of the UN Global Compact, according to LBP AM's analysis.
Share of investment in companies that have participated in violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises (expressed as a percentage)	Coverage of eligible assets: 34%	Coverage of eligible assets: 43%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

ESG rating of issuers used for the assessment of investment projects: the rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes criteria relating to respect for trade union rights, the fight against discrimination and the promotion of these social criteria in the value chain.				
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11. Absence of compliance processes and mechanisms to monitor adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises				
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Share of investments in companies that do not have a policy to monitor compliance with the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, or mechanisms for handling complaints or disputes to remedy such violations	2.8%	LBP AM group: 0.31%; indicator coverage: 94.4%	The variation in value appears to be linked in particular to a change in suppliers and methodology, with Clarity simply checking for reference to the OECD principles in the company's documents, while Moody's adopted a more granular approach to the company's policies for each theme of the UNGO/OECD principles.	Exclusion Exclusion of companies that risk causing, contributing to or being linked to a severe impact on human rights, the environment or the principles of good governance and/or that seriously, repeatedly and without remedy violate international standards on human rights, the environment and good governance, and for which LBP AM has assessed that exclusion is the best lever to reduce the risk of ongoing and future violations of standards, including the UNGPs and the OECD Guidelines.
		LBP AM: 0.15%; indicator coverage: 94.25%		
		LFDE: 0.82%; indicator coverage: 94.8%		

PAI regarding private debt	33.4%	11.8%	Eligible assets: 100% of AuM	ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, incorporates criteria relating to the implementation of procedures to ensure respect for trade union rights and to combat discrimination.
Share of investments in companies that do not have a policy to monitor compliance with the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, or mechanisms for handling complaints or disputes to remedy such violations	Coverage of eligible assets: 32%	Coverage of eligible assets: 33%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

12. Unadjusted gender pay gap				
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Unadjusted average gender pay gap within companies benefiting from investments	11.7%	LBP AM group: 9.73%; indicator coverage: 58.42%	Variation: The low coverage rate in 2025 makes it not really useful to look at the variation	ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, incorporates criteria relating to the implementation of procedures to ensure respect for trade union rights and to combat discrimination.
		LBP AM: 9.67%; indicator coverage: 60.36%		
		LFDE: 9.92%; indicator coverage: 53.06%		

PAI regarding private debt	6.9%	38%	Eligible assets: 100% of AuM	ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, incorporates criteria relating to the implementation of procedures to ensure respect for trade union rights and to combat discrimination.
Unadjusted average gender pay gap within companies benefiting from investments	Coverage of eligible assets: 17%	Coverage of eligible assets: 21%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

13. Gender diversity within governance bodies				
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Average ratio of women to men in the governance bodies of the companies concerned, as a percentage of the total number of members	40.2%	LBP AM group: 40.54%; indicator coverage: 96.54%	Shareholder engagement LBP AM participates in the collaborative engagements initiative of the 30% Club France Investor Group, created in November 2020 to promote gender diversity within the governing bodies of the SBF 120. LBP AM is a founding member of the French initiative. The coalition's goal is to encourage companies to promote the inclusion of women in positions of responsibility. Companies are expected to be transparent about the procedures used to find and appoint new members to the management team and to explain how this process ensures diversity within management teams. Companies are also asked to provide information on how diversity is reflected at all levels of responsibility within the company. LBP AM also expects evidence of a culture of commitment to gender diversity.
		LBP AM: 40.65%; indicator coverage: 96.41%	
		LFDE: 40.23%; indicator coverage: 96.89%	

PAI regarding private debt	33.2%	74.3%	Eligible assets: 100% of AuM	ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, was updated in 2022 to include a criterion measuring the ratio of women on the boards of directors of companies benefiting from investments or counterparties.
Average ratio of women to men in the governance bodies of the companies concerned, as a percentage of the total number of members	Coverage of eligible assets: 32%	Coverage of eligible assets: 41%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimate for missing values)	

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical or biological weapons)				
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Share of investments in companies involved in the manufacture or sale of controversial weapons	0%	LBP AM group: 0%; indicator coverage: 100%	No change	Exclusion: exclusion of companies that produce, develop, use, store, market or distribute controversial weapons or essential and dedicated components of such weapons, regardless of the proportion of controversial weapons in the companies' turnover. The identification of controversial weapons is based on the Oslo Convention (or Convention on Cluster Munitions), the Ottawa Treaty (or Convention on the prohibition of Anti-Personnel Mines), the Biological Weapons Convention, the Chemical Weapons Convention, the Nuclear Non-Proliferation Treaty, and Protocols II and IV of the Convention on Certain Conventional Weapons targeting blinding laser weapons and incendiary weapons. This policy aims to ensure zero exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, or biological weapons).
		LBP AM: 0%; indicator coverage: 100%		
		LFDE: 0%; indicator coverage: 100%		

PAI regarding private debt	0%	0%	Eligible assets: 100% of AuM	Exclusion: Application of the exclusion policy specified for listed assets
Share of investments in companies involved in the manufacture or sale of controversial weapons	Coverage of eligible assets: 33%	Coverage of eligible assets: 41%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	

Table 2.1

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
EMISSIONS				
4. Investments in companies that have not taken initiatives to reduce their carbon emissions				
Share of investment in companies that have not taken initiatives to reduce their carbon emissions in order to comply with the Paris Agreement (in%)	30%	LBP AM group: 36.97%	LBP AM group: NetZero-aligned eligible assets under management (SBTI): €22,890,868,703.50	Strategy for achieving carbon neutrality the LBP AM group joined the Net Zero Asset Managers Initiative (NZAMi) in 2021 to align its asset management with a GHG emissions management trajectory compatible with the Paris Agreement's goal of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.". Within this framework, it defined and published an ambitious decarbonization trajectory for its investment portfolios in 2022. This trajectory has been extended to the group's new entities following the acquisition of Financière de l'Échiquier in 2023, which is also a member of the NZAMI. It is currently based on the following milestone for 2030: 80% of total assets under management in line with the 2050 carbon neutrality target Shareholder engagement In line with its transition ambition, the LBP AM group pursues an active engagement policy with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, the LBP AM group encourages companies to: - Formalize robust transition plans that enable the deployment of a transparent and credible transition strategy in order to align their activities and practices over time with a scenario that limits global warming to 1.5°C. - Regularly consult their shareholders on this transition plan and its implementation, in particular through dedicated climate resolutions submitted to a vote at the general meeting, commonly known as "Say-on-Climate" resolutions. These enable shareholders to vote specifically on companies' energy transition strategies and targets, and on their implementation during a financial year. - Assess, reduce, and disclose its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations apply to all sectors and are implemented with particular attention and prioritization in so-called "high-stakes" sectors. They are therefore set out and implemented in two sectoral policies: oil and gas, and coal. In accordance with this policy, the LBP AM group has participated in the Science-Based Targets Campaign, organized by the Carbon Disclosure Project (CDP) and targeting more than a thousand companies with a view to obtaining a commitment from them to transition their activities to the Science-Based Target Initiative. In addition, the LBP AM group actively encourages companies to submit their climate strategies to a shareholder vote, for which it has established specific requirements (Say-on-Climate voting policy). Where necessary, the LBP AM group may also participate in the filing of resolutions. Measurement indicator - ESG integration: the carbon intensity of the fund across all emissions (scopes 1, 2 and 3) is calculated for each fund and made available to managers.
		LBP AM: 34.6%	LBP AM: NetZero-aligned eligible assets under management (SBTI): €16,250,257,962.60	
		LFDE: 44.39%	LFDE: NetZero-aligned eligible assets under management (SBTI): €6,640,610,740.90	
PAI regarding private debt	35%	24%	Eligible assets: 100% of AuM	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets Investments in real and private assets are integrated into the carbon neutrality strategy mentioned above. ESG rating of issuers used to assess investment projects: the rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes a criterion relating to initiatives implemented to measure and reduce their carbon emissions.
Investment share in companies that have not taken initiatives to reduce their carbon emissions in order to comply with the Paris Agreement (in%)	Coverage of eligible assets: 32%	Coverage of eligible assets: 42%	The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	
WATER, WASTE AND OTHER MATERIALS				
7. Investments in companies without a water management policy				
Share of investments in companies without a water management policy		4.45%	Coverage of eligible assets: 94.87% This indicator has been monitored since fiscal year 2024	Shareholder engagement: As dependence on water resources is one of the most significant dependencies, the LBP AM group engages companies in the sectors most dependent on this natural resource to encourage them to measure and manage their water footprints, map production sites to identify those located in areas of water stress, and set targets for reducing water use. ESG rating of issuers used for portfolio selection: the rating assigned to issuers based on the proprietary GREaT analysis methodology includes a criterion relating to water consumption linked to their activities, water stress in their area of activity, and their policies for managing water-related risks and opportunities.
15. DEFORESTATION				
Share of investments in companies without a policy to combat deforestation		51.85%	Coverage of eligible assets: 94.17% This indicator has been monitored since fiscal year 2024 The indicator has a high value because it does not adjust companies for which deforestation is not material and which therefore do not have a policy to combat deforestation. LBP AM wishes to explore the possibility of distinguishing companies for which the issue is material for the next financial year.	Exclusion: Exclusions of producers and traders of agricultural commodities at risk of deforestation (according to the EUDR) and which have not put in place sufficient measures to prevent this negative impact, in particular through the presence of a credible anti-deforestation policy. Shareholder engagement: in accordance with its policy to combat deforestation, the LBP AM group engages certain companies at risk for which engagement has been deemed more appropriate than exclusion in order to encourage them to implement a zero deforestation and land conversion policy by 2030.

Table 3.1

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
SOCIAL AND PERSONNEL ISSUES				
4. no code of conduct for suppliers				
Share of investment in companies without a supplier code of conduct (combating hazardous working conditions, precarious work, child labor, and forced labor) expressed as a percentage	7.7% Coverage of eligible assets: 35%	17.7% Coverage of eligible assets: 41%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	ESG rating of issuers used for the assessment of investment projects: The rating assigned to issuers based on the proprietary GREaT analysis methodology, tailored to the specific characteristics of the asset classes in question, includes a criterion relating to the implementation of a policy aimed at promoting good environmental and social practices among their suppliers.
HUMAN RIGHTS				
10. Lack of due diligence				
Proportion of investments in entities that do not have a due diligence process in place to identify, prevent, mitigate and address adverse impacts on human rights		8.59%	Coverage of eligible assets: 66.78% This indicator has been monitored since fiscal year 2024	Exclusion: exclusion of companies that risk causing, contributing to or being linked to a severe impact on human rights, the environment or the principles of good governance and/or that seriously, repeatedly and without remedy violate international standards on human rights, the environment and good governance, and for which LBP AM has assessed that exclusion is the best lever to reduce the risk of ongoing and future violations of standards, including the UNGPs and the OECD Guidelines. Shareholder engagement: engagement policy targeting as a priority 1) companies with a serious impact or risk of seriously impacting human rights or the environment, 2) companies exposed to risks identified as salient at the LBP AM group level, 3) strengthening human rights and environmental due diligence within companies, taking into account LBP AM's equity holdings and the weight these companies represent in the group's total investments. These engagements, which may be bilateral or collective, aim to strengthen companies' practices in terms of due diligence and respect for human rights. The LBP AM group's expectations are based on the following elements, tailored to the specific issues facing the company: the implementation of human rights due diligence in accordance with the expectations of the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises; the identification, prevention, mitigation and remediation of salient risks specific to the sector in which the company operates; the remediation of negative impacts; and consultation with stakeholders and persons affected by the company's activities or their legitimate representatives. ESG rating of issuers used for portfolio selection: the rating assigned to issuers based on the proprietary GREaT analysis methodology incorporates a number of indicators relating to the implementation of due diligence, including the existence of a human rights policy within the company, including an explicit commitment to the UNGPs and the OECD Guidelines, the existence and implementation of a due diligence policy in supply chains...

Table 1.2

Indicators Applicable to Investments in Sovereign and Supranational Issuers

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned, and targets set for the next reporting period
ENVIRONMENT				
15. GHG intensity				
GHG intensity of investment countries in tons of CO ₂ equivalents per million euros of gross domestic product	Relative to total outstanding amount: 25.8 tCO ₂ e/M€ GDP	LBP AM group: 328.6 t/M€ GDP	LBP AM group: Eligible assets under management: 5.43% of total assets under management; coverage of eligible assets under management: 100%	For financial products managed by the LBP AM group, the ESG rating assigned to each country in the portfolio includes criteria assessing the country's policies and practices adopted and implemented to mitigate global warming. The country's mitigation practices take into account its ability to stabilize greenhouse gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system, in accordance with the long-term goal set by the Paris Agreement on limiting temperature rise. These criteria include a GDP CO ₂ intensity indicator. For financial products whose management is delegated to Ostrum Asset Management, the delegate measures the GHG intensity of its investments in sovereign issuers.
	Relative to eligible outstanding loans: 243 tCO ₂ e/M€ GDP	LBP AM: 329.03 t/M€ GDP	LBP AM: Eligible assets under management: 7.07% of total assets under management; eligible assets under management coverage: 100%	
		LFDE: 297.3 t/M€ GDP	LFDE: Eligible assets: 0.31% of total assets; eligible assets under management coverage: 100%	
SOCIAL				
16. Countries of investment with social violations				
Number of investment countries with social violations as defined by international treaties and conventions, United Nations principles or, where applicable, national law	0	LBP AM group: 0 LBP AM: 0 LFDE: 0	Eligible outstanding coverage: 100%	For financial products managed by LBP AM group, the ESG rating assigned to each country in the portfolio includes criteria assessing the extent to which a country's laws and practices ensure respect for and protection of fundamental human rights. More specifically, these criteria assess whether a country's laws and practices ensure respect for the right to life, privacy and physical integrity of individuals, civil liberties, fundamental workers' rights, and the principles of non-discrimination and combating violence against women and members of the LGBTQI+ community. For financial products whose management is delegated to Ostrum Asset Management, the delegate excludes issuers for which there are proven serious controversies with the principles upheld by commonly established international standards (United Nations, OECD), seriously affecting: Human Rights, Labor Rights, Environmental Preservation, and Business Ethics. Through a dedicated committee, identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but under surveillance).
Proportion of the total number of countries benefiting from investments that violate social standards as defined by international treaties and conventions, United Nations principles or, where applicable, national law	0%	LBP AM group: 0% LBP AM: 0% LFDE: 0%	Eligible outstanding coverage: 100%	For financial products managed by LBP AM group, the ESG rating assigned to each country in the portfolio includes criteria assessing the extent to which a country's laws and practices ensure respect for and protection of fundamental human rights. More specifically, these criteria assess whether a country's laws and practices ensure respect for the right to life, privacy and physical integrity of individuals, civil liberties, fundamental workers' rights, and the principles of non-discrimination and combating violence against women and members of the LGBTQI+ community. For financial products whose management is delegated to Ostrum Asset Management, the delegate excludes issuers for which there are proven serious controversies with the principles upheld by commonly established international standards (United Nations, OECD), seriously affecting: Human Rights, Labor Rights, Environmental Preservation, and Business Ethics. Through a dedicated committee, identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but under surveillance).

Table 1.3

Indicators Applicable to Investments in Real Estate Assets

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
FOSSIL FUELS				
17. Exposure to fossil fuels via real estate assets				
PAI regarding private debt Share of investment in real estate assets used for the extraction, storage, transport or production of fossil fuels	0% Coverage of eligible assets: 100%	0% Coverage of eligible assets: 100%	Eligible assets: 100% of AuM The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	LBP AM has no exposure to fossil fuels in its existing real estate assets, and the oil and gas policy will prevent any new investments.
ENERGY EFFICIENCY				
18. Exposure to energy-inefficient real estate assets				
PAI regarding private debt	15.25% Coverage on eligible assets: 26%	18.6% Coverage of eligible assets: 40%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	An Energy Performance Diagnosis (EPD) is systematically carried out for investments in France. For other investment countries (Europe), LBP AM encourages the completion of such assessments. In France, an asset with an EPC rating lower than C is

Table 2.3

Climate indicators and other environmental indicators	Impact 2023	Impact 2024	Explanation	Measures taken, measures planned and targets set for the next reporting period
GREENHOUSE GAS EMISSIONS				
18. GHG emissions				
PAI regarding private debt Level 1 GHG emissions generated by real estate assets in tons of CO₂	1,195,833 tCO₂e Coverage of eligible assets: 19%	327 tCO₂e Coverage of eligible assets: 29%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets: investments in real and private assets are integrated into the carbon neutrality strategy mentioned above, for assets that are methodologically eligible. Shareholder engagement: the engagement policy specified for listed assets is tailored to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts. ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes a criterion relating to initiatives implemented to measure and reduce their carbon emissions
PAI regarding private debt Level 2 GHG emissions generated by real estate assets in tons of CO₂	324,837 tCO₂e Coverage of eligible assets: 19%	1,306 tCO₂e Coverage of eligible assets: 31%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets investments in real and private assets are integrated into the carbon neutrality strategy mentioned above, for assets that are methodologically eligible. Shareholder engagement the engagement policy specified for listed assets is tailored to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts. ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes a criterion relating to initiatives implemented to measure and reduce their carbon emissions
PAI regarding private debt Level 3 GHG emissions generated by real estate assets in tons of CO₂ equivalents	10,662 tCO₂e Coverage of eligible assets: 19%	22,027 tCO₂e Coverage of eligible assets: 22%	Eligible assets: 100% of AuM The method for calculating PAI changed in 2024, making the data incomparable with that of 2023. New controls have been added to improve quality and detect data entry errors* The value presented is calculated on eligible assets covered only (i. e. no estimates are made for missing values)	Strategy to achieve carbon neutrality and reduce the LBP AM group's exposure to high-carbon assets investments in real and private assets are integrated into the carbon neutrality strategy mentioned above, for assets that are methodologically eligible. Shareholder engagement the engagement policy specified for listed assets is tailored to take into account the specific characteristics of these asset classes. The private debt management teams engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues. For certain investments currently being deployed, LBP AM is negotiating the inclusion of indicators relating to the measurement and reduction of carbon footprints covering all three scopes of CO₂ emissions. This will enable LBP AM to support data collection and encourage counterparties to reduce their negative carbon impacts. ESG rating of issuers used to assess investment projects The rating assigned to issuers based on the proprietary GREaT analysis methodology, adapted to the specific characteristics of the asset classes in question, includes a criterion relating to initiatives implemented to measure and reduce their carbon emissions
Total GHG emissions generated by real estate assets in tons of CO₂	1,531,332 tCO₂e	23,811 tCO₂e		Sum of the above 3

4.2.4 Description of Policies to Identify and Prioritize the Main Negative Impacts on Sustainability Factors

The identification, prioritization, and management of the main negative impacts on sustainability factors are based on a set of complementary tools, policies, and procedures.

This is carried out in particular within the LBP AM group's cross-functional policies designed to address each sustainability issue in a holistic manner, defining the treatment to be applied in terms of exclusion, selection, engagement and voting rules. These policies are developed jointly by SRI experts and the management and research teams. The GREaT committee, composed of the heads of the management and analysis teams, SRI Solutions and the risk management department, supervises its proper application by the various teams concerned.

LBP AM thus has policies on the following topics, which are available on the LBP AM websites:

- Thermal coal
- Oil and gas,
- Biodiversity,
- Human rights.

These policies are broken down into exclusion, voting and shareholder engagement policies that are applied across the entire LBP AM organization and impact the stock selection strategies.

A more detailed description of how these policies are applied to manage the negative impact of investment decisions on sustainability factors is available in the table of indicators above, in the column "Measures taken, measures planned and targets set for

the next reporting period."

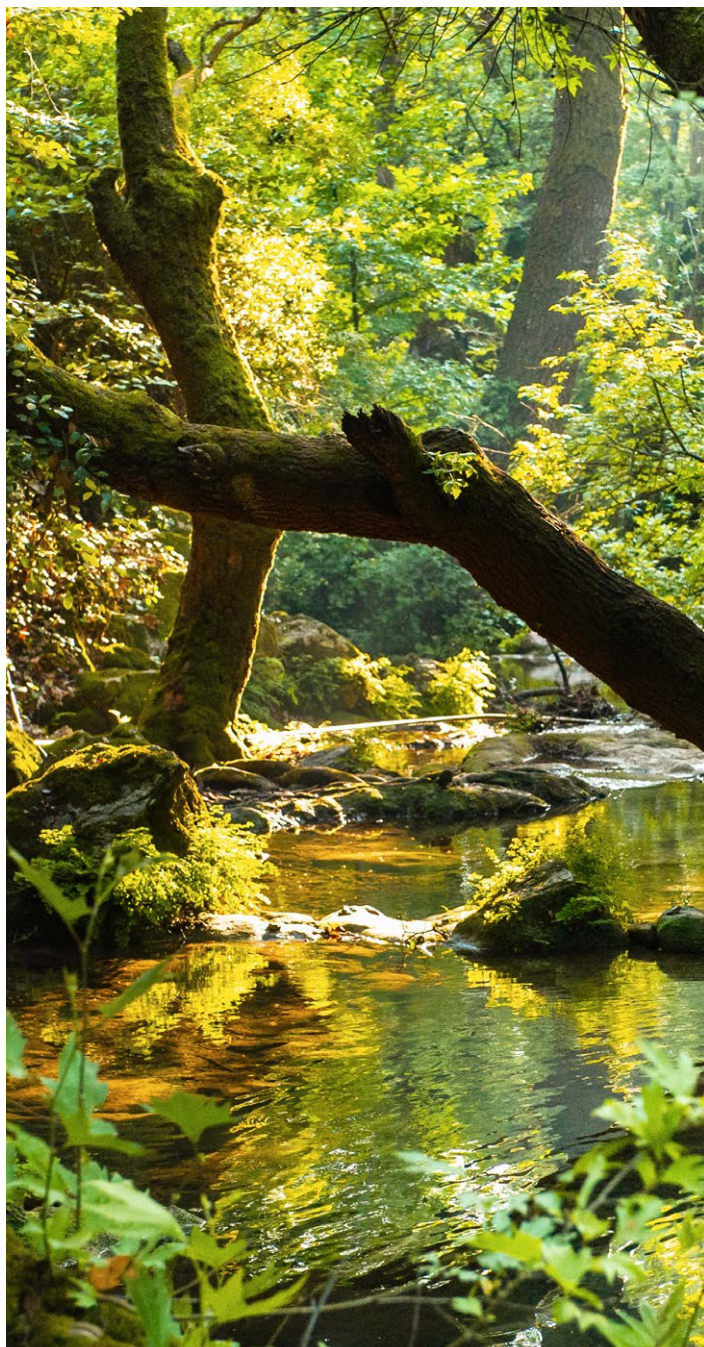
Voting and shareholder engagement reports are available on the LBP AM website.

For certain issues such as controversial weapons, tobacco and gambling, LBP AM believes that only exclusion policies can limit the negative impacts associated with potential investments in these sectors. These policies are available on the websites of LBP AM's management companies.

This approach covers a wide range of relative negative impacts:

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

It should be noted that this approach is not intended to establish specific criteria for which quantitative targets on each sustainability theme would be set ex ante. In terms of portfolio selection and construction, it aims rather to provide managers with information on the overall ESG performance of companies, summarized in a rating defined according to the systematic quantitative AGIR algorithm, which can be supplemented qualitatively, with a view to complying with the portfolio exclusion or rating improvement



criteria set by the French SRI label. As a result, companies with significant negative impacts will tend to be excluded or underweighted in labeled portfolios. The AGIR systematic quantitative analysis framework is not applied to real assets and private debt in the Infrastructure, Real Estate and Corporate sectors. It is impossible to apply the selection rules set out in the SRI label to these assets, as investments are made in a targeted manner on specific projects rather than from a broad universe of issuers. However, the philosophy behind the GREaT methodology has been transposed to these asset classes, and ESG analysis is given the same weight as risk and compliance analysis by the Investment Committee. Therefore, the PAIs mentioned above are also taken into account in investment decisions

LFDE has adopted cross-functional policies, applied by the LBP AM group, designed to address each sustainability issue in a holistic manner, defining the treatment to be applied in terms of exclusion, selection, engagement and voting rules. These policies are developed jointly by SRI experts and the management and research teams. LFDE's policies address the following issues, which were last updated in May 2025:

- Thermal coal,
- Oil and gas,
- Biodiversity, also covering the negative impacts of pollution and waste,
- Compliance with fundamental ethical standards.

These policies are available on LFDE's

websites. These policies are implemented through exclusion, voting and shareholder engagement policies applied across the entire LFDE and impact the securities selection strategies. A more detailed description of how these policies are applied to manage the negative impact of investment decisions on sustainability factors is available in the table of indicators above, in the column "Measures taken, measures planned and targets set for the next reporting period." The policies, as well as voting and shareholder engagement reports, are available on the LFDE website. For certain issues such as controversial weapons, tobacco and gambling, LFDE believes that only exclusion policies can limit the negative impacts associated with potential investments in these sectors. These policies are available on the websites of LFDE's management companies. This approach covers a wide range of relative negative impacts:

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



For certain issues such as controversial weapons, tobacco and gambling, LBP AM and LFDE believe that only exclusion policies can limit the negative impacts of potential investments in these sectors.

4.2.5 Engagement Policy

The LBP AM group has made a strategic choice to actively engage with the companies it supports financially through their investment decisions, in order to encourage them to pursue continuous progress in managing sustainable development issues.

The LBP AM group's engagement policy

covers a wide range of sustainability issues, thereby contributing to efforts to reduce negative impacts on the climate and the environment (including issues relating to biodiversity, pollution and waste), on fundamental human rights and on good corporate governance.

The main objectives, scope, and usual procedures for implementing commitments are formalized in the global engagements policy, supplemented by ESG thematic policies, which specify and detail the technical expectations for specific issues and sectors. These various policies are available on the websites of the LBP AM group companies.

The LBP AM group's engagement policy applies to the management companies LBP AM and LFDE. As such, all companies invested in the LBP AM group's portfolios are likely to be engaged on ESG issues. All engagement activities are carried out on behalf of the LBP AM group for its individual and professional clients.

The identification of companies to be engaged takes into account several factors:

- The weight of the LBP AM group in the

company's capital, which partly determines its influence;

- The weight of the investment in the company for the LBP AM group, which determines its level of exposure to the negative impacts of companies;
- The degree of salience and materiality of an ESG controversy or risk of critical impact on people or the environment;
- The importance of the engagement theme in relation to the company's business sector (concept of sector at risk/risk in relation to an issue);
- Opportunities for engagement that may arise through market initiatives.

With regard to securities, engagements are made in respect of both equity and bond holdings in companies, for all holdings. The engagement policy may also cover real and private assets, tailored to take into account the specific characteristics of these asset classes. The private debt management teams (corporate, infrastructure and real estate) engage with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan agreements to encourage borrowers to improve their practices on the most material environmental and social issues.

In order to implement engagement and dialogue practices, the various teams involved (analysts, portfolio managers and SRI experts) regularly communicate with the management and/or specialist teams of the companies in which the LBP AM group invests. These exchanges take two forms, which are

sometimes combined: bilateral engagement and collaborative engagement.

When dialogue is unsuccessful, the LBP AM group may use additional "escalation" tools. These escalation levers fall into three categories:

- Enhanced dialogue: sending a letter to the company, changing to a higher-level contact, collaborating with other investors or market initiatives, and submitting a reasoned opposition to resolutions submitted by the board at the general meeting.
- Public actions at general meetings: pre-announcement of voting intentions on a resolution at a general meeting, submission of written or oral questions at the general meeting, inclusion of items on the agenda, tabling of resolutions at the general meeting;
- Internal management levers: downgrading of the ESG rating of the security, reduction of the position in the portfolio, placing under surveillance corresponding to a ban on new investments and divestment when the engagement results in a finding of failure (lack of satisfactory corrective action, limited openness to dialogue, etc.)

A more detailed description of how the engagement policy is applied to manage the negative impacts of investment decisions on sustainability factors is available in the table of indicators above, in the column "Measures taken, measures planned and targets set for the next reporting period."

*Access to the various policies mentioned above: LBP AM in the "News" section — "Publications & Reports" - <https://www.lbpam.com/fr/publications/publications-rapports>

LFDE's engagement policy covers a wide range of sustainability issues, thereby contributing to efforts to reduce negative impacts on the climate and the environment (including issues relating to biodiversity, pollution, and waste), on fundamental human rights, and on good corporate governance.

The main objectives, scope, and usual procedures for implementing engagements are formalized in the global engagement policy, supplemented by ESG thematic policies, which specify and detail the technical expectations for specific issues and sectors. These various policies are available on the websites of LFDE companies⁷. All companies invested in LFDE's portfolios are likely to be committed to ESG issues. All engagement activities are carried out on behalf of LFDE for its individual and professional clients. The identification of companies to be engaged takes into account several factors:

- LFDE's weight in the company's capital, which partly determines its power of influence;
- The weight that the investment in the company represents for LFDE, which determines its level of exposure to the negative impacts of companies;
- The degree of importance and materiality of an ESG controversy;
- The importance of the engagement theme in relation to the company's business sector (concept of sector at risk/risk in relation to an issue);
- Opportunities for engagement that may arise through market initiatives.

With regard to securities, engagements are made in respect of both equity and bond holdings in companies, for all holdings.



In order to implement engagement and dialogue practices, the various teams involved (analysts, managers, and SRI experts) regularly communicate with the management and/or specialized teams of the companies in which LFDE invests. These exchanges take two forms, which are sometimes combined: bilateral engagement and collaborative engagement.

When dialogue does not bear fruit, LFDE may use additional tools known as "escalation" tools. These escalation levers fall into three categories:

- Enhanced dialogue: sending letters to the company, collaborating with other investors or market initiatives, expressing reasoned opposition to resolutions submitted by the board at the general meeting;
- Public actions at general meetings: Pre-announcement of voting intentions on a

resolution at a general meeting, submission of written or oral questions at the general meeting, tabling of a resolution at the general meeting;

- Internal management levers: downgrading of the ESG rating of the security, reduction of the position in the portfolio, placing under surveillance corresponding to a ban on new investments and divestment when the engagement results in a failure (lack of satisfactory corrective action, limited openness to dialogue, etc.)

A more detailed description of how the engagement policy is applied to manage the negative impacts of investment decisions on sustainability factors is available in the table of indicators above, in the column "Measures taken, measures planned and targets set for the next reporting period."

4.2.6 References to International Standards

LBP AM attaches great importance to international standards in defining its thematic policies, which enable it to take into account the negative impacts of its investment decisions on sustainability factors.

With regard to climate change impacts, LBP AM aims to align itself with a 1.5°C trajectory, using the IPCC's P2 scenario established in 2018 as a reference. LBP AM has therefore committed to achieving carbon neutrality for its portfolios by 2050, with an interim target of 80% of assets under management aligned with "net zero" as defined by the Science Based Target initiative ("SBTi") by 2030 as part of the Net Zero Asset Managers Initiative. This scenario will require a profound transformation of society and a significant reduction in anthropogenic CO₂ emissions over the coming decades. Global net CO₂ emissions must therefore fall by around 45% in 2030 compared to 2010, and be zero by 2050, limiting the use of carbon capture and storage technologies. In order to achieve its ambitions, LBP AM has adopted more specific policies on coal, oil and gas, based on the International Energy Agency's NetZero2050 scenario. These various elements, presented in the previous sections, contribute directly to the management of almost all of the negative impacts measured by the GHG emission indicators mentioned in the table above, and more indirectly to indicator 5. relating to the share of non-renewable energy consumption and production. The engagement actions carried out with companies aim in particular to publish a transition plan as recommended by the GFANZ based on an analysis of all market practices, the implementation of reporting in accordance with the Task Force

on Climate-related Financial Disclosures (TCFD) framework, and the alignment of these elements with future CSRD standards and the new version of the OECD Guidelines for Multinational Enterprises.

With regard to biodiversity, the biodiversity policy mentioned in the previous sections is aligned with the draft Global Biodiversity Framework for the post-2020 period established in July 2021 by the United Nations Convention on Biological Diversity (UN CBD), which resulted in the Kunming-Montreal Global Biodiversity Framework in December 2022. LBP AM's policy is also part of the Finance For Biodiversity Pledge, of which LBP AM is a member, and the actions taken with companies are aimed in particular at rolling out reporting in line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework and compliance with future CSRD standards. The various actions resulting from this, as detailed in the previous sections, contribute to the management of the negative impacts measured by indicator 7 relating to activities that have a negative impact on biodiversity-sensitive areas in the table above.

With regard to human rights, LBP AM has defined its policy in line with the OECD Guidelines for Multinational Enterprises (the "Guidelines"), the United Nations Guiding Principles on Business and Human Rights (the "UNGPs") and the ten principles of the United Nations Global Compact (the "UNGC"). The integration of these various standards into management, voting and engagement policies is detailed in the previous sections and contributes to the management of



negative impacts measured by indicators 10 and 11 relating to violations of the principles of the United Nations Global Compact and the OECD Guidelines and the absence of compliance processes and mechanisms to monitor adherence to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Finally, LBP AM exercises due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This is a fundamental requirement and focus of analysis for the companies in which LBP AM invests.

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

The LBP AM group attaches great importance to international standards in defining its thematic policies, which enable it to take into account the negative impacts of its investment decisions on sustainability factors.

With regard to impacts on climate change, LFDE aims to align itself with a 1.5°C trajectory based on the IPCC's P2 scenario established in 2018. It has therefore committed, within the LBP AM group,

to achieving carbon neutrality for its portfolios by 2050, with an interim target of 80% of assets under management aligned with "net zero" as defined by the Science Based Target initiative ("SBTi") by 2030, as part of the Net Zero Asset Managers Alliance. This scenario will require a profound transformation of society and a significant reduction in anthropogenic CO₂ emissions over the coming decades. Global net CO₂ emissions must therefore fall by around 45% in 2030 compared to 2010, and be zero by 2050, limiting the use of carbon capture and storage technologies. To achieve its ambitions, LFDE has adopted more specific policies on coal, oil and gas, based on the International Energy Agency's NetZeroBy2050 scenario. These various elements, presented in the previous sections, contribute directly to the management of almost all of the negative impacts measured by the GHG emission indicators mentioned in the table above, and more indirectly to indicator 5. relating to the share of non-renewable energy consumption and production. The engagement actions carried out with companies aim in particular to publish a transition plan as recommended by the GFANZ based on an analysis of all market practices, the implementation of reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the alignment of these elements with future CSRD standards and the new version of the OECD Guidelines for Multinational Enterprises.

With regard to biodiversity, the biodiversity policy mentioned in the previous sections is aligned with the draft Global Biodiversity Framework for the post-2020 period established in July 2021 by the United Nations Convention on Biological Diversity (UN CBD), which culminated in the Kunming-Montreal Global Biodiversity Framework in December 2022. The LBP AM group's policy is also in line with the Finance for Biodiversity Pledge, and the actions

taken to engage with companies are aimed in particular at rolling out reporting in accordance with the Task Force on Nature-related Financial Disclosures (TNFD) framework and ensuring compliance with future CSRD standards. The various actions resulting from this, as detailed in the previous sections, contribute to the management of the negative impacts measured by indicator 7 relating to activities that have a negative impact on biodiversity-sensitive areas in the table above.

With regard to human rights, LBP AM - LFDE has defined its policy in line with the OECD Guidelines for Multinational Enterprises (the "Guidelines"), the United Nations Guiding Principles on Business and Human Rights (the "UNGPs") and the ten principles of the United Nations Global Compact (the "UNGC"). The integration of these various standards into management, voting and engagement policies is detailed in the previous sections and helps to manage the negative impacts measured by indicators 10 and 11 relating to violations of the principles of the United Nations Global Compact and the OECD Guidelines and the absence of compliance processes and mechanisms to

monitor adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. LFDE implements due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This is a fundamental requirement and focus of analysis for the companies in which LFDE invests.

Finally, with regard to the arms sector, LFDE has defined its exclusion policy in line with the Oslo Convention (or Convention on Cluster Munitions), the Ottawa Treaty (or Convention on the Prohibition of Anti-personnel Mines), the Biological Weapons Convention, the Chemical Weapons Convention, the Nuclear Non-Proliferation Treaty, and Protocols II and IV of the Convention on Certain Conventional Weapons targeting blinding laser weapons and incendiary weapons. This policy aims to ensure zero exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, or biological weapons), as measured by indicator 14 in the table above.



The LBP AM group attaches great importance to international standards in defining its thematic policies, which enable it to take into account the negative impacts of its investment decisions on sustainability factors.

4.3 To Find Out More

4.3.1 Glossary

AIE

International Energy Agency

AFNOR

French Standardization Association

AIM/CGE

Asia-Pacific Integrated Model/ Computable General Equilibrium

ARTICLE 29 LEC

Article of the Energy and Climate Law defining the information to be published by market participants on the consideration of environmental, social and governance criteria in their investment policies and on the means implemented to contribute to the energy and ecological transition.

BIA-GBS

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

COFRAC

Parapublic body that ensures the quality of certifiers.

DCCI

Compliance and Internal Control Department.

DNSH

Do No Significant Harm, a principle at the heart of European financial regulation that consists of not causing any harm to the six European environmental objectives.

EFRA

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

ESG

Environmental, social, and governance.

IPCC

Intergovernmental Panel on Climate Change.

GREAT

G-Responsible governance, R-Sustainable management of natural and human resources, E-Energy and economic transition, T-Territorial development.

SRI

Socially responsible investment. LBP AM La Banque Postale Asset Management.

LFDE

La Financière de l'Échiquier

OPC

Collective investment undertakings.

PORTFOLIO COVERAGE

Method for steering the alignment of financial portfolios with the Paris Agreement objective, standardized by the SBTi initiative, whereby financial actors define commitment targets with their issuers and counterparties so that 100% of the companies in their portfolios have validated SBT targets by 2040, according to a linear progression.

SBTI

Science Based Targets initiative, an international partnership of specialized actors that enables companies to commit to setting clear and transparent targets for reducing their carbon footprint, based on a "climate science-based" framework, and to have their compliance with this framework validated.

SFRD

Sustainable Finance Disclosure Regulation, a European regulation setting standards for the disclosure of sustainability-related information by funds, asset management companies, and credit institutions.

Taxonomy

European regulation establishing a classification and reporting system for economic activities using scientific criteria to help investors recognize sustainable activities, i.e., those contributing to one of the EU's six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and reduction, transition to a circular economy, protection and restoration of biodiversity and ecosystems) without harming any other.

TFSA

Tocqueville Finance SA

TNFD

Task Force on Nature Financial Disclosure, a voluntary initiative developing financial reporting standards related to biodiversity

4.3.2 Publications and Communications Relating to LBP AM – LFDE's SRI Initiatives

TYPE OF DOCUMENT	SOURCE	PUBLICATION FORMAT
Transparency code by management process/fund	LBP AM websites, Publications section and LFDE, “ESG approaches and methodologies” section	Annual
Energy and Climate Law Report	LBP AM and LFDE websites, Publications section	Annual
Voting policy	LBP AM website, Publications section	Annual
SRI engagement policy	LBP AM and LFDE websites, Publications section	Ad hoc
SRI engagement report	LBP AM website, Publications section	Annual
Exclusion policy	LBP AM website, Publications section	Ad hoc
Coal policy	LBP AM and LFDE websites, Publications section	Ad hoc
Oil & Gas Policy	LBP AM and LFDE websites, Publications section	Ad hoc
Biodiversity Policy	LBP AM and LFDE websites, Publications section	Ad hoc
Human rights policy	LBP AM and LFDE websites, Publications section	Ad hoc
Remuneration Policy	LBP AM and LFDE websites, Publications section	Ad hoc
Sustainability Risk Policy	LBP AM and LFDE websites, Publications section	Ad hoc
Conflict of interest management policy	LBP AM and LFDE websites, Publications section	Annual
SRI reporting by fund	LBP AM and LFDE websites, Our Funds section	Monthly
Fund inventory	LBP AM and LFDE websites, Our Funds section	Quarterly
Responsible purchasing policy	LBP AM and LFDE websites, Publications section	Ad hoc
Glossary	LBP AM website, Publications section	Ad hoc

Responsible Investment Report 2024

REPORT PREPARED IN COMPLIANCE
WITH THE ENERGY AND CLIMATE LAW

LBPAM 

