2023

RESPONSIBLE INVESTMENT REPORT

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

LBPAM | TOCQUEVILLE Finance

TABLE OF CONTENTS

Our undertakings as a responsible investor

Our responsible investment initiatives

A close-up on the environment

Keys for greater understanding

Editorial

Emmanuelle Mourey
Chair of the Management Board, LBP AM

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After a 2022 financial year in which we established the transversal climate and biodiversity environmental ambition of our asset management companies, LBP AM and Tocqueville Finance, 2023 was devoted to rolling it out and to formulating our common policy on social issues.

In climate, **we continued the technical work on our tools and data, with the goal of moving towards our ambitious target of aligning 80% of our total assets under management (AuM) with a decarbonation target** that is compatible with the objectives of the Paris Agreement as early as 2030. We continued to engage with companies in which we are shareholders to encourage them to develop robust transition plans, and we undertook advocacy to have these plans properly integrated into regulatory corporate disclosure requirements, as well as in standards defining what now constitutes “responsible finance”.

In biodiversity **we deployed our new exclusion and engagement policies and set up new clear and ambitious shareholder expectations** for the management of underlying challenges such as water, the circular economy, deforestation and pesticides, as well as a pesticide exclusion policy. We also developed a new indicator for evaluating the quality of companies’ management of their impacts on biodiversity.

On an equal footing with climate and biodiversity, protection of human rights is of fundamental and universal importance. As an asset manager, we have taken an innovative, holistic approach in this area, given the retroaction links that exist between environmental and human issues. One example of this is the impact of forever chemicals on the right to good health.

Lastly, **we expressed our commitment to respecting human rights in laying out our first Human Rights Policy**, based on key international standards. It transparently explains how we deploy them throughout our investment strategies through research, selection, engagement and exclusion tools. For this purpose, we conducted numerous enhanced due diligence initiatives and engagements on human rights issues in our portfolios.

2023 was also a year for strengthening the regulatory framework and market standards on a European and national scale. We believe that an ambitious, clear and consistent foundation is necessary in this area and have accordingly responded to numerous consultations on developments with respect to the French sustainable finance labels, as well as European sustainable finance regulations. To back all of these efforts, LBP AM also strived to evaluate how our integration of environmental, social and governance issues has influenced our funds’ financial performance. Our initiatives, tools and funds have won several prizes, including the Sustainable Finance Prize at the Grands Prix de l’Agefi 2023 and the Digital Innovation Prize awarded by Funds – Option Finance.

Lastly, we opened a new chapter of growth in 2023, in closing the acquisition of La Financière de l’Echiquier. Out of the deal emerged a European leader in multi-specialist conviction-based management. In 2024, we are hard at work on capitalising on our teams’ complementary know-how in sustainability, in order to develop innovative and high-quality services for our clients.

This report explains our responsible investor approach to fulfilling our ambition of deriving greater value from financial, natural and human capital and supporting our clients’ sustainable transitions. PRESENTATION of LBP AM GROUP.

Presentation of the LBP AM Group

LBP AM Group is now held

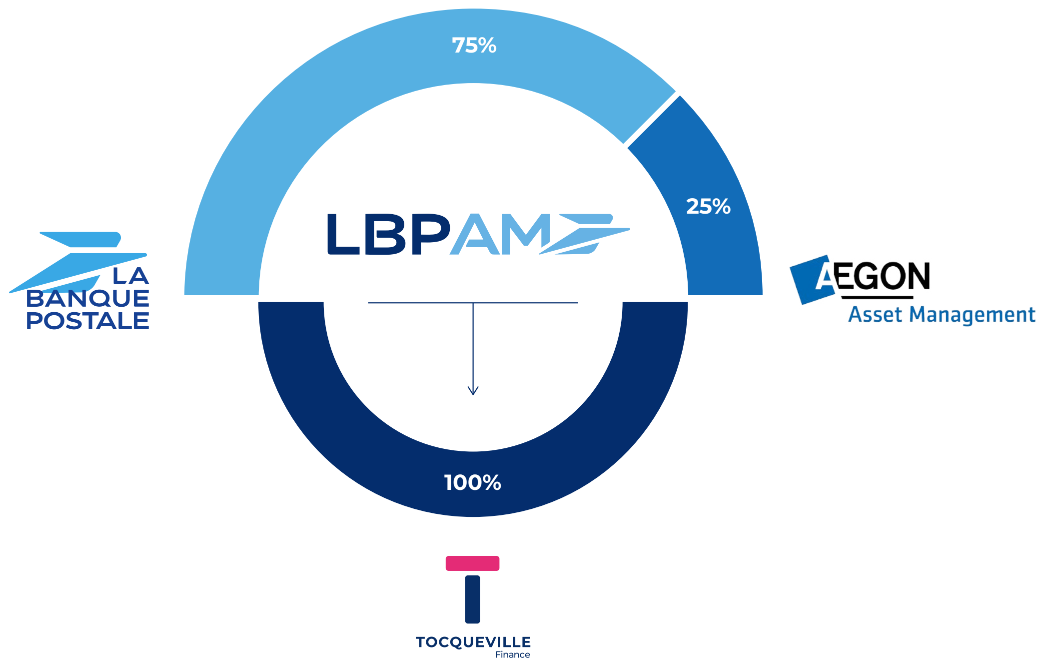
75 %
by La Banque Postale and

25 %
by Aegon Asset Management.

LBP AM's acquisition of LFDE — one of France's top entrepreneurial portfolio management companies — closed in July 2023, giving rise to a key player in conviction-based asset management in France and elsewhere in Europe. As of 31 December 2023, LBP AM Group's consolidated assets under management and distribution came to 67.8 billion euros (perimeter: LBP AM, Tocqueville Finance (TFSA) and La Financière de l'Echiquier (LFDE)).

Because work on integrating LFDE was under way in 2023, this report only covers the LBP AM and TFSA perimeter. LFDE published its own CSR report for 2023.

A SOLID SHAREHOLDER AND PARTNERSHIP ECOSYSTEM



Our Asset management capabilities

As a multi-specialist and pioneering conviction-based SRI manager, LBP AM Group is organised around four investment divisions:

LBP AM Group: **a 100% SRI (ISR) labelled fund range**

Tocqueville Finance Equities

- Conviction-based asset management in European and thematic equities
- In-depth knowledge of euro zone and European companies

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

Real & Private Assets

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

Infrastructure, Real Estate, and SME Corporate Private Debt • Dutch Mortgages

Multi-Asset & Absolute Return

- Multiple capabilities for adjusting investment objectives and risk profiles
- Long-standing skills in constructing dedicated solutions

Dynamic Allocation • International Equities

Quantitative Solutions

- An international, comprehensive smart beta range that is ISR [SRI] labelled
- Structured management to diversify assets with bespoke objectives

Smart Beta • Structured Management

This report presents LBP AM and Tocqueville Finance's responsible investment policy, its developments, management and implementation, based on the disclosure requirements stipulated in the French Energy and Climate Act (LEC).

Section 4.4 recaps the link between the contents of this assessment and the application criteria of LEC Article 29, as well as of the recommendations of the Taskforce on Climate-related Financial Disclosures.

Our 2023 highlights

1

Laying out our ambition to protect human rights

In December 2023, LBP AM unveiled its Human Rights Policy as part of its responsible investment approach. Based on international principles and standards (UNGP, OECD Guidelines, and the International Bill of Human Rights and the ILO's Fundamental Conventions), the Human Rights Policy reflects LBP AM Group's commitment to respecting internationally recognised human rights in its investment activities. This engagement is based, in turn, on a mapping of portfolio risks and the implementing of due diligence that complies with the United Nations Guiding Principles on Business and Human Rights (UNGP), to prevent and mitigate the risks of adverse impacts on human rights arising from investment activities. Several relevant risks were subject to heightened diligence and risk management actions during the financial year.

To find out more

Human Rights Policy

2

Our active participation in discussions on the ISR [SRI] label developments

LBP AM Group took active part in discussions on the evolution of the French government label for SRI funds by publishing proposals for developing the label's ambition to the attention of updating committee. He took part in a working group set up by the latter to propose criteria for requirements on monitoring controversies and on engagement. After the committee's draft specifications were released, LBP AM Group pursued its engagement by submitting its more technical proposals to public authorities, directly and via the Forum pour l'Investissement Responsable (FIR) and the French Asset Management Association (AFG).

To find out more

Specifications for the new SRI label

3

A systematic integration of biodiversity preservation in our investment policy

LBP AM - TFSA implemented its commitment to systematically integrate preservation of biodiversity in its investment practices, in accordance with its policy. In parallel, it continued to develop this policy, by formulating clear and ambitious shareholder expectations in managing underlying issues, such as water, circular economy, deforestation and pesticides, by launching a pesticide exclusion policy, by developing a new indicator for evaluating the quality of companies' management of their impacts on biodiversity, and by defining adaptations to real-asset investments.

Measures described in this policy contribute to 19 of the 23 target actions of the Global Biodiversity Framework, allowing LBP AM Group to help change the trajectory required for preserving nature and to deploy a consistent risk management framework in this area.

To find out more

Biodiversity Policy

Kunming-Montréal Global Biodiversity Framework

SRI by LBP AM: evaluated and awarded

LBP AM Group's responsible investor policy and practices received the following ratings in 2023:

- PRI: 91/100 and five stars for the Strategy Governance & Policy, 92/100 and five stars for active quantitative management, 88/100 and four stars for fundamental management, 96/100 and five stars in corporate bonds and 94 /100 and five stars for private debt
- CDP: A- in LBP Group's evaluation, which includes Groupe LBP AM's activities

It also won the 'Agefi's Sustainable Finance Prize for its SRI and CSR engagements.

1st PART

OUR UNDERTAKINGS AS A RESPONSIBLE INVESTOR

Responsibility is a hallmark of LBP AM and Tocqueville Finance's strategy. After choosing a 100% SRI strategy in 2018, which has enabled the Group to create asset management companies dedicated to responsible investment, a new strategic direction has been set: reaching the carbon neutrality of their portfolios.

This section details LBP AM - TFSA's responsible investment policy. You will find out how these engagements are reflected in its corporate governance, tools, products, capabilities and employees' daily work.

1.1 Our responsible investment policy

1.1.1 The basis of our approach: 100% SRI

GETTING EVERYONE ON BOARD

This is the ambition of LBP AM, which manages French savings via the La Banque Postale network and supports its distributor and institutional clients in their responsible investment practices. After its pioneering engagement to SRI beginning in the 1990s with the first ethical funds, and in the 2000s with the first thematic funds, in 2018 LBP AM made the strategic decision to apply for the ISR [SRI] French public label for all its eligible open-ended funds, in order to:

- Garantee SRI funds' selectivity and transparency;
- Integrate SRI in all management processes and through all its teams.

HIGH-QUALITY STANDARDS

This framework lays out the binding principles:

- Quantitative selectivity thresholds;
- Transparency requirements;
- Reporting of sustainability outcomes, in particular for the second version of the label.

Compliance with these rules and the quality of the management process are verified through an on-site audit by an independent body, accredited by the label committee.

To find out more

the ISR [SRI] label

A VECTOR OF TRANSFORMATION TOWARDS MORE SUSTAINABLE FINANCE

The SRI labeling project for open-ended funds involved all LBP AM and TFSA employees for more than two years to transform the organization, from the implementation of the management process across all asset classes, the adaptation of the quantitative SRI analysis model, and training analysts, the development of management tools, risk monitoring and databases, right through to product development These efforts were crowned with success in 2020, with the awarding of the ISR label to the full eligible fund range. LBP AM - TFSA is currently the only diversified French portfolio management company of significant size to have achieved independent third-party SRI verification of its range of open-ended products. With 118 ISR-labelled funds and mandates, it thus offers the largest number of funds labelled by the official French ISR [SRI] label.

A ROBUST FOUNDATION FOR OFFERS ADAPTED TO DIVERSE NEEDS

These integrated SRI processes, SRI tools, databases and capabilities are enhanced and made more flexible throughout the years to allow LBP AM and TFSA to systematically offer SRI expertise for its mandates and dedicated funds, tailored to the needs expressed by their customers . LBP AM and TFSA develop SRI solutions on a case-by-case basis to meet their specific requirements.

SOCIALLY RESPONSIBLE INVESTMENT IN A NUTSHELL

1.1.2 Our three SRI levers

ANALYSING AND INTEGRATING SUSTAINABLE DEVELOPMENT ISSUES, BASED ON OUR PROPRIETARY METHODOLOGY GREAT

The goal: to identify companies that have a responsible management and offer products or services that address key societal issues, in particular a just transition, and companies that have less robust practices in these two areas. To do so, it bases itself 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 evaluates the sustainable development practices of almost 12,000 companies.

Integration of this analysis is performed through contractual quantitative thresholds set and audited within the framework of the ISR [SRI] label. This demanding framework sets binding principles for the portfolio management company, including quantitative thresholds to monitor, disclosure obligations in its practices, and reporting. Compliance with these rules and the quality of the management process are verified during an on-site audit by an independent body certified by the ISR label.

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

LBPAM/TFSA's Engagement Policy is one of the levers for implementing its responsible investor policy.
In interacting throughout the year with companies, LBP AM - TFSA aims to fine-tune its understanding of their sustainable development practices, but also to encourage them to make improvements in specific areas. Meetings with companies dovetail with LBPAM/TFSA's general meeting voting decisions, based on an engaged voting policy, and results of which are disclosed publicly.
The Engagement Policy dovetails with LBPAM/TFSA's thematic SRI policies, which present the objectives, principles, processes, priorities and expectations of invested companies:

- Voting policy
- Coal policy
- Oil & gas policy
- Biodiversity Policy
- Human Rights Policy

The Engagement Policy also lays out the procedures for interacting with other types of stakeholders.

2023 featured:

- **Deploying the principles associated with ESG thematic policies** such as Biodiversity and Human rights.
- **Numerous interactions with public authorities and regulators**, on Say-on-Climate, the French ISR [SRI] label, changes in the Sustainable Finance Disclosure Regulation (SFDR) or international regulations on issues such as combatting corruption, plastic pollution and greenwashing.

To find out more

The Engagement Policy

1. Les fonds ouverts éligibles ne bénéficiant pas à date du label ISR représentent moins de 5 % des encours de LBP AM et TFSA.

COMPANY EXCLUSION

LBPAM/TFSA's GREaT committee is the body that approves the exclusion of companies exposed to major controversies and companies operating in sensitive sectors (controversial weapons, tobacco, gambling, thermal coal and some oil & gas companies), in application of LBP AM and TFSA policies, which are demanding and regularly updated.

For example, Aas of 2019, LBP AM - TFSA is committed to exclude mining and electricity companies having expansion plans in coal, and that have not pledged to exit coal by 2030 in OECD countries and 2040 in the rest of the world. In 2021, this engagement was extended to issuers supplying upstream and downstream services, which generate at least 20% of their revenues from coal. Data comes from Urgewald's Global Coal Exit List and from Trucost, another supplier.

In 2023, LBP AM - TFSA reinforced its sector-based exclusion policy on two thematic:

1 - Preserving biodiversity

LBP AM - TFSA pledges to exclude companies having the most serious and irremediable impacts on biodiversity and that have not taken remediation measures backed by a credible action plan. In 2023, it further complemented this exclusion policy with the following points:

- **Deforestation exclusion policy** now integrating mining companies on the basis of controversies or poor practices brought to light by legal prosecution;
- **Pesticide exclusion policy;**
- **Geographical exclusion policies specific to real assets:** To contribute to Target 3 of the Global Biodiversity Framework, LBP AM's Real Assets department takes actions to keep from contributing to the disruption of sensitive habitats.

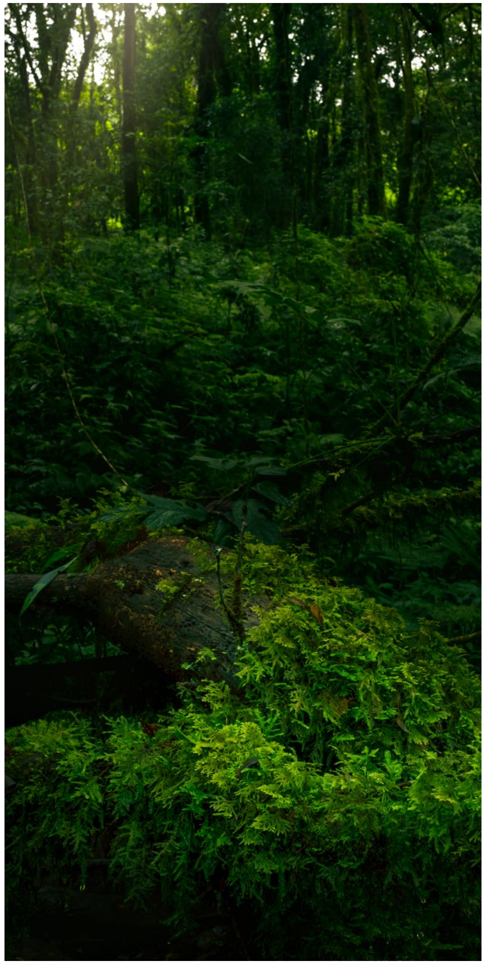
2 - Preventing and mitigating human rights risks

As part of its Human Rights Policy developments, LBP AM and TFSA can exclude companies for which there is an inacceptable risk that they may cause, contribute to, or are implicated in, especially serious violations of their fundamental ethical standards, and for which exclusion constitutes the most efficient way to reduce the risk of ongoing violations of those standards. This norm-based exclusion policy, applied to all LBP AM - TFSA open-ended funds and to a portion of dedicated funds or mandates at the investors' discretion, helps **prevent and mitigate adverse impact risks on human rights arising from their investment activities.**

To find out more

The Human Rights Policy

The Biodiversity Policy



1.2 Our corporate governance, designed for responsible investment

1.2.1 Bespoke decision-making bodies, to guarantee our responsible investor approach

At LBP AM and TFSA, the definition and implementation of the responsible investment policy is steered through a transversal governance and at the highest level, overseen by the Executive Board.

Chaired by Emmanuelle Mourey, the Executive Board is composed of members having extensive asset management experience and particularly at portfolio management companies specialising in SRI. They also play active roles at professional associations (AFG) or commissions (AMF) that take part in devising ESG regulatory standards, both French and European.

This governance is handled by several dedicated committees having complementary missions.

SUSTAINABLE FINANCE COMMITTEE

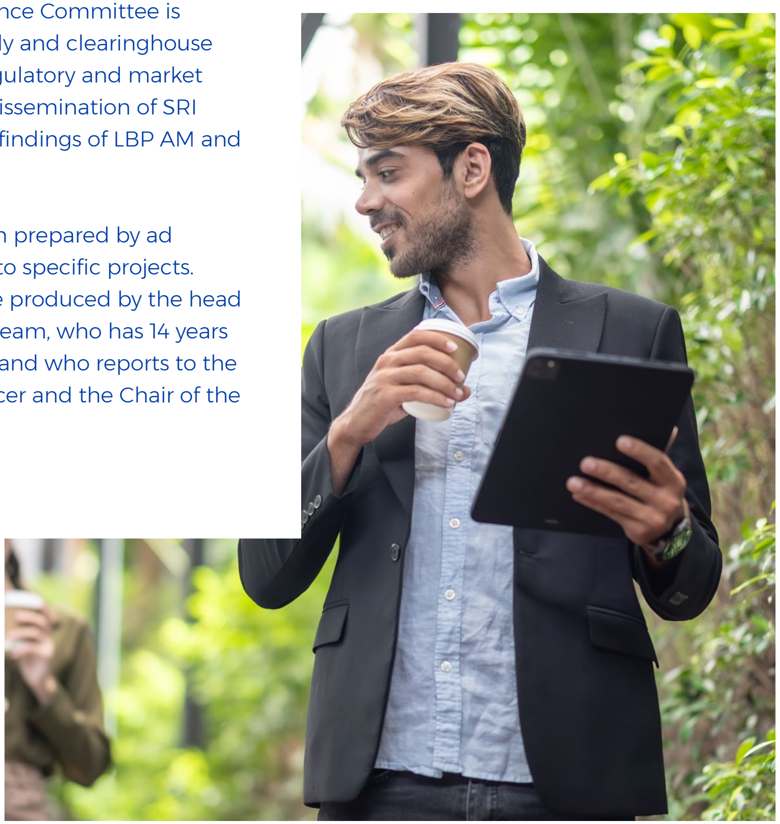
This committee includes Executive Board members, the heads of the investment, research, SRI, marketing, risk and CSR teams to lay out the sustainable finance strategic guidelines and to steer their implementation.

The committee is headed by the deputy chief investment officer and has 14 permanent members representing all key skills and business lines of the portfolio management companies. It meets every three weeks and is empowered to guide and validate LBP AM - TFSA’s SRI policies.

It also approves key application of these policies, such as the launch of new SRI targets of LBP AM and TFSA, major methodological developments, and the main changes in key SRI processes and tools.

The Sustainable Finance Committee is also an oversight body and clearinghouse of information on regulatory and market developments and dissemination of SRI policies, actions and findings of LBP AM and TFSA.

Its decisions are often prepared by ad hoc working groups to specific projects. Discussion media are produced by the head of the SRI Solutions team, who has 14 years of experience in SRI, and who reports to the chief investment officer and the Chair of the Executive Board.



GREAT COMMITTEE

Headed by the deputy chief investment officer, this committee includes the heads and representatives of investment, research and risk teams and meets on a quarterly basis to approve the exclusion policy's implementation, to discuss and approve investment actions based on enhanced norm-based due diligence, and to steer the deployment of the Engagement Policy. It has two colleges, voting, respectively, for LBP AM and TFSA.
The COO serves as the committee secretary and is responsible for disseminating the list of decisions made by the Committee and for the operational integration of decisions made in the management and control systems.

The SRI Solutions team and the Fundamental and Sustainable Research team oversee issuers on an ongoing basis regarding policy criteria and produce discussion media. The Risk Department possesses a whistleblower right in the event of disagreement with a Committee decision, with the Executive Board having the final say on that decision.

GOVERNANCE COMMITTEE

This thematic committee includes SRI specialists, managers-analysts and legal and risk officers and meets once or more prior to the general meeting season to approve any changes in voting policy and its application. It is chaired by the head of the SRI Solutions team.

ESG REGULATORY STEERING COMMITTEE

A dedicated complement to the regulatory committee, this committee is chaired by the Corporate Secretary and watches over changes in sustainable finance regulations and standards and organises the deployment of related transformation projects. Committee meetings are prepared by the SRI Solutions team.

ESG MANAGEMENT COMMITTEE

This committee meets weekly and is chaired by TFSA's deputy chief investment officer. It includes SRI analysts, managers and analysts and ensures that information is circulating properly on SRI strategy and methodological changes, it prioritises and organises enhanced due diligences, and it ensures that information circulate smoothly amongst investments teams on engagement initiatives.

SUPERVISORY BOARD

LBP AM's Supervisory Board is chaired by the chairman of the Executive Board of La Banque Postale, and has 17 members:

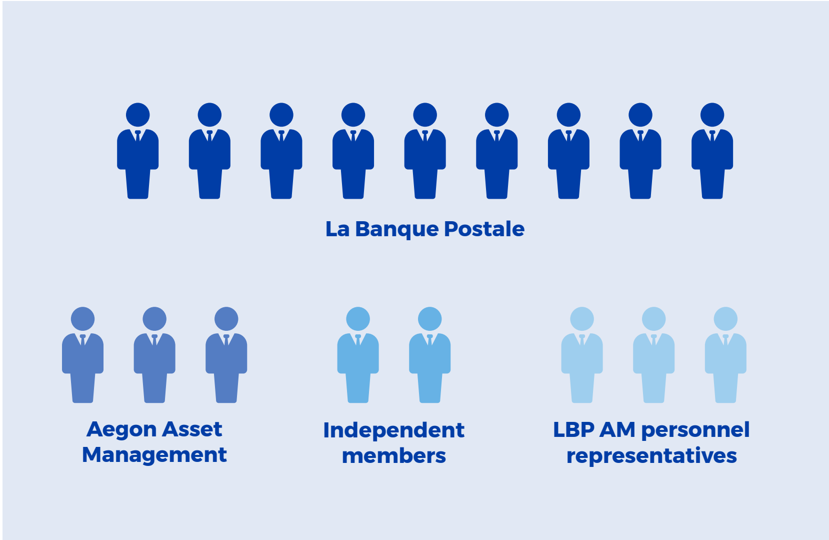
- 9 members exercising functions within La Banque Postale Group,
- 3 members exercising functions within Aegon Asset Management Group,
- 2 independent members,
- 3 representatives of employees of La Banque Postale Asset Management

It ensures that LBP AM Group fulfils its role as a responsible financial actor, in approving the strategy and the SRI strategy and roadmap laid out by the Executive Board and the dedicated committees.
To do so, it can rely on certain members having extensive experience in asset management, risk control or regulatory watch. Members are made regularly aware by the Executive Board of environmental, social and governance issues. Regular presentations are made each year to the Supervisory Board on regulatory trends in this area, on the LBP AM - TFSA Engagement Policy and the Net-Zero carbon neutrality challenges.

The Supervisory Board dealt with the following subjects among others in 2023:

- **Changes to the official French ISR [SRI] label**
- **LBP AM voting policies**
- **Contribution to ESMA's work on European SFDR and taxonomy regulations**
- **Presentation of findings of SPOT inspections by the French Financial Markets Authority (AMF) on compliance with the extra-financial engagements of portfolio management companies.**

Members of the Supervisory Board



1.2.2 A responsible investor approach integrated into our remuneration policy

Since 2021, our LBP AM - TFSA remuneration policy states how it integrates sustainability risks in evaluating performance.

INTEGRATION INTO 'COLLECTIVE' OBJECTIVES IN OVERALL PERFORMANCE

Since 2021, all LBP AM employees variable remuneration includes a joint objective on the company's overall performances, within which several sustainability targets are set, in line with the SRI and CSR strategic roadmap. In addition, each employee has a specific sustainability objective in relation to the challenges of his/her own business line.

As a result, the individual variable remuneration includes at least 5% extra-financial objectives, it being understood that a target objective could be set at 40% in the coming years.

INTEGRATION INTO MANAGEMENT PRACTICES

Meanwhile, managers of LBP AM's mutual funds or dedicated mandates must comply at the very least with their exclusion constraints in their investment process. In addition, managers handle the financial management of ISR [SRI] labelled funds, while taking sustainability issues into account. The fund managers' objectives is to achieve financial performance while complying with the stringent requirements of the ISR [SRI] label. The managers are also in charge of funds that promote E and/or S characteristics (SFDR Article 8) or that pursue a sustainable investment objective (SFDR Article 9).

The GREaT methodology used by managers of LBP AM funds or mandates takes into account sustainability risks arising from companies' practices via the G (responsible governance), R (sustainable management of resources) and E (energy transition including climate risk) pillars.

Through this proprietary methodology, fund and mandate managers assess the impact of sustainability risks on the returns of portfolios that they manage financially.

To find out more

LBP AM remuneration policy

Tocqueville Finance remuneration policy

Testimonial

« We will go further in getting each employee on board »

Lily Desnoes,
Director of Human Resources, LBP AM Group

In combining collective and individual objectives, we want to increase the weighting of extra-financial objectives, in accordance with LBP AM's ambitions. In 2023, each business line set a sustainability target regarding its ESG issues. For example, in the Human Resources department, our objective is to keep our gender index no lower than 90%, in the financial management sector, where it is difficult to recruit women in core business lines. **Within two years, our ambition is to raise the weighting of extra-financial objectives to at least 40%.**

1.3 Our day-to-day responsibility

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

SRI EXPERTISE DISSEMINATED IN ALL OUR BUSINESS LINES AND TO ALL OUR EMPLOYEES

Responsible investment is the transversal and integrated management approach of LBP AM and TFSA, through the diversity of business lines and in the €58bn of assets under management (AuM). To develop and deploy it, LBP AM and TFSA rely on:

- **A Research team including quantitative analysts,** as well as fundamental and sustainable analysts who have both financial and ESG capabilities, to integrate the two perspectives when assessing assets.
  Its roles: to supplement fundamental research methodologies to integrate SRI risks and opportunities, and to produce research reports to support managers in generating investment ideas.
- **A team of SRI specialists, SRI Solutions,** which coordinates the devising and implementation of sustainability policies and methodologies.
  Their roles: to develop SRI and impact rating methodologies on an ongoing basis, along with thematic policies, engagement and voting policies; to manage SRI services for clients, to conduct engagements and voting, to coordinate transversal projects, particularly with respect to regulations, labels and platforms, and to interact with stakeholders.
- **Their managers and analysts-managers:** at the heart of SRI management.
  Their roles: to deploy the SRI strategies of LBP AM and TFSA funds by applying ESG management rules and by conducting shareholder dialogue that systematically includes ESG issues.

The success of this integration also requires governance bodies in which analysts and managers play a key role in planning SRI methodologies and policies, on either an ad hoc or permanent basis. More broadly, SRI is also on the daily agenda of all teams: fund selectors, risk managers, IT, structurers, salespersons, communications, HR, and so on. Each employee of LBP AM and TFSA plays a role in the SRI activities of the portfolio management companies.

ONGOING TRAINING TO CONSOLIDATE SUSTAINABILITY KNOWLEDGE

Stirring up support and company-wide synergy around ESG issues is one of the HR and CSR pillars of LBP AM and Tocqueville Finance. The Human Resources Department has developed an awareness-raising and training course for all employees on the key ESG issues.

14 %

of FTEs are dedicated to deploying the ESG strategy.

LA FRESQUE DU CL!MAT
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Climate fresco

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

Climate champions

In 2022, a community of 15 employees from various business lines was designated as “Climate Champions” to implement CSR approach of LBP AM – TFSA but also to facilitate dissemination of this theme. For this they received an intensive, 16-hour training course from Carbone 4.

Impact town-hall meetings

A new awareness-raising format was also rolled out in October 2022: the IMPACT meetings. These are a cycle of conferences held every three months on the company’s SRI and CSR thematic (territories, climate, human rights, responsible procurement, etc.).

Biodiversity training

For upskilling in the SRI/ESG pillars, LBP AM’s Human Resources department has pledged to train all its employees in an ESG/CSR thematic once every two years.
In 2023, a training course in biodiversity issues was launched within the group. This blend course, which combines e-learning and live interaction, invites employees to discover, understand and flesh out current biodiversity issues. This new mechanism unfolds in three stages:

1. **Discovery and learning of biodiversity issues:** Development of an e-learning course on fundamentals biodiversity, along with a quiz to test knowledge acquired
2. **Creation of a space for interaction and discussion:** A masterclass taught by a pioneering expert in biodiversity;
3. **Consolidation of knowledge** with a quiz at the end of the training session.

Within a responsible investment model, it is essential to equip employees with the tools they need to understand LBP AM - TFSA’s CSR challenges and, more broadly, societal issues. This type of action brings employees together and engages them on these issues.

Self-service training

To keep employees engaged, a training course on sustainable development thematic has been made available on the MyLearning platform. MyLearning avails each employee of learning resources around these SRI/CSR topics, including podcasts, e-learning, in-house conferences, and others. This allows employees to upskill at their own pace, based on their own preferences and sensibilities.

Call For Action

These employee training and engagement initiatives are part of a broader call for action. LBP AM is aware of its societal responsibility and its approach is equal to these challenges. Awareness-raising and training are therefore hallmarks of its HR and CSR strategy.

1. Ensuring that all employees **understand** sustainability challenges.
2. **Onboarding** by employees of the meaning of the company’s responsible investment and what that implies in terms of behaviour.
3. Call for action: Encouraging each employee to put this into practice in his/her everyday **actions**, whether in their personal or professional lives (e.g., using LBP AM subsidies to encourage sustainable mobility).

In 2023, the ESG training budget accounted for
7.6 % **of the total training budget,**
or **18,000 €.**

1.3.2 Bespoke investment tools for a responsible approach to asset management

GREAT 360, A PROPRIETARY SRI INVESTMENT PLATFORM

LBP AM and its TFSA subsidiary have integrated SRI research in their investment platforms, to support the implementation of an integrated analysis and investment processes. At the heart of this system, the proprietary GREaT 360 platform is a comprehensive decision-making tool that enables managers to easily manage their portfolio's SRI performance, thanks to a wide range of features. (see section 2.1 p.29).

GREaT 360 platform

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

Collaboration with suppliers or external service providers:

GREaT, is fed by data providers covering in particular needs relating to the implementation of exclusions, needs relating to the assessment of companies, and needs for raw data points for the monitoring of fund sustainability KPIs.

These contracts amount to almost €550,000.

ISS ESG (ethix · climate · oekom)	Access to research on evaluating norms-based controversies, as well as to data on controversial activities (in the weapons industry, tobacco and gambling)
MSCI	Access to ESG data and monitoring of controversies involving issuers and data analysis and construction of climate risk analysis models
Moody's ESG	Access to ESG data and monitoring of issuer controversies
CDP	Access to data on companies' Net Zero trajectory and alignment
CDC Biodiversité	Data on biodiversity footprints via the BIA-GBS (Biodiversity Impact Analytics powered by the Global Biodiversity Score™) methodology
S&P Global	Data on companies' environmental impact, in particular in fossil fuel activities
London Stock Exchange	Access to raw ESG data
urgewald	Access to data on companies having operations in coal and non-conventional fossil fuels
Bloomberg	Taxonomy data
Clarity AI	Taxonomy data & PAIs

The research process is supplemented with the SRI research of brokers and dedicated external service providers. In 2023, €1,300,000 was earmarked for ESG research and data, or 11.8% of LBP AM Group's total research and data budget.

TOOLS IN CONSTANT DEVELOPMENT TO DEEPEN THE RESPONSIBLE INVESTOR APPROACH

Expanding the SRI Datahub

In the face of the challenge arising from the growth of ESG data and the proliferation of data providers, the LBP AM - TFSA decided to implement an innovative solution based on the technology developed by MarkLogic, which offers a unique solution for the integration and agile consumption of data. This solution makes it possible to ingest, store, harmonise and facilitate data searches all the while securing them. The SRI Datahub enables the LBP AM - TFSA to apply high standards all along the data life chain, in terms of integrating and harmonising new data points, verifying data reliability and improving accessibility for many uses. The SRI Datahub, powered by about 20 different data sources, is connected to our proprietary GREaT360 tool.

In 2023, more than 1 000 new datapoints were inputted into SRI Datahub, bringing the total to 4 956 datapoints, covering almost 68 000 issuers. Moreover, access was opened to employees to allow them to consult all of the data stored. In a constant approach to enhance data quality, further developments are planned in the SRI Datahub, particularly to develop consistency and reliability controls.

*« We now have **4,956 datapoints** covering more than **68,000 issuers** »*

Tools enabling SRI services

LBP AM SRI services have been developed to support its clients in their desire to steer the SRI performance of their portfolios on the key KPIs of their choice.

In 2023, LBP AM entered into a partnership with Manaos, a data management platform, in which the GREaT scores from the LBP AM methodology will be joined automatically with data from investors' portfolios, supplemented by other scores available from the fintech ESG marketplace and retrieved in a few clicks in Excel, SFTP or API format or integrated into ESG research notes and other regulatory documents (SFDR PAI, EET, TCFD, PR PCR, LEC Article 29* and other reports).

Testimonial

« We are confident that simplified access to data from our extra-financial research is important to our institutional clients. This project conducted alongside Manaos is driven by this common conviction. Our objective is to offer a high-value-added service, to support our clients in their demanding energy transition plans and, more generally, in sustainable finance. »

Pierre Ernst,
Member of the LBP AM Group Executive Board.

LLBP AM WINS THE DIGITAL INNOVATION PRIZE AWARDED BY FUNDS AND OPTION FINANCE.

The Digital Innovation Prize promotes major technological achievements by asset managers. LBP AM won over the jury at the Trophées de l'asset management 2023, with the launch of the SRI Datahub, a proprietary platform integrating and processing a multitude of extra-financial data from various suppliers.

"This new Prize is a wonderful recognition. The SRI Datahub was established through transversal mobilisation of our teams, from our digital data & innovation specialists to operations management and our SRI Solutions and Communication & CSR teams. We are convinced of the added value that the SRI Datahub can offer investors in analysing the carbon trajectory of portfolios", said Patrick Pansier, Head of Digital Data Innovation.
The Funds-Option Finance jury noted that its vote had been unanimous in this category.

To find out more

LBP AM awarded the Digital Innovation Prize by Funds-Option Finance

1.3.3 Our public initiatives and financial sector initiatives

THE OBJECTIVE:

To contribute significantly to advancing academic research, enhancing issuers' environmental transparency, developing responsible investment, defining tomorrow's SRI standards and to cutting-edge collaborative shareholder engagements.

*« For more than 20 years, **LBP AM has engaged with the financial community** on SRI and the energy and environmental transition. »*

Focus

Organisation of the Trophées de l'Innovation

As part of an effort steered directly towards innovation and sustainable development, LBP AM and its subsidiaries organise the Trophées de l'Innovation in order to publicise and support innovative companies that are capable of becoming tomorrow's unicorns and key players in a sustainable economy.

These prizes are organised in partnership with Investance Partners, Finance Innovation, Institut de la Finance Durable, Alpha FMC, B SMART, Microsoft and platform58, the incubator of La Banque Postale.

This second edition was organised under the patronage of Jean-Noël Barrot, Deputy Minister of the Economy, Finances and Industrial and Digital Sovereignty, in charge of digital technology, alongside a jury of 19 experts, chaired by Pierre Ernst, a member of the LBP AM - TFSA Executive Board.

This year, almost 700 fintechs, greentechs and medtechs were contacted, of which 80 were chosen based on their applications, of which 12 finalists were auditioned by the jury. After in-depth deliberations, the jury awarded three prizes :

- **Fintech of the year:** ACHEEL: a 100% digital French insurance company established in 2020.
- **Greentech of the year:** amR, a data intelligence start-up established in 2017 and serving the environmental transition of buildings.
- **Special Jury Prize:** Braintale, a medtech founded in 2018 serving doctors, university hospitals and healthcare partners.

To find out more

LBP AM announces the winners of the Trophées de l'Innovation

Our membership in industry initiatives 1/3

Access to Medicine Index	The Foundation is an international network of investors whose goal is to encourage the pharmaceutical industry to expand access to medicines in low-income countries. Each two years, it publishes a **ranking of the 20 largest pharma companies in this area.** LBP AM also takes part in collaborative engagement initiatives.
AFG Ensemble, s'investir pour demain	Emmanuelle Mourey (Chair of the Executive Board of LBP AM) has been a member of the Strategic Committee since December 2019. LBP AM is a member of the Responsible Investment and Corporate Governance committees. Other LBP AM employees also take part in other AFG committees. In 2023, LBP AM is also involved in an SFDR working group.
AMF Autorité des marchés financiers	Helena Charrier (head of SRI Solutions at LBP AM) is a member of the **consultative committee on climate and sustainable finance**, and played an active role in developing the committee's Say-on-Climate stance.
CDP Driving sustainable economies	The CDP encourages increased disclosure of the environmental impact of investors, companies and governments. Three LBP AM equity funds in 2019, 2020, 2021 and 2022 received a Climetrics award from the initiative. In 2023, LBP AM also took part in collaborative engagement campaigns: the Non-Disclosure Campaign and the Science-Based Targets Campaign organised by the CDP.
Ceres	Ceres is a US body that since 2018 has brought together international investors wanting to combat deforestation, mainly from livestock and soja crops in Amazonia. LBP AM participates in the following collaborative engagement campaigns organised by CERES: Land Use and Climate, Deforestation, Biodiversity, and the Valuing Water Initiative.
Climate Action 100+	Climate Action 100+, an initiative led mainly by the PRI and IIGCC, aims to encourage the world economy's major greenhouse gas emitters to reduce their emissions in line with the objectives of the Paris Agreement. In signing this charter, LBP AM pledges to encourage the energy transition through its funds' investments.
30% Club Growth through diversity	LBP AM is a founding member of the 30% Club, a French initiative established in November 2020 to promote gender diversity on governing bodies of SBF 120 companies. It is targeting 30% female membership of governing bodies by 2025.
Eurosif	Eurosif is a pan-European association promoting sustainable finance at the European level. Its activities consist in contributing substantively to public policy and conducting research that enables a better understanding of sustainable investment and the obstacles encountered by sustainability-minded investors. LBP AM takes part in the Climate Reporting and Indicators working group, as well as in the SFDR Advisory Group.
FAIRR Farm Animal Investment Risk & Return — A Coller Initiative	This initiative aims to encourage agro-food companies to improve their practices in animal well-being and nutrition. LBP AM takes part in the following working groups: sustainable aquaculture, sustainable proteins, biodiversity and pollution, and antimicrobial and antibiotic resistance.

Our membership in industry initiatives 2/3

Finance for Biodiversity Pledge	Since 2022, LBP AM has been a signatory of the Finance for Biodiversity Pledge and takes part in the following working groups: biodiversity impact measurement, engagement on biodiversity, setting targets for biodiversity, advocacy actions and political engagement on biodiversity.
FIR Forum pour l'Investissement Responsable	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) and Nicholas Vantreese (head of CSR at La Banque Postale) were re-elected to the FIR's board of directors in 2022, of which Helena Charrier is one of the vice-presidents. LBP AM is also a member of the Dialogue and Engagement Committee. LBP AM takes part in the FIR working group on **Say-on-Climate**, and in the collaborative engagement on forced labour and child labour.
France Invest	LBP AM is a member of the Solidarity Committee of France Invest, a professional association of more than 400 French portfolio management, private equity and private debt companies. France Invest and its members pledge to assist start-ups and unlisted SMEs in their transformation towards responsible practices and models.
GFANZ Glasgow Financial Alliance for Net Zero	GFANZ is a global coalition of financial institutions committed to accelerating the decarbonation of the economy. The alliance aims to broaden, deepen and raise carbon neutrality ambitions throughout the financial system financial and to demonstrate financial institutions' collective engagement to helping companies and countries achieve Paris Agreement objectives. Within the framework of this alliance, LBP AM very actively participated in working groups on the development of an international voluntary standard for transition plans, for the real economy via "Real Economy Pathways", and for financial institutions as part of work on the "Portfolio Alignment".
Institut de la Finance Durable Paris Europlace	Previously known as Finance for Tomorrow, IFD is an initiative of Paris Europlace to promote sustainable finance in France and internationally. Its goal is to steer financial flows towards a low-carbon and inclusive economy, in accordance with the Paris Agreement and the Sustainable Development Goals. LBP AM is a member of the IFD bureau, of the Policy Committee and participates in the Impact, Fair Transition, Biodiversity and Governance Climate working groups.
IIGCC The Institutional Investors Group on Climate Change	IIGCC is a network of investors on climate change, working together to produce financial market guides and engagement actions. LBP AM takes part in the working groups on Net-Zero infrastructure, the Proxy Advisor Working Group and Net Zero Surgeries: investor practices.
PeaceNexus Foundation	Investor Engagement in Conflict-Affected and High-Risk Areas, an initiative organised by PeaceNexus, organised by the Investor Alliance for Human Rights and Heartland Initiative, aims to engage information technology and renewable energy companies and challenge and encourage them to adopt a set of measures and procedures for effectively reducing the risks of adverse impacts on human rights and on conflicts themselves arising from their operations in these zones.
chemsec International Chemical Secretariat	Sponsored by ChemSec, a Swedish NGO, this initiative includes more than 50 investors, who have signed a letter sent to 50 companies among the world's largest producers and users of PFAS, to encourage them to plan their gradual exit from PFAS and to be more transparent in the risk management and impacts arising from the production and use of these substances.

Our membership in industry initiatives 2/3

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	The TCFD issues recommendations on climate disclosures that companies must share to help investors make the right financial decisions. LBP AM pledges to disclose and report on climate risks related to TCFD standards and to encourage companies to deploy these standards.
INVESTOR ALLIANCE FOR HUMAN RIGHTS AN INITIATIVE OF ICCR	The alliance's goal is to mobilise responsible investors on the respect for fundamental human rights. LBP AM takes part in working groups on the Corporate Human Rights Benchmark, Rating Digital Rights and Uyghur Forced Labour.
The Net Zero Asset Managers initiative	LBP AM has pledged to achieve carbon neutrality of its portfolios via its engagement to this alliance, which brings together portfolio management companies pledging to achieve carbon neutrality of their investment portfolios on a "fair portion" of their AuM by 2050 and in applying established methodologies. LBP AM had previously been a signatory of the Montréal Carbon Pledge, which is now closed, as its main objectives have been achieved.
Chaire Finance Durable et Investissement Responsable	The FDIR Chair's purpose is to promote collaboration between asset management professionals and researchers whose work contributes to the international stature of the Paris financial centre on this essential theme. Since 2016, LBP AM has held the presidency of the Chair.
PRI Principles for Responsible Investment	The PRI were launched by the United Nations in 2006. This is a voluntary engagement by investors to integrate ESG issues in managing their portfolios. LBP AM takes part in working groups on tax responsibility, responsible production of raw materials and the Sustainable Systems Investment Manager Reference Group. LBP AM also participates in the collaborative engagement campaign Advance.
TOBACCO-FREE FINANCE PLEDGE SIGNATORY	Initiative launched in 2018, signatories to which commit to a very strict tobacco exclusion policy in their investments.
UNI global union	In 2023, LBP AM took part in a collaborative engagement campaign aiming to promote better consideration of social and human rights risks in the healthcare sector (retirement homes in particular). In 2022, LBP AM became a signatory of the Investor Statement: Expectations for the Nursing Home Sector, a document formalising the coalition's objectives.
ICGN	A global network of responsible investors who promote the highest standards of corporate governance for the purpose of creating long-term value and contributing to the sustainability of economies, companies and the environment. To do so, ICGN relies on an international work programme. LBP AM joined the network in 2023.
FinDatEx	A working group on implementing and deploying a standardised exchange of files containing information on the extra-financial characteristics of investment products (EMT files).
NATURE 2050 CDC BIODIVERSITÉ	CDC Biodiversité finances the Nature 2050 project to protect biodiversity and adapt natural environments to climate changes. A portion of the management fees generated by LBP AM's private debt business helps finance the preservation and restoration of nature.

1.3.4 Investors disclosures

Guided by the desire to be as transparent as possible in its engagements and methodology, LBP AM - TFSA publishes:

- **SRI policies of the portfolio management companies: voting policy, engagement policy, exclusion policy, sector-based policies in oil & gas and coal, policy for managing sustainability risks; human rights policies, and biodiversity policies**

To find out more

Our SRI expertise | LBP AM

- **annual reporting on execution:** voting and engagement report and this 29 LEC report

To find out more

Regulatory information

- **information to client** regularly through its newsletter and articles as well as via teaching videos on LBP AM's website;

- **the code of transparency of our labelled funds,** as well as an annual ESGDH report and, of course, the fund's prospectus, key investor information document, SFDR precontractual appendices of the funds and, where applicable, their 29 LEC report.

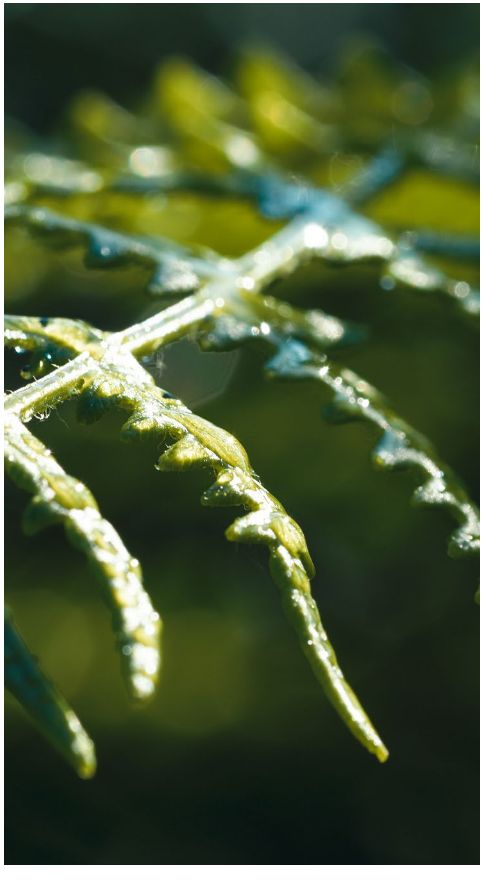
LPB AM-TFSA also shares with its institutional clients some internal research which may assist them in defining and developing the SRI criteriology that they wish to apply to their funds.

En 2023, LBP AM et sa filiale TFSA ont notamment partagé auprès de clients institutionnels les travaux d'analyse d'impact financier des méthodologies ISR. In the course of its research, LBP AM developed a series of model portfolios to measure the impacts of funds' various ESG characteristics on their financial performance. These portfolios are readjusted dynamically to reflect the following changes:

- Exclusion lists
- GREaT scores of issuers
- Their extra-financial KPIs (e.g., their carbon footprint).

For a better understanding of the effects, the portfolios are broken down by major geographical regions (EMU / Europe / North America / Japan / Emerging Market Countries). In the special case of exclusions in 2023, exclusions made positive contributions to portfolios in EMU and North America but negative contributions in Japan and Emerging Market Countries.

Likewise, LBP AM - TFSA assisted clients in assessing changes in "customised" ratings models on their portfolio's financial profile, to help them reflect on changes that they might wish to make.



1.3.5 A responsible and civic-minded company: our CSR policy

LBP AM - TFSA aims to be exemplary in its business as a responsible investor, and attentive to its stakeholders and its impacts. Responsibility is thus a cardinal value for its asset management but also for the management of its company.

As with its sustainable investment policy, LBP AM's CSR and diversity policy is based on the four pillars of the GREaT methodology, each with set ambitions, defined objectives and specific action plans.

The
4 pillars
of LBP AM - TFSA CSR policy

PILLAR 1 :
ACTING IN OUR CAPACITY AS A RESPONSIBLE EMPLOYER

PILLAR 2 :
REDUCING OUR ENVIRONMENTAL FOOTPRINT

PILLAR 3 :
CONTRIBUTING TO TERRITORIAL DEVELOPMENT

PILLAR 4 :
EXERCISING RESPONSIBLE GOVERNANCE

Témoignage

« The consistency between our SRI and CSR policies is a real source of strength. We have devised a CSR roadmap in tandem with the heads of each department (human resources, general services, SRI, etc.) and other stakeholders. The implementation of extra-financial objectives is also a strong signal of LBP AM - TFSA's engagement in this area. A network of in-house ambassadors allows us to deploy company-wide actions. It is important for our employees to be both actors and beneficiaries of this CSR policy, and I believe this is the case, thanks to the engaging and fulfilling workplace environment that we strive to offer all employees. »

Carolina Viguet,
CSR Director of LBP AM Group

CSR engagements of LBP AM and its TFSA subsidiary

TAKING ACTION AS A RESPONSIBLE EMPLOYER

Maintaining good working conditions	→ Assisted five employees through the Responsage mechanism, to support LBP AM - TFSA employees assisting a loved one weakened by illness, handicap or old age
Ensuring its employees' employability and professional development	→ Trained 96% of new employees in the climate fresco and/or biodiversity issues → Provided training to 100% of employees at least once per year in mandatory areas (GDPR and cybersecurity, for example), as well as business line or SRI training → Set up an individual sustainability remuneration objective for all employees
Promoting equity, diversity and inclusion	→ Organised a «Meet & Share RH — Inclusion» as part of European Disability Employment Week (EDEW)

REDUCING OUR ENVIRONMENTAL FOOTPRINT

Reducing the impact of our operations	→ Had a carbon balance done by Greenly, revealing that 98% of LBP AM - TFSA's emissions are Scope 3 and pertain mainly to procurement. These will be dealt with in a special action plan by 2026.
Limiting the environmental footprint of digital technology	→ Set up an electric document management tool in order to optimise email storage → Had the environmental footprint of the LBP AM - TFSA data center evaluated by Fruggr
Encouraging eco-gestures among employees	→ Organised Digital Eco-Gesture Week → Set up a recycling awareness campaign

Les engagements RSE de LBP AM et de sa filiale TFSA

CONTRIBUTING TO TERRITORIAL DEVELOPMENT VIA IMPACT PROJECTS

Reenforcing the impact of the product range	→ Paid €382,668 to associations and endowment funds in 2023 via sharing funds
Rallying employees around solidary-based actions	→ Established the Tribu CSR, a collective initiative of about 10 employees who raise awareness and rally their colleagues around LBP AM's CSR roadmap. The following projects were set up in 2023: provision of organic fruit baskets in springtime, exhibition of digital works relating to biodiversity and the climate and Digital Eco-Gesture Week → Sponsored the Ekiden race → Collected a record amount for La Cravate Solidaire
Supporting companies that contribute to territorial development	→ Organised the first France is Back roadshow in Lyon to showcase French entrepreneurship and to share LBP AM's engagement in the heart of its territories → Organed the 2023 edition of the Trophées de l'innovation (p20)

ENSURING RESPONSIBLE GOVERNANCE

Engaging in a constant process of improvement **Contributing to the development of the financial sector on a sustainable basis**	→ Updated the Biodiversity Policy as well as the Engagement Policy, and published the first Human Rights Policy → Continued and ramped up advocacy of financial regulators and professional associations to promote responsible investment on the marketplace and in regulations

2nd PART

OUR RESPONSIBLE INVESTMENT ACTIONS

The mission of the LBP AM Group is toenhance financial, natural and human capital and support the sustainable transition of our clients. LBP AM - TFSA innovates constantly so that it can deploy a responsible investment approach throughout its funds.

In this section, you will learn how the engagements of LBP AM and TFSA are translated into real-world actions, as well as the methods for integrating sustainability issues into research, investment processes, dialogues and engagements with companies, and risk management.

2.1 Integrating sustainability issues into research

LBP AM - TFSA strives to identify, select and cover companies, governments or any other issuer that acts in favour of sustainable development. To do so, it has established GREaT, a four-pillar SRI research methodology based on several years of research (see diagram of methodology pillars).

Through the attention it pays to territorial development, this framework reflects the Group's sensitivity to issues of inclusion and sustainability on a local scale, shared with the public-sector group that it belongs to. The challenges of reshoring, combatting territorial divides, and supporting local actors are fully integrated into issuer research. Its tools and frameworks are adapted to each asset class managed by LBP AM - TFSA.

4-pillar schema of the GREaT methodology

G

RESPONSIBLE GOVERNANCE

Encourage the dissemination of best practices in corporate governance and business ethics

R

SUSTAINABLE MANAGEMENT OF RESOURCES

Manage human or natural resources sustainably: respect for human rights, promoting labour rights and protecting the environment.

E

ENERGY TRANSITION

Contribute to the energy transition for new, more sustainable modes of consumption and production, and support the switch from a business model that consumes lots of fossil fuels to a sober, resilient and decarbonated

T

TERRITORIAL DEVELOPMENT

Manage relations with external stakeholders (local communities, clients, suppliers etc.) sustainably.

2.1.1 SRI research methodology for listed and quasi-public companies

The GREaT methodology is applied to both private and quasi-public companies. It is based on a stage of quantitative research based on a proprietary model, supplemented with qualitative research.

THE MODEL'S STRENGTH IS BASED ON:

- broad coverage extending to almost 12,000 issuers;
- increased reliability and responsiveness, thanks to the wide variety and complementarity of research sources;
- greater refinement that triggers stronger buy-in through the combination of quantitative and qualitative research by portfolio managers and analysts of LBP AM and TFSA;
- a research model based on dual 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

The quantitative SRI rating is based on 13 criteria, assessed using 60 indicators, fed by indicators collected from specialist rating agencies such as Moody's ESG and MSCI ESG, chosen for their complementarity. They are aggregated using the proprietary algorithm known as AGIR, which deals with various geographical areas and company sizes.

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

Following this process, each issuer in the universe possesses a GREaT score on a scale of 1 (high SRI quality) to 10 (low SRI quality).

GREaT quantitative rating model

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

60
ESG indicators provided by Moody's, MSCI and Ethifinance [1]

13
ESG criteria [2]: Score calculation

4
GREaT pillars [2]: Score calculation

Weighting of criteria according to sector and each GREaT pillar [3]

Issuer [4]
GREaT SCORE

OVERALL INDICATORS

they apply equally to all sectors and all countries

SPECIFIC INDICATORS

they apply to one or more sectors in particular

Balance of powers	RESPONSIBLE GOVERNANCE
Equitable remuneration	
Business ethics	
Human Resources	SUTAINABLE RESOURCES MANAGEMENT
Human Rights	
Biodiversity / Water	
Pollution / Waste	
Climate risks	ENERGY TRANSITION
Solutions for the energy transition	
Responsible practices with communities	TERRITORIES DEVELOPMENT
Responsible practices with suppliers	
Responsible practices with customers	
Products and services linked to the social SDGs	

Assessing the relative importance by sector of **the 4 pillars** (~25 secteurs).

Processing of **specific indicators** in the sector through a bonus points system

GREaT

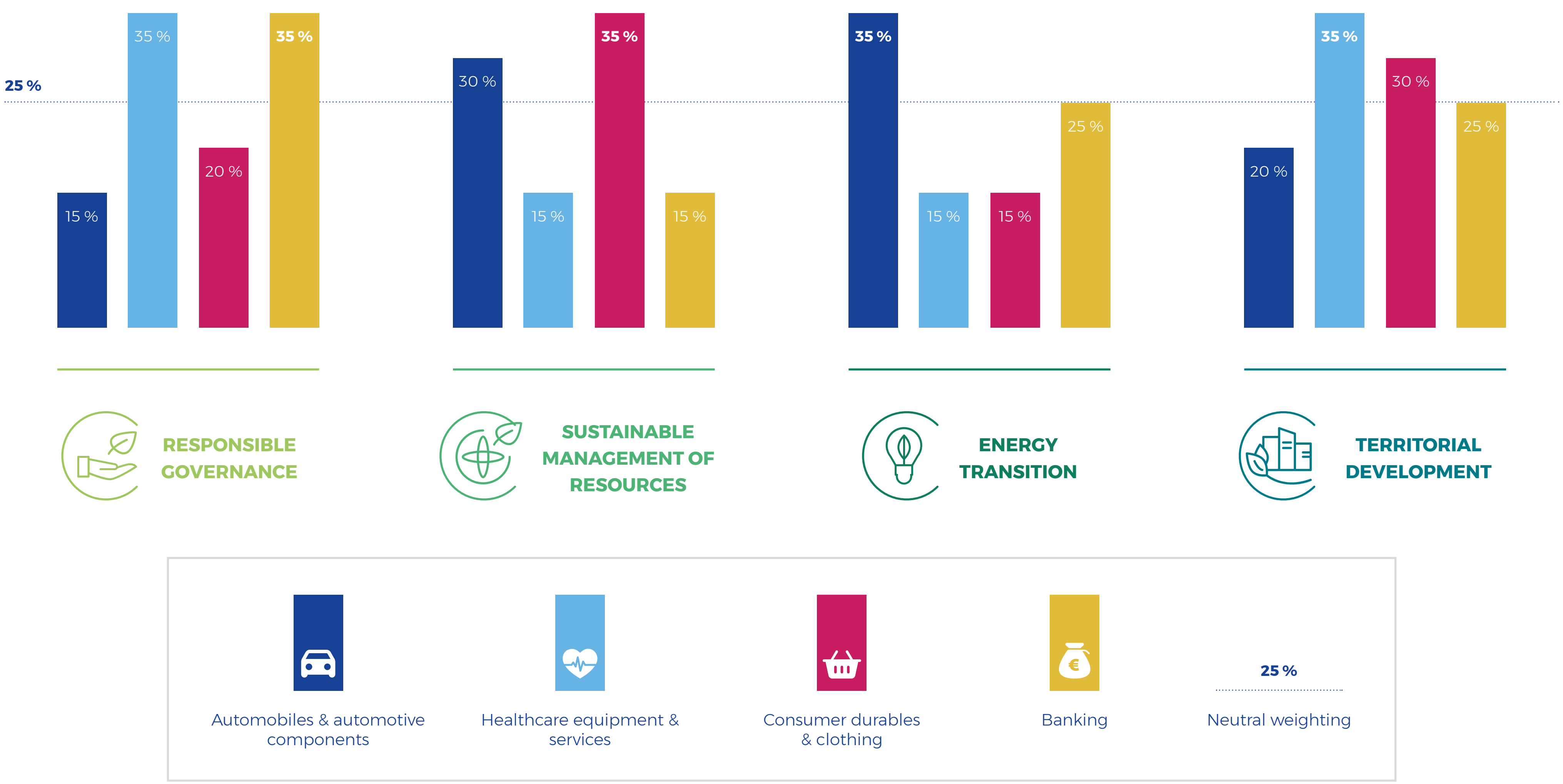
This methodology notation provides to move from a system of absolute rating at one relative rating system. It steers companies towards behaviours to adopt rather than to evaluate only their abilities at T instant.

A rating from 1 to 10:

1 2 8 9 10

(1) Coverage of a universe of 10,000 issuers. (2) Arithmetic mean of criteria scores. (3) Application of a % according to sector. (4) Sum of weighted scores and dispersion by region.

Sector weighting of GREAT pillars



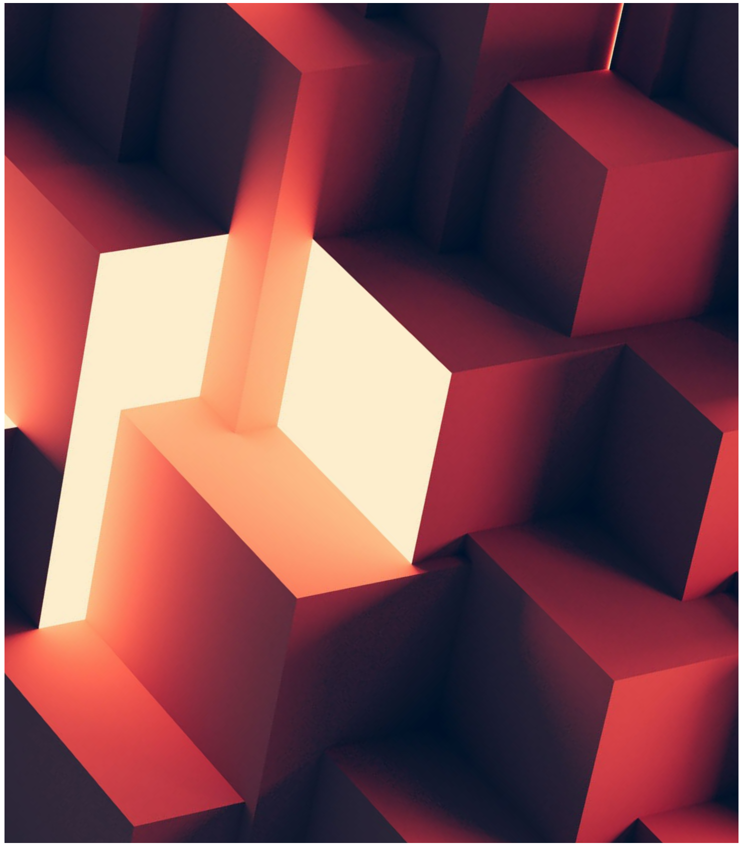
2023: an eventful year for the in-house rating model GREaT

➔ Integration of a new, additional data provider: EthiFinance Ratings

As mentioned in 2022, the objective of integrating a third supplier into the quantitative rating model was achieved in November 2023 with the addition of 18 indicators from EthiFinance Ratings. Adding this data provider specialising in European small and mid-cap companies both enhanced coverage on this segment (with more than 800 new issuers rated, raising the total number of covered issuers from about 1600 to about 2400), and provided a big boost to the quality and confidence in these ratings. As a result, almost 11500 issuers were covered by the model as of the end of 2023.

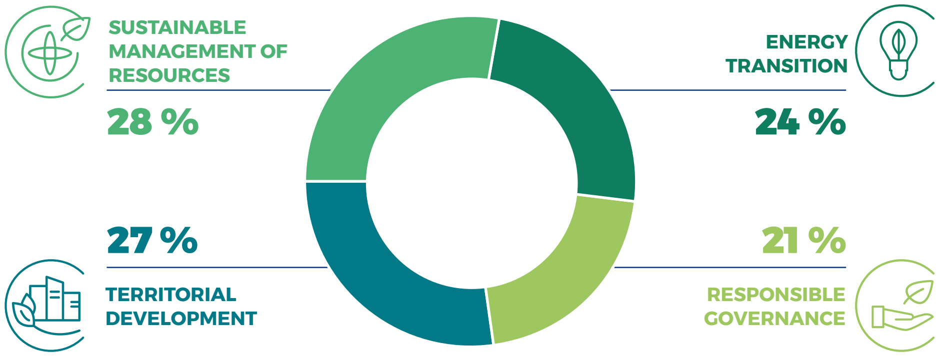
➔ Creation of a confidence indicator: the GREaT score

In order to improve the model, LBP AM and TFSA have developed a new dimension that allows them to better assess the quality of issuer ratings through a confidence indicator based on monitoring of GREaT indicators. This new quantitative indicator ranging from 0% to 100% gives the managers more information on the reliability of an issuer's rating, as well as its stability over time.

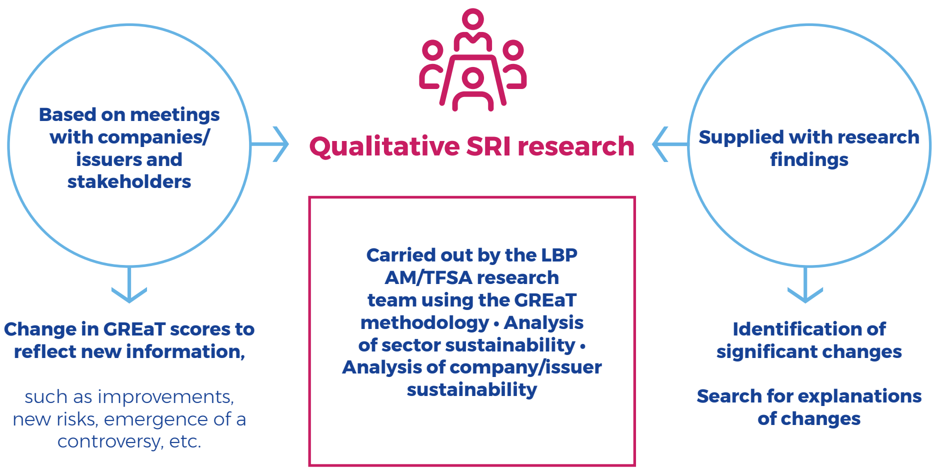


Balance of the GREaT score model

Average weight of pillars in all sectors



Qualitative SRI research



QUALITATIVE RESEARCH

Thereafter, and in parallel with the quantitative analysis, analysts and fund managers carry out a qualitative analysis of issuers, based on recognised internal and external sources of research and their detailed knowledge of issuers. They can 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 specialised suppliers (for example: Trucost for environmental impacts, ISS for governance practices), or generalist ones (Bloomberg and FactSet).

Qualitative research is used to drive the management process through:

→ **Adjustment of SRI ratings resulting from quantitative research.**
These adjustments, which may be suggested by managers and analysts, must meet the pre-set conditions to be selected by the Fundamental and Sustainable Research team, which is responsible for reviewing and approving or rejecting the proposals received:

- inputting recent information not yet taken into account by the agencies, thus providing greater responsiveness;
- deciding between contradictory information provided by external sources, thus providing greater reliability;
- taking into account additional public information gathered through regular discussions with the issuer, thus enabling full integration of shareholder engagement, monitoring and selection processes;
- digging deeper into matters involving the issuer's stakeholders, in order to provide additional insight.

To ensure thoroughness and follow-up, these requests for adjustments must be systematically justified and traced.

→ **Integration of SRI research into financial research by analysing the potential financial impact of sustainability issues** (i.e., the "materiality" analysis). This parallel research approach aims to provide managers and financial analysts with another, complementary way to use SRI research by enhancing their financial research. The financial analysts are thus encouraged to take SRI issues on board in formulating their bond or equity opinion, in particular when such issues may have a material impact on their fundamental profile (such as litigation or changes in regulations). The notion of materiality is built on four pillars: probability of occurrence, severity, time horizon, and visibility.

2.1.2 SRI research methodology of sovereign issuers

The aim of this analysis is to assess how governments, through their public policies, provide sustainable responses to society's major challenges. The analysis is based on the four GREaT pillars.

Based on indicators compiled from various sources (international public bodies, think tanks, and NGOs), LBP AM and TFSA seek to identify governments that respect human rights and the environment, promote these rights and principles internationally, and develop a model of responsible governance that respects human rights and the environment and is socially just.

Governments are assessed on the basis of 100 indicators, organised into 18 criteria in four equally weighted pillars. The indicators are compiled from international organisa-tions, including the OECD, the World Bank, and the United Nations; from recognised NGOs, including Transparency International, Reporters Without Borders, and others; and from research offices, such as the World Justice Project, the Notre Dame Gain initiative, and others.

SRI research of 4 GREaT pillars

G

RESPONSIBLE GOVERNANCE

Capacity of a government to provide its citizens with a framework for asserting their rights, ensuring the stability of its judicial, legislative and economic systems, and the efficiency of its public services, as well as to effectively combat corruption or any behaviour that could undermine democratic principles or the rule of law.

R

SUSTAINABLE MANAGEMENT OF RESOURCES

A government's laws and practices for ensuring respect for, and protection of, fundamental rights, as well as preservation of the natural environment.

E

ENERGY TRANSITION

Evaluation of a government's policies and practices adopted and implemented for mitigating global warming and adapting to its consequences sustainably

T

TERRITORIAL DEVELOPMENT

Capacity of governments to promote respect for fundamental rights and for preservation of the environment and, within its bounds, to ensure a quality level of development allowing individuals to live in an environment that is socially just that is conducive to their personal development.

2.1.3 SRI research methodology adapted to Real & Private Assets

LBP AM has established a pioneering practice of taking sustainability criteria into account in Real & Private Assets since 2014.

The long-term dimension of investments made is a strong motivator of integration into our research processes. Management teams, working with SRI specialists, have developed analysis grids based on the four GREaT pillars and adapted to each class of real assets: corporate, infrastructure and real estate. These grids make it possible to identify the contributions of companies and projects to sustainable development challenges and the integration of responsible practices in their business models. The GREaT grids are filled out by investments managers and analysts of the Real & Private Assets team from available due diligence documents and, where applicable, interaction with project sponsors of company representatives. An independent verification is carried out by LBP AM's SRI specialists, highlighting strengths and potential areas for improvement in ESG performance. Lastly, an overall GREaT score is produced for each transaction by weighting the scores assigned to each research pillar.

CORPORATE PRIVATE DEBT

As part of its SRI due diligence, LBP AM asks companies to fill out a GREaT SRI evaluation grid, in order to indicate, for each pillar, whether a policy has been implemented to control underlying risks, resources mobilized for its deployment and metrics used to assess the effectiveness of its implementation. This exercise often gives rise to dialogue between the company, the Corporate Private Debt managers and the SRI specialists, in order to clarify certain responses and fine-tune the overall GREaT score. Moreover, it happens more and more that Corporate Private Debt managers and the SRI specialists work toward putting through ESG covenants to encourage the company's sustainability prices, even by structuring the loan contract. **This involves introducing a bonus/malus system on interest margins, based on the accomplishment of ESG objectives that are relevant to the company's business, in order to encourage it to improve its performance over a timeframe generally corresponding to the duration of financing.**

In 2023, LBP AM - TFSA updated the GREaT grid used for ESG ratings of projects in order to continue to converge with the AGIR 2.0 model deployed in cash management. This change reorganised research criteria by pillar, making ratings more robust by introducing pre-determined response and rating scales, in order to enhance objectivity and comparability, and by adding indicators that deal more with SME challenges (e.g., existence of mechanisms for sharing value, formalisation of CSR policy, etc.). This new version, which retains the methodological fundamentals of LBP AM's philosophy, is used to **improve the way in which GREaT score reflects the quality of mechanisms used by financed counterparties, to steer their sustainability risks and opportunities.**

Box on Sustainability Linked Loans (SLL) for climate and biodiversity

In 2023, corporate private debt managers and experts from the SRI Solutions team continued to deploy the Midcap Senior Debt strategy, launched in September of the previous year. **Classified SFDR Article 9,** it makes 100% sustainable investments while applying at least one ESG KPI and a trajectory for improvement at the closing of each loan agreement. KPIs are chosen on a case-by-case basis during discussions with companies on the four following thematic: decarbonation of the business model, improved working conditions, sharing of value, and sustainability in the value chain.

Eleven loans were in the portfolio as of 31 December 2023 with an average of 3.3 KPIs per financing agreement. **54% of the KPIs were linked to sustainability in the value chain (e.g., CSR audits of suppliers, deployment of a responsible procurement policy, etc.), 27% to decarbonising the business model (e.g., calculating the carbon footprint, SBT reduction targets, etc.) and 19% to improving working conditions (e.g., reduction of accidentology, non-mandatory qualifying training rate, etc.).**

Implementing KPIs in value-sharing remains a challenge, given the difficulties in applying them relevantly to operations. Indeed, SLLs are meant to encourage companies to improve their performance by rewarding the achievement of objectives that go beyond the regulatory compliance thresholds. And while it is possible to meet this ambition on LBP AM's three other thematic, value-sharing remains closely regulated by labour law, which kept us from engaging with counterparties in this thematic. The teams nonetheless remain mobilised to implement an initial KPI in this area, and as a sign of this engagement, LBP AM signed France Invest's **Charter of Engagement in Sharing Value** in October 2023.

INFRASTRUCTURE PRIVATE DEBT

SRI analysis is even more important for this asset class, as financings may have significant environmental and social impacts with underlying assets being in sectors that are essential to territorial economic and social development (energy, transport, telecommunications and healthcare).

All projects are assigned a GREaT score and an SRI opinion submitted to the investment committee.

The project's main research criteria deal with:
- long-term engagement from sponsors,
- impact on biodiversity, exposure to physical risks and climate transition,
- contribution to combatting climate change,
- quality of social practices at subcontractors,
- acceptance of the project by local communities,
- contribution to economic development of the host region.

The investment managers fill out the analysis grid based on documentation made available during the due diligence phase. The grid is then sent to the SRI specialists, who review the answers proposed by the managers, produce a GREaT score and draft a recommendation.

The GREaT grid used for rating infrastructure debt projects has evolved from the AGIR 1.5 model to the AGIR 2.0 model in 2023, in order to enhance its convergence with the rating model used for cash management, while ensuring that this asset class's special features are better taken into account.

Two features were introduced for this purpose:

- the distinction between project or corporate counterparties in order to fine-tune the analysis of the responsible governance pillar;
- the distinction in the analysis of the sustainable resource management pillar based on whether operation and maintenance of the financed project is done by employees of the financed entity or by subcontractors.

This revised framework maintains the methodological fundamentals inherent to LBP AM's philosophy, and helps to improve the way in which the GREaT score reflects the quality of the mechanisms implemented by the financed counterparties to manage their sustainability risks and opportunities.

Focus

LBP AM's climate impact strategy: a private infrastructure debt fund classified SFDR Article 9 (p. 39)

In September 2023, LBP AM structured a new impact strategy whose thesis is to "contribute to achieving the Paris Agreement objective of limiting global warming to at most 2°C by financing infrastructures that :

1. substantially contributing to to climate change mitigation, or
2. pledging to substantially decarbonate their activities.

Accordingly, three new investments were made in 2023 in energy efficiency, photovoltaic solar and electric vehicles charging station projects. To cite one example, the EV project involved the financing of a network of about 18,000 sites, including more than 34,000 recharging stations in 16 countries in Western Europe. Managing infrastructure debt made an active contribution to structuring this deal that aims to reduce emissions by about 59,000 tCO_2 annually. This project thus makes a substantial contribution to the European taxonomy's climate change mitigation objective, given that it corresponds to low-emission road and public transport, as well as the construction, modernisation, maintenance and operation of infrastructures necessary for operating road transport with no CO_2 exhaust emissions.

The "impact" nature of the fund was validated based on the in-house proprietary grid that assesses investment strategies' compliance with recognised standards in impact investment, such as those of GIIN (Operating Principles for Impact Management) and FIR-France Invest (definition of impact finance).

LBP AM has thus ensured alignment with best practices in formulating intentionality, additionality and measurability of the fund's investment strategy.

The selection of investments eligible for this fund follow a rigorous process in addressing the investment objective:

1. selection of counterparties that substantially contribute to the European taxonomy's climate change mitigation objective; or

2. selection of counterparties that do not substantially contribute to the European taxonomy's climate change mitigation objective but who set an ambitious target to significantly reduce GHG emissions induced by their activities.

Each project is also subject to an impact score set by the proprietary tool to account for investment's contribution to the fund's intentionality. Developed based on five impact dimensions by the think-tank Impact Frontiers, this score ranges from 1 (for an investment making a very positive contribution to the desired impact) to 10 (for an investment making a very negative contribution to the desired impact).

The strategy will result in an impact report that will disclose performance indicators related to avoided CO_2 emissions, the portfolio's implied temperature, and the impact score.

Based on this methodology, which sets a precise sustainable investment objective while ensuring that negative externalities are controlled, the strategy has been classified SFDR Article 9.

REAL ESTATE PRIVATE DEBT

LBP AM invests in debt backed by buildings used for offices, housing, shops, logistics, healthcare, hotels and datacentres in a dozen European countries. In its due diligence, LB PAM uses an SRI research grid suited to real estate assets.

As real estate is a major source of greenhouse gas emissions (about 30% for France), energy transition criteria predominate, with an envi-ronmental certification for construction and operation of planned energy enhancement investments. Building user comfort and responsible management of investor/sponsor resources are also taken into account. Governance, in both its legal and operational aspects, as well as territorial development (building integration and involvement of local stakeholders) are also pillars of methodology. It is sometimes difficult to gather all the necessary information for a complete analysis. There may be no information or no recent information on energy consumption or greenhouse gas emissions; some certifications (HQE, BREEAM, LEED) or labels (HPE, BBC, Effinergie, BBCA) may be outdated; or the identity of certain external service providers (property and facility management) are not always well-known. Real Estate Private Debt managers fill out the GREaT grid on the basis of information provided during the due diligence phase. During regular interactions between the Real Estate Private Debt team and arrangers and financing consultants, we pay special attention that property evaluations include a detailed paragraph on the environmental thematic.

The completed grid is then forwarded to the SRI analysts, who send the portfolio managers' proposed response, produce the GREaT score and draft their opinion.

SRI IMPACT AND RESEARCH METHODOLOGY FOR SOCIAL AND SOLIDARITY ECONOMY ACTORS

The social and solidarity economy (SSE) is a set of structures organised in the form of cooperatives, mutual insurance companies, associations or foundations, whose internal operations and activities are based on a principle of solidarity and social utility. The response to environmental and social needs is a hallmark of these companies' missions. Their activities often contribute to territorial development by improving access to housing for vulnerable persons, by encouraging integration through employment, by promoting the revitalisation of rural areas, or by promoting short circuits of consumption. Of relatively modest size, they are not listed on the financial markets but may call on investors to develop their activities via solidarity-based funds.

To guide the selection of structures, LBP AM has set up an SSE-adapted research grid consisting of two components:

1

IMPACT ANALYSIS

of solidarity companies, which mainly covers the following issues:

- **Quality** of the response to social needs
- **Population** of beneficiaries concerned
- **Transparency** in the use of funds

2

ANALYSIS OF SUSTAINABILITY POLICIES AND PRACTICES

of solidarity companies, based on the four GREaT pillars

- **Resources:** strategic integration of the quality of human resources management and diversity, company practices in recycling, waste management and any positive contribution that the solidarity-based project may make to biodiversity.
- **Energy transition :** global warming mitigation approach and objective.
- **Territories :** a core pillar in researching solidarity associations in assessing the project's relevance with regards to its stakeholders, such as suppliers, customers, civil society and local communities, employment and territorial anchoring.

2.2 Integrating sustainability issues into asset management processes

LBP AM - TFSA's sustainable investment methodology

LBP AM and its TFSA subsidiary pledge to comply with SFDR definition of a sustainable investment under the following three conditions:

1 The invested company's activity or policies contribute in a positive way to an environmental or social objective

To assess an issuer's contribution to an environmental or social objective, various criteria are considered, depending on the company's activities and objectives.

- For a **« virtuous company »**, The issuer's GREaT score must be below 3/10 (1/10 being the best note), with minimum required coverage of 33%.
- Regarding **Environmental Solution** companies, at least 20% of the issuer's revenues must be generated in "green" activities as defined by Greenfin.
- For a **Positive Impact** company, LBP AM - TFSA's proprietary qualitative methodologies can be monitored to assess this criterion.
- LBP AM - TFSA also invests in companies in transition. For companies in **climate transition,** LBP AM ensures that the issuer has a **SB-Ti**-approved carbon trajectory, backed by short-term engagements covering more than 70% (>) of scope 1 & 2 emissions. Ultimately, a score greater than, or equal to 5 based on the BIRD proprietary methodology must be obtained by companies in the biodiversity transition. This can be applied only if the company operates in a sector deemed material to biodiversity.

2 The invested company causes **no material adverse harm** to any environmental or social objective.

- Complying with this condition is based firstly on **monitoring the exclusion policy methodology.**
- Second, controlling these potentials harms requires the use of **quantitative filters stipulated by the GREaT proprietary quantitative methodology**, as well as, on an ad hoc basis, a **controversy filter**.
  To meet this condition, the invested company must have a GREaT score below 8/10 (10 being the worst rating), and must comply with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, as analysed by the controversy filter including MSCI, Moody's ESG and SFDR PAI 11 data on the lack of compliance processes and mechanisms.

3 The invested company applies good governance practices

- Lastly, the quality of the issuer's governance is analysed via the GREaT score. Compliance with this criterion is assessed via a qualitative governance rating of the GREaT score greater than, or equal to, 5.5 (10 being the best score), or a quantitative governance rating of the GREaT score below 6/10 (10 being the worst score).

All criteria and thresholds applied are stated in a methodological document available on the portfolio management company's website at:

Méthodologie investissements durables

Toqueville Finance | **LBP AM**

2.2.1 SRI management undertakings

Almost 100% of open-ended funds managed by LBP AM - TFSA include a common core of sustainability criteria in their management process.

EXCLUSIONS

The funds apply exclusion policies approved by the dedicated committee, which decides to exclude companies exposed to major controversies and companies operating in sensitive sectors (controversial weapons, tobacco, gambling, thermal coal, oil & gas), in accordance with its policies. These policies are demanding and are updated regularly.

Coal sector-based exclusion policy

Since 2019, LBP AM - TFSA has pledged to gradually exclude mining and electricity-generation companies having expansion plans in coal, and that have not pledged to exit coal by 2030 in the case of OECD countries and 2040 for the rest of the world. In 2021, this engagement was extended to issuers supplying upstream and downstream services, which generate at least 20% of their revenues from coal. Data come from Urgewald's Global Coal Exit List and from Trucost, another supplier.

Oil & gas sector-based exclusion policy

This policy aims to achieve by 2030 a sector allocation 100% aligned with an energy transition trajectory for reaching the Net Zero objective by 2050, and includes midway review in 2025 in order to assess changes in the allocation with a view to the 2030 target.

It consists of three levers:

- an exclusion policy;
- an engagement policy;
- a research and selection policy.

The exclusion policy targets the exploitation of non-conventional hydrocarbons in particular, based on the broad definition of these resources proposed by the Scientific Committee of the Sustainable Finance Observatory and detailed below:

- oil from tar sands and extra-heavy oil;
- shale oil & gas;
- oil & gas from the Arctic: projects or activities in regions in which seawater ices over temporarily or on a multi-annual basis;
- deep offshore oil & gas: offshore exploration or production activity at a depth of more than 1000 meters

To find out more

Oil & gas policy

Exclusion policy

INTEGRATION OF SUSTAINABILITY ISSUES IN ANALYSES

Asset management processes fully integrates financial and SRI research, which are an integral part of investment decisions and portfolio construction. The portfolio managers' investment decisions are based on the findings of this exhaustive research on the economic context, the market levels, financial and ESG quality of companies, issuers and sectors, valuations, etc. Portfolio managers make their choices, selecting and weighting securities based on their assessment of the SRI quality / financial performance paring, while taking a long-term view.

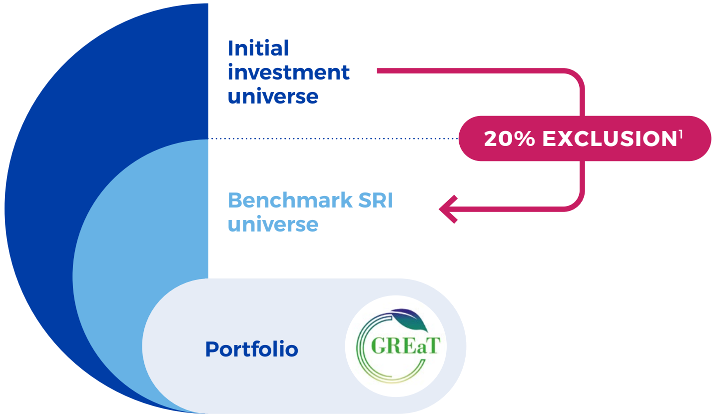
SELECTIVITY IN ACCORDANCE WITH THE *ISR* [SRI] LABEL

LBP AM - TFSA's decision to seek SRI certification for all their open-ended funds has created a stringent framework setting binding principles for the manager (quantitative thresholds to be monitored, obligations of transparency in its practices and reporting). Compliance with these rules and the quality of the management process are verified by an on-site audit by an accredited third party every three years.

In accordance with the benchmark ISR [SRI] label, an investment universe is defined for each fund that is consistent with the investment strategy and monitored by the labelling body. A selectivity rate of 20% is applied to this universe, based on the two methodologies used by the ISR [SRI] label: the exclusion method and the average-rating method.

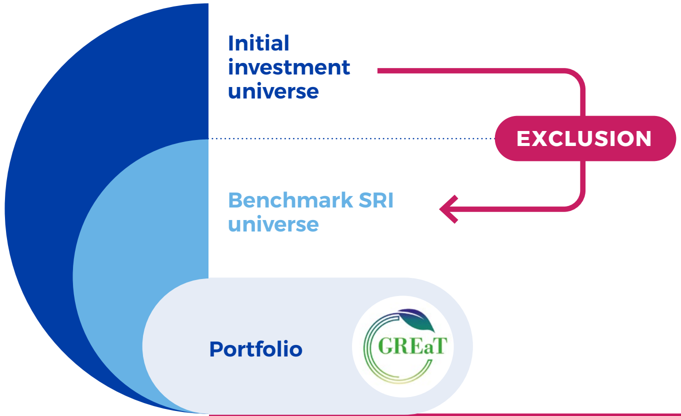
Exclusion method

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



Average-rating method

The portfolio's average GREaT score must be better than the GREaT score of the benchmark SRI universe, including the Exclusion Committee's exclusion list.



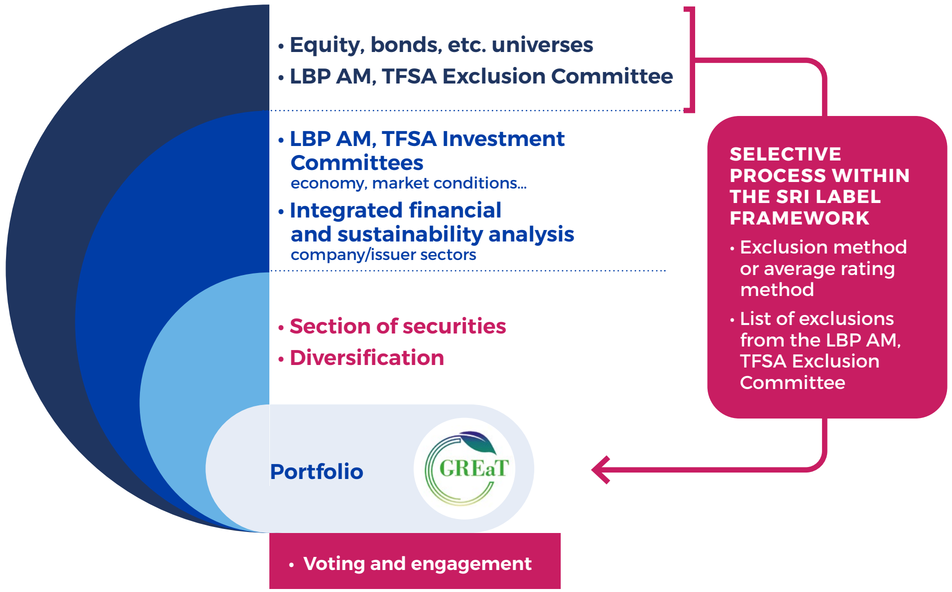
- Portfolio GREaT score better than the SRI universe GREaT score
- Exclusions from the LBP AM/TFSA Exclusion Committee

1. Liste des exclusions réglementaires, sectorielles et normatives issue du comité d'Exclusion LBP AM - TFSA + Élimination des valeurs ayant les moins bonnes Notes GREaT

Since October 2020, the new version of the French ISR [SRI] label requires portfolio managers to monitor two indicators alongside the existing framework. These indicators must have high coverage rates (90% for the former and 70% for the latter) and their value for the funds concerned must be better than that of the benchmark SRI universe.

All funds of LBP AM and TFSA now apply this version.

A common foundation for all strategies



Focus

SRI selection in real asset and private debt infrastructure, real estate and corporate funds

Unlike all other LBP AM funds, it is impossible to apply selectivity rules set in the official French ISR [SRI] label to real asset and private debt funds. Investments are targeted to certain projects and not from a broad universe of issuers.

The investment process for Infrastructure, Real Estate and Corporate Private Debt systematically integrates ESG criteria into the investment analysis and decision-making, as a matter of standard practice, based on a customised process. ESG research findings are formalised in an opinion and presented to the investment committee, as is the case of the analyses made by the risk and compliance teams. This report influences the final decision to invest or not, but is not decisive. Moreover, LBP AM's exclusion policies apply to these funds and may be supplemented with specific additional exclusions (for example, the refusal to finance weapons or mining sites).

Sustainable investment – GREaT scores

Corporate debt and private infrastructure debt funds classified as Article 9 follow a sustainable investment methodology. Threshold ratings are accordingly applied to these funds as part of their GREaT score. Ratings pertaining to the "responsible governance" and "sustainable management of resources" pillars must be equal to or below seven for the fund to be considered as a sustainable investment.

Real asset and private debt funds

PRELIMINARY DISCUSSIONS with the SRI Solutions team

- An SRI analyst in charge of private debt
- Initial interactions with the issuer, its sub-sector and the transaction

GREaT GRID integrated into the managers' analysis and due diligence

- An analysis grid by GREaT pillar: Governance, Resources, Energy & Environmental Transition, Territories, adapted to infrastructure, real estate, and corporates.
- Analysis of due diligence points and interaction with various parties to access specific data.
- Identification of key aspects that may be subject to special monitoring.

An independent **RATING** by the SRI Solutions team

- Verification, by the SRI Solutions team of the analysis grid filled out by the Private Debt team.
- Q&A process with managers and identification of monitoring aspects
- Rating by GREaT pillars and overall rating
- Presentation to the Private Debt investment committee

SRI RESEARCH integrated into monitoring the portfolio of receivables

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

THEMATIC SELECTION

In addition to this common core, LBP AM - TFSA strengthens its SRI approach through **thematic fund** range to seek a greater impact of investments via:

- **Investment in companies selling products and services with high societal value**
  To complement GREaT-based SRI research, assets in these thematic funds, which are often Article 9 funds, is directly mainly towards companies identified as "company-solutions" to the main environmental challenges. These are identified from third-party benchmarks, such as the taxonomy of sustainable assets of the Greenfin French label or the European taxonomy.

- **Solidarity-based investment**
  The Group's solidarity approach allows clients to take direct part in financing projects or companies having strong environmental or social utility. Solidarity funds take part in financing SSE projects of companies and/or associations with strong social and environmental utility, through either a donation (revenue sharing or management fees) or through investments amounting to 5% to 10% of their AuM, particularly through LBP AM - TFSA's '**Gamme de partage**' range of funds.

- **Tocqueville Silver Age ISR**
  This fund invests in the silver economy. The supported association is Siel Bleu, which was chosen for its objective of promoting healthcare and the well-being of the most vulnerable persons, by helping them to stay autonomous, promoting inclusion and combatting sedentary isolated lifestyles.

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

- **LBP AM ISR Actions Environnement**
  This fund specialises in the energy transition and selects companies from sustainable sectors promoted by the UN under its Agenda 2030. In this context, Nature 2050 was chosen for its mission of protecting the natural environment, restoring biodiversity and ensuring its long-term management. Support is currently being provided to 50 projects across France.

- **LBP AM ISR Actions France**
  This fund invests in shares of French companies to assist entrepreneurs through companies deemed "structural leaders" or emerging groups. The Louvre Endowment Fund was selected as it supports many public-interest actions to make art, culture and history as widely accessible as possible throughout France.

- **LBP AM ISR Actions Solidaire**
  This fund combines SRI management and solidarity-based investment in four priority investment areas: education, healthcare, environment, and solidarity. It holds shares in companies certified as "entreprises solidaires d'utilité publique" [solidarity-driven companies serving the public interest], including Habitat & Humanisme, which works to build, acquire and renovate homes for persons in distress.

Focus

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

LBP AM's solidarity funds support the following associations:

ASSOCIATION FOR THE RIGHT TO ECONOMIC INITIATIVE
(ADIE) works in mainland France to help disadvantaged individuals by facilitating their access to credit to start their own businesses.

INTERNATIONAL FEDERATION FOR HUMAN RIGHTS,
an international NGO that defends human rights (civils, political, economic, social and cultural). LBP AM - TFSA supports this association through a partnership between FIDH and the LBP AM SRI HUMAN RIGHTS fund, whose SRI strategy focuses on human rights.

FRANCE ACTIVE INVESTISSEMENT,
a solidarity investment company that supports entrepreneurs committed to employment, local development, social issues, the environment and other areas.

HABITAT AND HUMANISME,
a real-estate association that helps families and isolated persons in distress to obtain a decent home and receive nearby support to reestablish social ties.

L'UNION FRANÇAISE POUR LE SAUVETAGE DE L'ENFANCE,
a solidarity and education association that works with children in vulnerable situations.

2.2.2 Breakdown of our assets under management

Segmenting assets managed by LBP AM - TFSA reflects the extent of sustainable finance undertakings in our financial management.

RESPONSIBLE ASSETS

As of the end of December 2023, about 81% of LBP AM - TFSA's assets were managed responsibly, i.e. €45 billion. These assets take sustainability criteria into account in financial research and portfolio construction. This integration is systematic and traceable for most of its open-ended funds. These are assets of funds that have been awarded the ISR [SRI] label and funds whose SRI approach is deemed to be equivalent to the label's specifications (v2).

Responsible AuM that are not SRI-labelled

« Assets worth 34.3 billion euros are managed on an SRI basis. ***Almost 100% of the assets of eligible open-ended funds possess the ISR [SRI] label.*** *»*

come either from open-ended funds for which it is difficult to integrate SRI criteria systematically , or formula funds launched before the decision to go to 100% SRI and whose process is impossible to change, or dedicated funds or mandates for which the client chose not to integrate these criteria.**LABELLED ASSETS**

To provide clients with transparency and guarantees on responsible management engagements, **LBP AM and TFSA have chosen to draw on industry standards; the official French ISR [SRI] label, and the Greenfin, Finansol or Toward Sustainability labels.** To be awarded a label requires that each fund's management process be inspected by a trusted third-party, i.e., an organisation accredited to do so, such as EY for the ISR [SRI] label.

Amount in euros of AuM of funds of discretionary mandates classified SFDR Article 8 or Article 9 out of all assets managed by the portfolio management company:

€43,319M

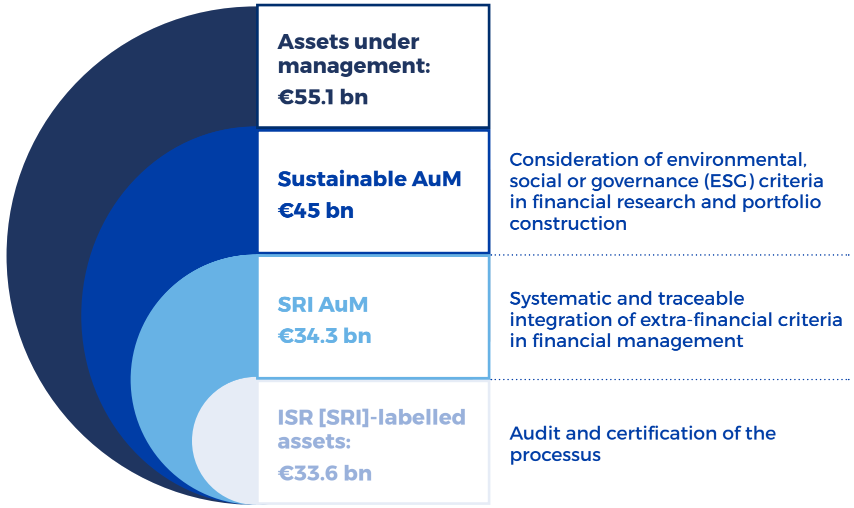
Amount in euros of AuM of funds and discretionary mandates classified SFDR Article 8 or Article 9 out of all assets managed by the portfolio management company:

79 %

All funds and mandates cclassified SFDR Article 8 or Article 9 based and managed by the management company:

164

Labelled assets



Sustainable finance labels

Labels	Number of funds	AuM (billion euros)
ISR [SRI]-LABELLED FUNDS	118	33.6
- of which Finansol-labelled funds	4	0.3
- of which Greenfin-labelled funds	2	0.8
- of which funds labelled TS	1	1.5
FRANCE RELANCE-LABELLED FUNDS (NON-SRI)	4	0.4

2. These assets encompass the following funds: LBP AM INFLATION FLEXIBLE, LBP AM 3 MOIS, TOCQUEVILLE GOLD, TOCQUEVILLE OLYMPE PATRIMOINE, TOCQUEVILLE VIE GENERATION. The full list of responsibly managed assets not classified SRI may be found Appendix p125

Focus

SFDR-based fund classification

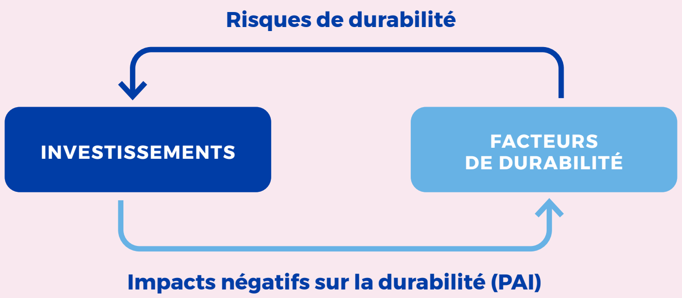
The European Sustainable Finance Disclosure Regulation (SFDR) is a key regulation in the sustainable finance's field.
Its purpose is to provide greater transparency and consistency in financial products' sustainability disclosures. It requires financial products to be classified into one of three categories:

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

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

The European Commission launched a consultation in late 2023 on revising SFDR, three years after it came into force. One of the main issues the European Commission is addressing through its consultation is to clarify the classification of funds with a more accessible vocabulary to facilitate:

- its application
- dovetailing between regulations on a global scale
- streamlining of reporting obligations



2.2.3 Labels and awards

Identité	Labels
SRI	Launched in 2016, the SRI label indicates that the labelled fund meets precise specifications in the areas of financial management and ESG criteria (Environmental, Social and Governance), requiring not just transparency and quality in SRI management but also that funds disclose the actual impact of their SRI management on the environment or society, for example. A new version of the ISR [SRI] label came into force on 1 March 2024 and will include enhanced requirements for funds, particularly in combating climate change.
GREENFIN LABEL	Established in June 2019 by the French Ministry of the Environmental and Solidarity Transition to mobilise savings for the benefit of the energy and environmental transition. It replaces the TEEC label.C.
FINANSOL LABEL	Since 1997 has recognised solidarity-based savings. It guarantees the financing of activities with a high social and environmental value and attests to the engagement of the financial intermediary to provide reliable information on the labelled investment and the activities financed.
TOWARDS SUSTAINABILITY LABEL	Guarantees a minimum amount of sustainability in labelled investments, as measured by the Towards Sustainability quality standard stipulating a set of requirements for the fund, including exclusions, positive ESG impacts, transparency and responsibility in engagements)

Identité	Awards
PRIX ENTREPRISES & FINANCE DURABLES Un évènement de L'AGEFI	L'AGEFI Sustainable Finance Prize: At the Grands Prix de L'Agefi 2023, **LBP AM - TFSA was awarded the Sustainable Finance Prize** in the "Portfolio management company" category for its environmental, social and governance engagements, in consistency with its CSR and SRI policies. Noteworthy accomplishments include the publication of its new Biodiversity Policy, the new 2025 CSR roadmap, and the reiteration of engagements to preserving the environment and the climate. For example, LBP AM - TFSA joined the Net Zero Asset Management initiatives for decarbonising portfolios and the Glasgow Financial Alliance for Net Zero in favour of standardising transition plans.

Article 8 and 9 fund range

RANGE OF OPEN-ENDED FUNDS*	SFDR	ISR [SRI] LABEL *BARRING EXCEPTIONS*	EXCLUSIONS									SELECTION UNDER THE ISR [SRI] LABEL (EXCLUSION OU AVERAGE RATING) *BARRING EXCEPTIONS*	VOTING AND ENGAGEMENT
			REGULATORY		NORM-BASED	SECTORIAL							
			Controversial and unconventional weapons	Agricultural commodities	Global Compact; OECD Guidelines	Coal	Oil & gas	Tobacco	Gambling	Biodiversity	Combatting deforestation		
EQUITIES													
Sustainable funds France/ Euro/Europe	8	●	●	●	●	●	●	●	●	●	●	●	●
Environment and Biodiversity equities	9	●	●	●	●	●	●	●	●	●	●	●	●
Chinese equities	8	●	●	●	●	●	●	●	●	●	●	●	●
US equities	8	●	●	●	●	●	●	●	●	●	●	●	●
Smart Beta	8	●	●	●	●	●	●	●	●	●	●	●	●
MULTI-ASSET													
Diversified	8	●	●	●	●	●	●	●	●	●	●	●	NA
International equities	8	●	●	●	●	●	●	●	●	●	●	●	NA
Multi-management / external funds	8	if needed	●	●	if needed							●	NA
Solidarity assets	8	●	●	●	●	●	●	●	●	●	●	●	NA

*An exhaustive list of LBP AM and TFSA funds can be found in section 4.1.11, p125

RANGE OF OPEN-ENDED FUNDS*	SFDR	ISR [SRI] LABEL *BARRING EXCEPTIONS*	EXCLUSIONS									SELECTION UNDER THE ISR [SRI] LABEL (EXCLUSION OU AVERAGE RATING) *BARRING EXCEPTIONS*	VOTING AND ENGAGEMENT
			REGULATORY		NORM-BASED	SECTORIAL							
			Controversial and unconventio-nal weapons	Agricultural commodi-ties	Global Compact; OECD Guidelines	Coal	Oil & gas	Tobacco	Gambling	Biodiversity	Combatting deforesta-tion		
BONDS													
Credit/Crossover	8	●	●	●	●	●	●	●	●	●	●	●	Engagement
Convertible bonds	8	●	●	●	●	●	●	●	●	●	●	●	●
European sovereigns	8	●	NA	●	●							●	
Other sovereigns	8	ineligible	NA	●	●							NA	
Inflation	8	ineligible	NA	●	●							NA	
Aggregate	8	●	●	●	●	●	●	●	●	●	●	●	Engagement
Money-market	8	●	●	●	●	●	●	●	●	●	●	●	
Absolute Return, bonds	8	●	●	●	●	●	●	●	●	●	●	●	Engagement

*An exhaustive list of LBP AM and TFSA funds can be found in section 4.1.11, p125

2.3 Dialogue and engagement with companies

2.3.1 Corporate engagement

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

That's why LBP AM - TFSA's shareholder Engagement Policy constitutes one of the levers for implementing its responsible investor actions, alongside the other levers of ESG selection, exclusion and thematic investment.

LBP AM - TFSA's objectives, principles, methods of action, priorities and expectations in engagement are publicly described in LBP AM - TFSA' Engagement Policies and Voting Policies. These documents are drawn up and updated annually after an activity review, based on proposal from the SRI Solutions team in coordination with all other contributors and stakeholders to these processes, including managers, analysts, legal counsels, sales functions, and compliance. They are validated by executive management and the entire management chain, in dedicated committees.

SHAREHOLDER DIALOGUE, THROUGH ESG DIALOGUE AND ESG ENGAGEMENT

The shareholder dialogue that LBP AM - TFSA conducts with companies, has a dual objective:

- **via ESG dialogues:** to better understand companies' policies and practices, in order to enhance the analyses conducted by the teams. This dialogue with issuers aims to collect complementary information or to fine-tune LBP AM - TFSA's understan-ding of sustainability disclosures;
- **via ESG engagement:** the Group seeks to encourage integration of sustainable development issues into companies' strategies, to formulate robust policies to prevent ESG risks, to integrate them into companies' operating practices, and to enhance companies' transparency in their ESG policies, objectives and results.

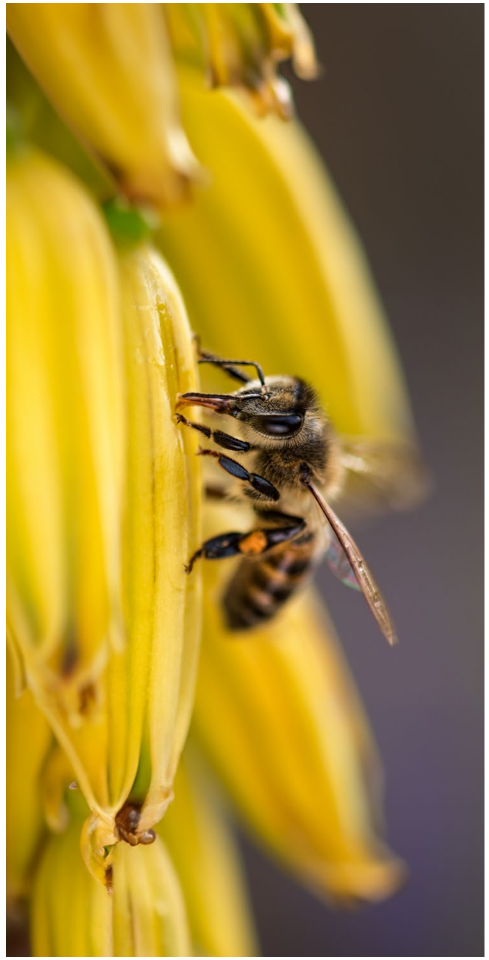
LBP AM - TFSA's Engagement Policy is based, like its other SRI levers, on the four pillars of the proprietary research methodology GREaT, to establish the key thematic of dialogue and engagement with invested companies. This policy also describes procedures for identifying companies to engage with and the usual procedures for conducting this engagement and potential escalation when no results have been achieved. LBP AM - TFSA's shareholder Engagement Policy also revolves around its SRI thematic policies, which describe in greater detail their objectives, principles, procedures for action, priorities and expectations on these thematic:

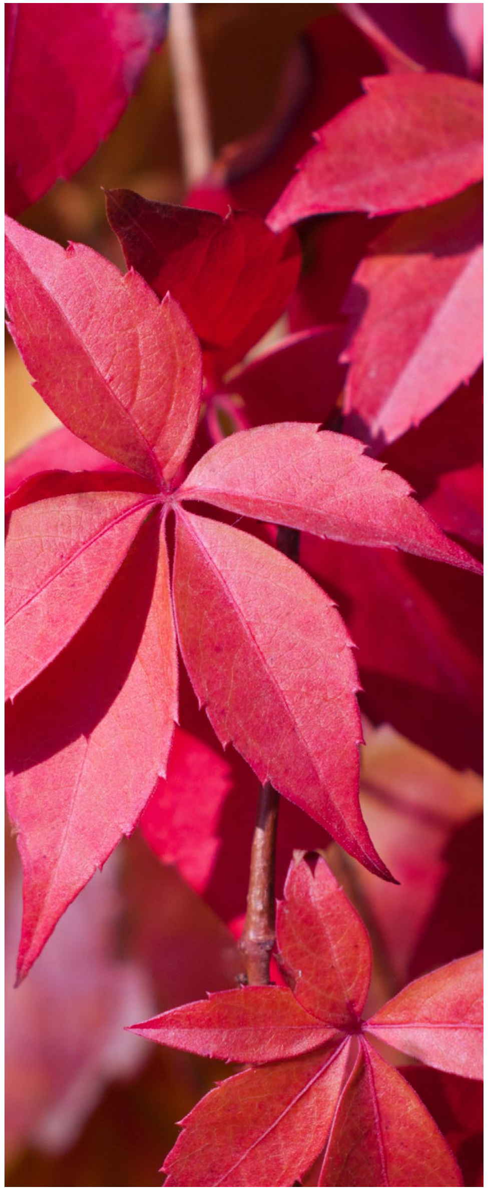
To find out more

Voting policy – governance

Biodiversity policy

Oil & gas policy





BILATERAL DIALOGUE AND ENGAGEMENT; COLLABORATIVE ENGAGEMENT

In order to deploy engagement and dialogue practices, analysts from the Fundamental and Sustainable Research and SRI Solutions teams, as well as portfolio managers regularly engage with invested companies' management and CSR teams. LBP AM - TFSA has made the strategic choice not to outsource its engagement practices. These exchanges can occur during general meetings and while managing controversies and are conducted in two forms, sometimes combined:

- **Bilateral dialogue and engagement; collaborative engagement** with the management of invested companies, particularly during issuer meetings. LBP AM - TFSA may request meetings with companies to discuss specific thematic, in application of Group policies. LBP AM – TFSA teams can also be contacted spontaneously by companies to give their feedback on chosen topics, in order to prepare their general meetings. LBP AM takes the opportunity of these requests to present its expectations in terms of good governance practices.
- **Collaborative engagement,** conducted with other investors on a shared issue. LBP AM - TFSA takes part in joint initiatives when they align with its SRI policies. These initiatives can usually supplement the approach initiated at the bilateral level by pooling research results and providing companies with consistent signals regarding the expectations of responsible investors, in order to have more significant influence with companies. LBP AM - TFSA can take a supporting or leading role in these initiatives.

The launch of an engagement campaign is proposed by the SRI Solutions team, subject to the approval by LBP AM's Sustainable Finance Committee.

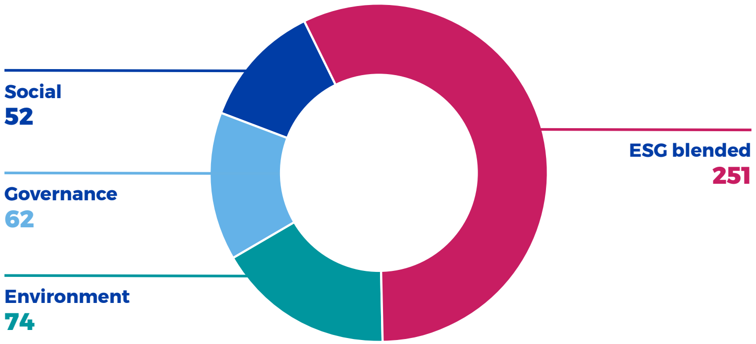
In 2023, LBP AM - TFSA conducted
98
bilateral engagements and
84
collaborative engagements.

In 2023, LBP AM - TFSA made
439
ESG contacts with
261
separate companies
in 25 countries, mostly France and Europe.

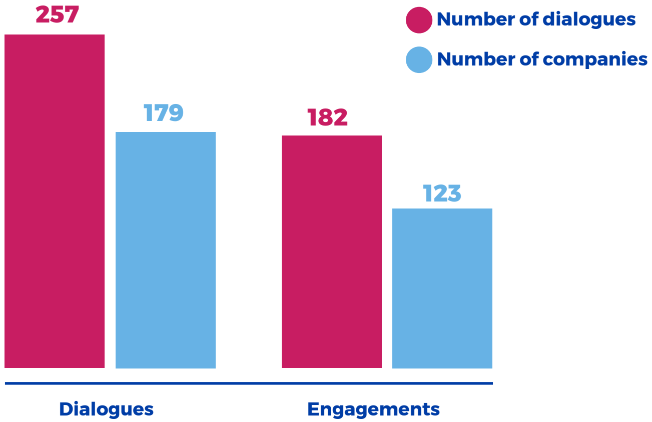
Of these 439 contacts :

- **257 ESG dialogues** with 179 companies and
- **182 ESG engagements** conducted with 123 companies.

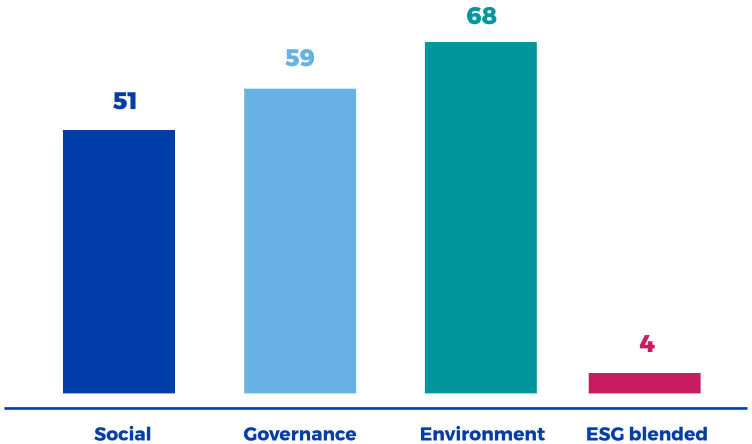
Breakdown of all ESG interactions conducted by LBPAM-TFSA in 2023, by thematic



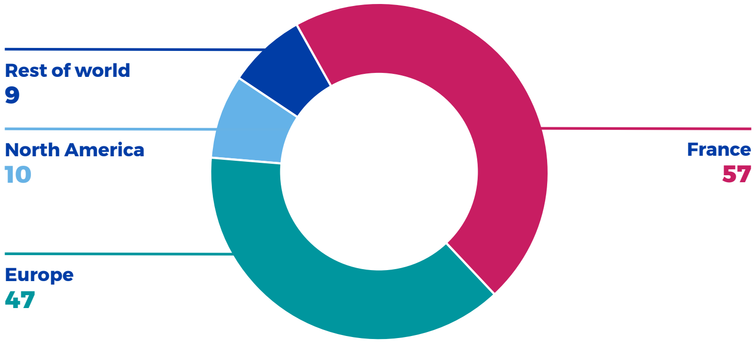
Number of ESG engagements and dialogues in 2023



2023 engagements conducted by LBP AM Group Breakdown by ESG thematic



Companies engaged in 2023 by LBP AM Group Breakdown by geographical region



Testimonial of Alvaro Ruiz-Navajas

ENGAGEMENT WITH DANONE

For a clarification of objectives laid out in the transition planal

To deploy engagement and dialogue practices, portfolio managers are in regular contact with management and/ or specialised teams of companies in which LBP AM - TFSA invests.

As part of the management of the Tocqueville Biodiversity ISR fund, Alvaro Ruiz-Navajas, equity portfolio manager on environmental thematic, initiated one-on-one discussions on two occasions with various Danone representatives on environmental issues, particularly with regards to biodiversity practices.

LBP AM - TFSA's engagement to protecting biodiversity is based on active and specific engagement on this issue to encourage invested companies to manage their impacts on biodiversity and their dependence on natural capital. Alvaro Ruiz-Navajas recommended that Danone step up its transparency on environmental initiatives, particularly regarding the pressures that it exerts on biodiversity:

1. **Biodiversity:** Understanding of modes of production of products of animal origin, regenerative agriculture, and the impact of its activities on deforestation and related risks.
2. **Use of water resources:** Details on efforts made in water consumption in production chains and managing the resource in areas experiencing water stress.
3. **Packaging:** Clarification of objectives and actions related to the packaging policy, particularly in raising consumer awareness of recycling and proposing new initiatives.

LBP AM - TFSA aims to continue these discussions in 2024.

Alvaro Ruiz-Navajas,
Portfolio Manager Thematic Equities in Tocqueville Finance

Testimonial of Camille Bisconte de Saint-Julien and Stéphane Nières-Tavernier

ENGAGEMENT WITH A DISTRIBUTOR OF SOFTWARE AND IT SERVICES

For better inclusion of respect for human rights in value chains

Throughout its investment activities, the LBP AM Group deploys measures to prevent and mitigate any human rights impacts that may arise from the activities of portfolio companies. These measures include careful monitoring of controversies as well as external resources (reports from NGOs, specialised platforms such as the Business and Human Rights Resource Center, etc.).

For example, LBP AM - TFSA identified a concern regarding one of its investments in an NGO report: : the use of information systems for the purpose of violating human rights during a coup d'état and repression in Myanmar since 2021. In 2023, LBP AM - TFSA conducted bilateral engagements with this company to better assess the controversy and then to strengthen due diligence and respect for human rights.

The SRI Solutions team and asset managers teamed up to conduct these engagements: Stéphane Nières-Tavernier, manager of several European large cap equity funds and co-head of the global tech management team, and Camille Bisconte de Saint Julien, social issues analyst on the SRI Solutions team, an expert in compliance with human rights.

Stéphane provided his technical expertise on the following subjects:

- the technology involved in these controversies (computer-assisted design software distributed on a physical medium, which is easier to copy);
- the company's activities (sale of 3D design software in the weapons, aerospace and auto sectors);
- dual distribution, with direct sales and occasionally indirect sales in some parts of the world or for certain types of clients;
- practices that led to this violation (e.g., the demands of large customers such as China not to have to buy a digital version of the software)

Meanwhile, Camille Bisconte de Saint Julien questioned and engaged the company on corrective measures for remediating adverse impacts and relevant human rights risks. These joint discussions helped fine-tune analysis of the company's role in the controversy and allowed to precisely determine the priority (technical) efforts to be made to keep the software from spreading during a new repression (e.g., planned obsolescence on physical versions of the software and distribution of digital versions only, etc.).

As a result, close cooperation between the management and SRI Solutions teams allowed LBP AM - TFSA to conduct this bilateral engagement more efficiently and to remind the company in pointed fashion of the degree of effort to be made throughout its value chain in respecting human rights.

Stéphane Nières-Tavernier,
Co-head of Blend and Global Tech Equities

Camille Bisconte de Saint-Julien,
Analyste sociale & human rights

ENGAGEMENTS CONDUCTED AS PART OF THEMATIC SRI POLICIES

Biodiversity
LBP AM - TFSA conducted **29 engagements on biodiversity.** Seven of these were conducted to manage **deforestation** risks in sectors exposed to exploitation of the main commodities at risk (palm oil, soja, cattle and its derivatives, rubber, wood and cacao).

Climate
Regarding the climate, **47 engagements were conducted.** In implementing its oil & gas policy and asserting Say-on-Climate principles in its voting policy, LBP AM - TFSA encouraged companies to submit their energy transition plan to shareholders for a vote. Whenever LBP AM - TFSA opposed a Say-on-Climate resolution, it sent its reasons to the company, with the aim of supporting implementation of the best environmental practices.

Governance
As a highlight of our shareholder engagement activity, general meeting season is an opportunity to discuss LBP AM - TFSA's voting principles with invested companies, its reasons for opposing certain resolutions put to a shareholder vote, and any changes that might be desirable, particularly in terms of governance. This includes, in particular, producing a list of companies to which the voting principles and the reasons for opposition are always provided, so as to promote good governance practices. On the subject of governance,
61 engagements were made, 54 of which were formulated within the framework of GMs.

Human rights
In 2023, LBP AM - TFSA conducted **54 human rights engagements with 40 companies**. As part of LBP AM - TFSA's Human Rights Policy, which it published in early 2024, these engagements dealt mainly with risks and potential harm to the rights to healthcare, working conditions, and a healthy environment (including issues related to the use of forever chemicals). They also dealt with risks arising from operations in conflict zones, the implementation of enhanced due diligence, supply-chain management and forced labour.

EXAMPLES OF COLLABORATIVE ENGAGEMENT CAMPAIGNS IN WHICH LBP AM AND TFSA TOOK PART IN 2022

RESPONSIBLE GOVERNANCE

The French 30% Club Investor Group initiative was created in November 2020 to promote gender diversity on the governing bodies of SBF 120 companies. LBP AM - TFSA is a founding member of the initiative. In 2023, LBP AM - TFSA extended a dialogue, initiated in 2021, with Carrefour, with the aim of encouraging it to improve the transparency of its action aimed at promoting the inclusion of women in high-responsibility positions. These discussions help to identify the company's culture on these subjects and the initiatives instituted on gender parity, in order to define improvement axes to support the company in integrating women into top management teams. Each year, the 30% Club produces an activity report. The 2023 version is available via this link.

SUSTAINABLE MANAGEMENT OF RESOURCES

The international network of investors Farm Animal Investment Risk & Return (FAIRR) encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. FAIRR conducts several targeted engagements of companies failing to put through good practices in these areas, for the purpose of raising their awareness and supporting them in making changes. In 2023, LBP AM - TFSA took part in collaborative engagement campaigns on sustainable aquaculture and waste and pollution, engaging with two companies.

In 2023, LBP AM - TFSA also took part in engagement campaigns coordinated by CERES. This initiative brings together international investors who aim to contribute to combatting deforestation, caused mainly by livestock and palm oil and soja crops. Each year since 2020, LBP AM - TFSA has engaged with at least one company producing agricultural commodities on the thematic of deforestation to encourage them to set a timeline for ending deforestation and farmland conversion by putting through an action plan monitored through specific indicators.

In 2023, LBP AM - TFSA took part in an engagement campaign organised by the Carbon Disclosure Project (CDP) called the "Non-Disclosure Campaign". This initiative aims to enhance the environmental transparency of portfolio companies on the thematic of climate, water and forests. As part of this campaign, LBP AM - TFSA engaged with three companies via individual letters, asking them to disclose more indicators. Each year, the CDP produces an activity report with the results of this engagement campaign. The 2023 report is available here.

ENERGY TRANSITION

LBP AM - TFSA supported the engagement campaign organised by the Carbon Disclosure Project (CDP) called the "Science-Based Targets Campaign" (SBTi). SBTi is a global organization that certifies companies' GHG emission-reduction objectives based on the latest scientific data on climate. SBTi's objective is to encourage companies worldwide to support the global economy, with the goal of halving emissions by 2030 and to achieve Net Zero emissions by 2050.

CDP's engagement campaign aims to encourage companies to commit to SBTi by setting science-based decarbonation goals aligned with the scenario capping global warming at 1.5°C.

TERRITORIES

Forced labour in supply chains: LThe Investor Alliance for Human Rights (IAHR) is a collective action platform for responsible investment premised on the idea of respect for fundamental human rights. It is a nonprofit initiative based on buy-in and focused on the responsibility of investors when it comes to respect for human rights. The Alliance organises several working groups and collaborative engagements, in partnership with external stakeholders, to help strengthen responsible business conduct regarding human rights. LBP AM - TFSA takes part in the IAHR working group on forced labour of Uighurs in auto sector supply chains. The group aims to engage with sector companies to assess their ability to adopt a strategy for long-term reduction of the risk of depending on materials from forced labour and to enhance their transparency on managing supply chains. For this purpose, LBP AM has engaged with Mercedes-Benz and Stellantis.

Privacy and freedom of expression in the information technologies sector: LBP AM - TFSA also participates in a collective engagement co-organised by Ranking Digital Rights (RDR), an independent research programme that assesses the policies and practices of technology and telecommunications companies on human rights, including privacy and freedom of expression. Based on their research findings, investors engage with the companies assessed to discuss their impacts and promote best practices in respect of human rights. LBP AM - TFSA runs an engagement process with Orange.

Fundamental worker rights and client-related impact risks: UUNI Global Union is an international trade union federation of service industries. Focusing specifically on the care and nursing home sector, UNI Global Union leads a coalition to encourage companies operating in this sector to improve their practices, particularly in terms of treatment of the elderly and working conditions. In 2022, the LBP AM Group became a signatory to the Investor Declaration on Expectations for the Retirement Home Sector, a document that formally sets out the coalition's objectives. In this context, we are participating in an in-depth dialogue with Clariane (ex-Korian), to support it in its adoption of relevant indicators (KPIs) on respect for the basic rights of patients and working conditions at its establishments. In 2023, Clariane obtained the official status of société à mission [mission-oriented company] and launched the "At your side" programme, which formalises five new social engagements for the company and 10 related initiatives.

Risks from operations and materials from conflict-affected or high-risk areas: LBP AM - TFSA has joined Investor Engagement in Conflict-Affected and High-Risk Areas, an initiative organised by PeaceNexus, Investor Alliance for Human Rights and Heartland Initiative. Against a geopolitical backdrop marked by more and more global conflicts, companies sometimes operate in increasingly complex and constrained environments. International standards are becoming more stringent about responsible conduct by companies in conflict zones and offer investors an opportunity to evaluate them and encourage them to adopt increasingly proactive and transparent practices. In engaging with selected companies in the areas of information technologies and renewable energies, the initiative aims to challenge and encourage companies to adopt a set of measures and procedures for effectively reducing the risks of adverse impacts on human rights and on the unfolding of conflicts affecting their operations in these areas. In 2023, LBP AM - TFSA also engaged individually with five French companies that are still working in Russia. The purpose of this engagement was to assess the companies' capacity to implement enhanced due diligence in accordance with UNGP, to adopt measures for protecting workers and communities, and to avoid contributing in any way to adverse impacts on human rights in relation with the conflict.

Discrimination and societal impact of products and services: LBP AM - TFSA participates in a collaborative initiative on pharmaceutical companies organised by the Access to Medicine foundation. Created in 2004 and based in the Netherlands, Access to Medicine evaluates pharmaceutical companies on their capacity to promote access to medicines and healthcare, particularly for the most vulnerable people, via research and development, pricing policies or intellectual property policies. Access to Medicine ranks the sector's largest companies every two years, engages with them and encourages them to upgrade their practices and enhance access to their products on a global scale.

2.3.2 Voting policy

LBP AM - TFSA exercises its voting rights according to the principles set in its 2023 Voting Policy, which are based on the GREaT philosophy.

LBP AM - TFSA's voting policy thus aims to promote **best practices in terms of corporate governance and business ethics and to encourage companies to take environmental and social issues into account.**

For example, LBP AM - TFSA may support non-board-approved resolutions that will contribute to improving ESG (Environmental, Social or Governance) practices within the company, including by participating in their submissions on the agenda.

At the specific request of its clients, LBP AM - TFSA has also exercised its voting rights on behalf of mandates and dedicated funds, based on these institutional clients dedicated voting policies. These votes are not included in the statistics presented below.

SCOPE

LBP AM and TFSA participate in companies' general meetings in accordance with:

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

This voting perimeter is regularly increasing and represents in 2023 approximately 98% of equity investments and 53% of general meetings at which LBP AM and TFSA were able to exercise their voting rights.

LBP AM - TFSA has set an ambitious goal of voting at 100% of GMs by 2025.

General meeting season is an opportunity for LBP AM - TFSA to engage a dialogue with invested companies, to explain to companies its voting principles, its reasons for opposing certain resolutions put to a shareholder vote and its desired changes, especially in governance. This is done mainly by compiling a list of companies to which the voting principles and reasons for voting against are systematically disclosed, with the goal of promoting good governance practices.

KPIs

Exercising of LBP AM - TFSA's voting rights in 2023

- LBP AM - TFSA exercised its voting right on about **15,519** resolutions, with **914** companies, in **33** countries, during **1,001** general meetings
- In 2023, LBP AM - TFSA **cast at least one opposing vote at 86% of GMs at which it voted,** or **4,617 votes in disagreement with company management and a total of 29.8% of votes cast.** This percentage is higher than at other portfolio management companies in France (the opposition rate is slightly below 20%, according to surveys conducted each year by the AFG of its members) and shows how rigorous the voting policy is.

Focus

Main reasons for opposition at general meetings

- **Remuneration:**
  46.1% of votes against resolutions on manager and director remuneration and 42.2% on long-term remuneration plans. The main reasons for opposition were the lack of moderation (amount above the LBP AM - TFSA threshold), insufficient transparency, lack of stringent performance criteria, and long-term remuneration plans deemed to be excessively short-term.

- **Authorisations of corporate actions:**
  37% of votes against these resolutions. LBP AM - TFSA opposed non-specific authorisations for capital increases reserved to one category of investors, which are regarded as poor practice, as they do not allow all shareholders to take part in the operation, and authorisations that can be used as “anti-takeover” mechanisms when takeover bids have been submitted.
  - Although still rare, particularly in Europe, “external” resolutions, i.e., not proposed by the company’s Board but by the shareholders, have increased and show shareholders’ strong engagement to corporate governance. LBP AM - TFSA voted on 499 external resolutions and supported 76% of them. This high percentage of support for external resolutions demonstrates LBP AM - TFSA’s engagement to social, environmental and governance progress on various issues, such as election of board members, shareholder rights, environmental and social issues, employee shareholding, etc.

Focus

Here are a few examples of external resolutions supported by LBP AM - TFSA in 2023:

- **Energy transition:**
  shareholders in 2023 submitted resolutions encouraging oil & gas groups to align their activities with the Paris Agreement, and towards this end, to speed up the decarbonisation of their activities (less investment in oil & gas, more development of renewable energies). This was particularly the case in Europe at **Shell Plc and BP.**

- **Sexual harassment:**
  investors filed resolutions at the general meetings of some US companies (for example, at **Comcast Corporation and Apple Inc.)**, asking companies to publish reports on the effectiveness of their policies against sexual harassment. These resolutions encourage companies to put through robust policies for preventing sexual harassment;

- **Independence of the board chairman: :**
  LBP AM - TFSA supported a resolution filed by shareholders at the 2023 general meeting of **Oracle Corporation** to elect an independent chairman against a backdrop in which the executive’s remuneration had encountered significant opposition, without a response from the board. Independence of a board chairman helps strengthen directors’ oversight role.

FILING RESOLUTIONS

Since 2018, LBP AM/TFSA's voting policy has enabled it to participate in the filing of resolutions on ESG issues. LBP AM - TFSA has exercised this option on several occasions.

Five resolutions were filed and placed on the agenda of GMs of:

- TotalEnergies in 2020 (a Say-on-Climate resolution) and in 2023 (details below)
- Ipsos in 2022 (on a governance issue)
- Engie in 2023 (details below)

Trois autres résolutions climatiques ont été déposées puis retirées par suite d'engagements fructueux lors des AG de Engie en 2021 ainsi que HSBC et TotalEnergies en 2022. **Le retrait de ces résolutions témoigne de l'influence que le dépôt de résolutions exerce sur les entreprises, favorisant l'aboutissement positif des démarches d'engagement actionnarial.**

→ GM 2023 – TOTALENERGIES

This year, LBP AM - TFSA once again stepped up its engagement with TotalEnergies, which had already paid off in 2022 in persuading it to submit its climate strategy annually to a non-binding vote at the GM and to be more transparent on its climate strategy. While these actions were indeed taken, LBP AM - TFSA did regret the lack of definition and subsequent disclosures on the clear holistic target of an absolute reduction by TotalEnergies of its scope 3 GHG emissions in the medium term, particularly of natural gas.

LBP AM - TFSA therefore continued to engage with TotalEnergies, particularly in participating in the filing of a non-binding resolution on whether it should align its scope 3 2023 GHG-reduction targets with the Paris Agreement on the climate. This resolution filed by European investors, assisted by FollowThis, a Dutch association, received 30.4% of the votes by TotalEnergies shareholders – a high rate of support. TotalEnergies nonetheless indicated that the vote would have no impact on its strategy. This resolution is available at:

To find out more

Projet resolution climate

→ GM 2023 ENGIE

In 2022/2023, LBP AM - TFSA took part in a collaborative engagement campaign led by FIR to encourage Engie to flesh out its transition plan and to submit it again to a shareholder vote. The investor coalition took note of real progress by Engie in 2022, including SBTi approval of several carbon objectives as being in line with a trajectory significantly below 2°C, but nonetheless calling for greater transparency from Engie on its transition plan.
The coalition sent a letter to Engie's board chairman and engaged with it on issues in common with those of the Climate Action 100+ initiatives, supplemented by other, more specific ones. As part of this engagement campaign, LBP AM - TFSA, along with 15 other investors, co-filed a resolution with its dual objective being:

- to report that a growing number of investors want the company to file a non-binding Say-on-Climate resolution on a regular basis;
- to obtain sufficient information for assessing this strategy with a 1.5°C scenario covering its entire perimeter of responsibility (scopes 1, 2 and 3).

The engagement produced a significant improvement in the level of transparency and disclosure by Engie on its transition plan prior to the GM. It also pledged to file an occasional Say-on-Climate resolution on its transition plan, but not a vote on its execution. The resolution was supported by 24.38% of shareholders; Engie's board pledged to continue the constructive dialogue with its shareholders; and several CA100+ meetings have been held since then.

2.3.3 Advocacy by LBP AM and TFSA

LBP AM - TFSA interacts with public authorities, financial regulators and professional associations on sustainable thematic, particularly in replying to consultations prior to the publication of new regulations, by participating in working groups and advocacy activities. In 2023, LBP AM - TFSA advocated on the following issues:

→ **Review of the Greenfin label:**
LBP AM - TFSA took part in an ad hoc committee set up by the **Commissariat Général au Development Durable** (CGDD) to support it in its review of the Greenfin label.

Testimonial

« The review of the ISR [SRI] label »

In 2022, LBP AM - TFSA had released an initial response to the consultation on the revision of the official French ISR [SRI] label. LBP AM - TFSA fully agrees with the need to revise the framework, in particularly concerning its level of standards, so that the label would remain a benchmark for investors. This is more necessary than ever with the entry into force of a sometimes-confusing European regulation with its many potential workarounds. LBP AM/TFSA then took active part in a working group on reviewing the label aimed at proposing requirements criteria relating to the monitoring of controversies and shareholder engagement. In 2023, after the release of the draft specifications, LBP AM - TFSA continued its engagement to submit its more technical proposals to the public authorities, particularly through the **FIR and AFG** but also directly to the **DGT** and the French **prime minister's office. Among other things, LBP AM - TFSA contributed to a methodological change pertaining to selectivity in transition, which was deemed a major obstacle to deploying this V3.**

Helena Charrier, Responsable Solutions ISR

→ **SFDR :**
LBP AM - TFSA took active part in discussions on SFDR, including in:

- **revising the SFDR delegated regulation** en répondant directement à la consultation de **l'ESMA** mais également par le biais de **l'AFG**, **d'Eurosif** et de discussion bilatérale avec l'AMF.
- **defining sustainable investments** by assisting in the drafting of an AFG position paper.
- **the SFDR level 1 review** by responding directly to the **European Commission** consultation but also through **Groupe CDC, LBP, the AFG and Eurosif,** for the purpose of:
  - Supporting the definition of minimum standards, which are more able to protect investors that the current regime of pure transparency;
  - Simplifying and clarifying investor disclosures of details
  - Limiting the risks of divergence in interpretation in application by market participants;
  - Standardising various regulations.

→ **ESG references in fund names: LBP AM - TFSA** areplied to the **ESMA** consultation on guidelines for mentioning ESG in fund names. For example, the ESMA announced that funds using the terms "impact" or "transition" must intend to generate a positive and measurable social or environmental impact in addition to a financial return, or be on a path to a clear and measurable social or environmental transition. The consultation also included mandatory exclusions.

→ **Corporate Sustainability Due Diligence Directive (CSDDD):**
LBP AM - TFSA signed a statement in favour of aligning the CSDDD with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

→ **CSRD :** LBP AM - TFSA, which has been subject to this European regulation since January 2024, sent a letter, alongside other actors and via **Eurosif**, **PRI**, **UNEP FI**, **IGCC and EFAMA**, to the European Commission calling on it to maintain the level of ambition and recommendation of **EFRAG** for CSRD's ESRS standards.

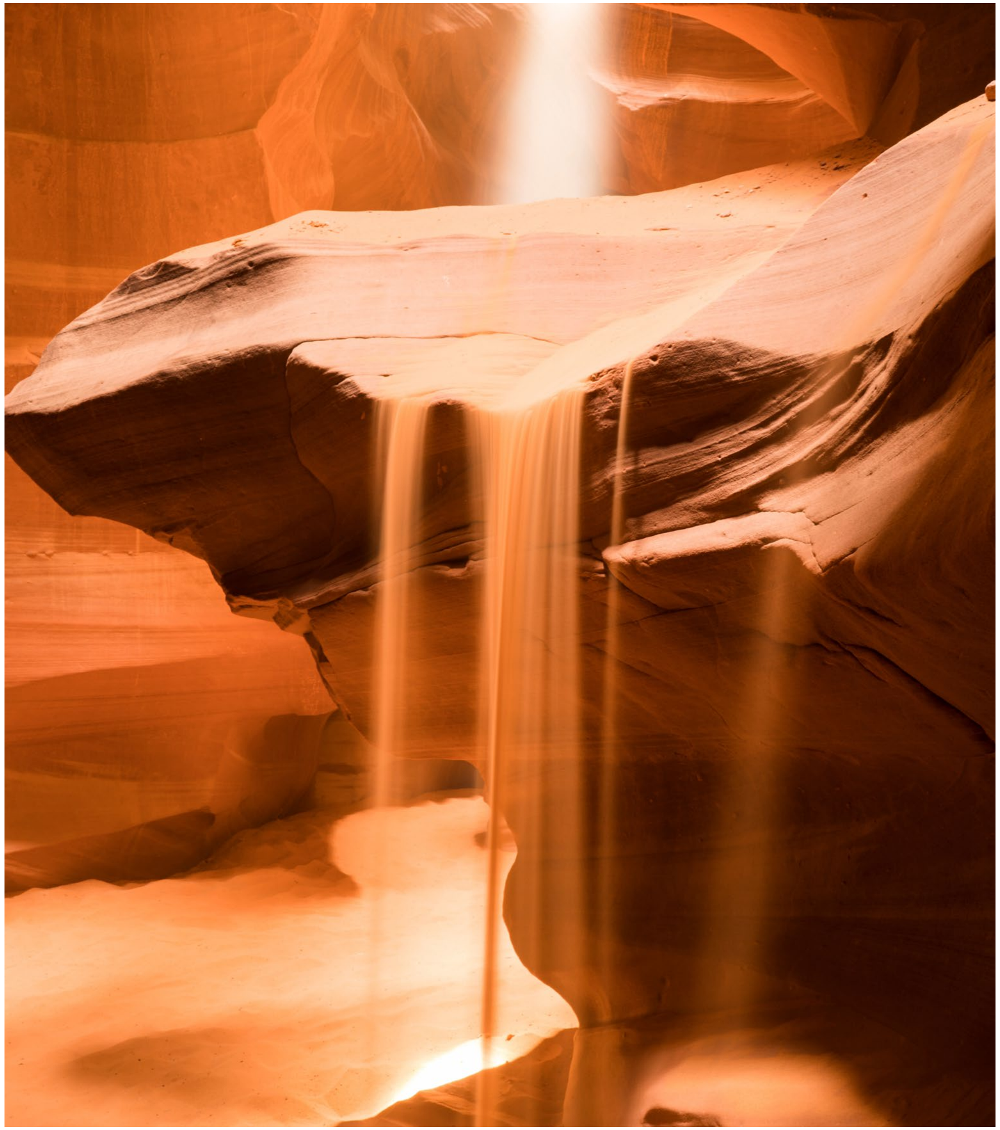
→ **Biodiversity taxonomy: LBP AM - TFSA** contributed to the response of **Group CDC** to the **European Commission** consultation on delegated biodiversity taxonomy acts.

Call on action to reduce plastic:
LBP AM - TFSA supported a **declaration** calling on companies using a lot of plastic packaging to take urgent action to reduce in absolute terms their use of plastic. They also called upon to address the use of hazardous substances in products and packaging, including the use of hazardous chemicals in value chains – which are obstacles to improving circularity.

Promoting Say-on-Climate
by publishing an **Position paper**, coordinated by FIR, reaffirming that companies' engagements required from companies remains insufficient in light of the goal to limit global warming to 1.5°C.. The position paper calls on companies to submit resolutions on their transition plans, providing the necessary degree of transparency, particularly through the publication of absolute scope 1, 2 and 3 emissions in the short, medium and long terms, as well as actions aimed at achieving these objectives. Public authorities are also urged to lay out a clear legal framework for widespread adoption of Say-on-Climate and, to improve investor information, to standardise its contents and facilitate shareholder initiatives.

Climate governance:
LBP AM - TFSA took part in a working group headed by the **IFD** on climate governance aiming to produce **a report** on how to integrate climate action at companies. The report assesses climate governance practices and formulates 10 recommendations, concerning the board organisation, director skills and training, shareholder dialogue, as well as remuneration policies.

UN corruption call on action:
LBP AM - TFSA signed a **« call-on-action from business to government »** of the UN Global Compact on fighting corruption. The call-on-action aims to encourage actions to combat corruption as part of the 20th anniversary of the United Nations Convention against Corruption. It was presented at the CoSP10 of the United Nations Convention against Corruption, organised by the United States, in Atlanta in December 2023.



2.4 Managing environmental, social and governance risks

Taking dual materiality into account
LBP AM - TFSA believes that taking sustainability risks into account and reducing negative impacts of its investments on sustainability factors are intrinsically linked. Poorly managed negative impacts can lead to increased sustainability risks Therefore, reducing adverse impacts of investments is a key component in preventing sustainability risks. Accordingly, LBP AM - TFSA does not separate its treatment of climate risk management from its consideration and reduction of the main adverse impacts of its investment decisions on sustainability factors.

The policy for researching and managing sustainability risks arising from environmental, social and governance factors is based on a set of tools, policies and complementary procedures.

2.4.1 Framework for identifying and assessing risks

SRI RATINGS

LBP AM - TFSA's proprietary GREaT ESG rating methodology incorporates indicators relating to different categories of sustainability risks, such as risks stemming from climate change, governance issues and respect for human rights. Are thus considered:

- **Regulatory risks,** captured by the "Business ethics" criterion, which evaluates issuers' internal control mechanisms;
- **Operating risks, ,** captured by the "Sustainable Resource Management" pillar, focus in particular on the quality of human resource management (training, turnover control, etc.) and the institution of sound environmental management systems, both of which are factors for reducing operational risk.
- **Strategic risks**, which relate to the alignment of companies' strategy with long-term trends, particularly with the "Energy Transition" and "Territorial Development" pillars;
- **Climate-related risks,** qncompass physical risks, including damage caused directly by weather and climate phenomena; and transition risks resulting from the effects of implementing a low-carbon economic model, following a change in regulation, the emergence of new "disruptive" technologies, etc. These risks are analysed in the "Energy Transition" pillar.

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

The GREaT ratings are updated every half-year and may be updated on an ad hoc basis when a specific risk is identified. The rating methodology is reviewed at least once each year. The GREaT scoring tool is further described in section 2.1, p. 29.

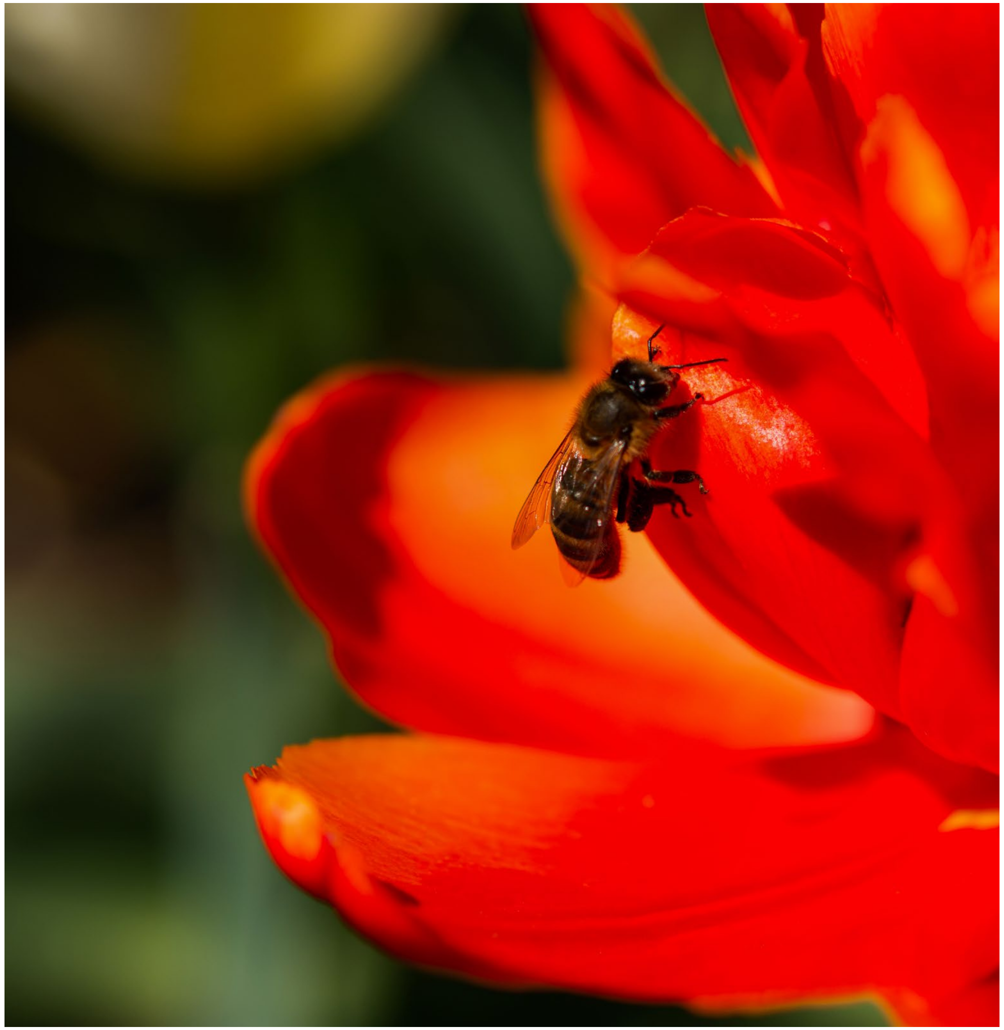
FINANCIAL ANALYSIS

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

The ratings are updated according to new information available and exchanges with the companies concerned or external analysts.

NORMATIVE NORM-BASED RESEARCH

The norm-based analysis carried out as part of the exclusion process aims to identify companies that are the subject of controversies relating to the violation of the United Nations Global Compact and the OECD Guiding Principles for Multinational Enterprises, and to assess whether such violations are clear, severe or repeated and whether corrective measures have been taken to address them.



2.4.2 Risk management framework

RULES FOR INTEGRATING ESG NOTES INTO THE ALLOCATION

ESG ratings established using the GREAT methodology are central to the SRI selection process for portfolio securities, which is based excluding worst-rated companies or overweighting of the best-rated. This means that the ESG approach applied to the selection of securities in the portfolios tends to disqualify the most exposed issuers and to favour those who have the best control over their exposure to sustainability risks. The process is described in section 2.1, p.29.

EXCLUSION POLICY

LBP AM applies an exclusion policy to limit its exposure to issuers the most at risk or causing serious harm to sustainability goals. This policy includes exclusions pertaining to controversial activities in fossil fuels (thermal coal, oil & gas), gambling and tobacco, as well as the main sectors exposed to risks of deforestation or depletion of biodiversity. It also includes norm-based exclusions, based on the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, in order to reduce exposure to risks of serious and repeated violations of these international standards, in reaction to which no corrective action has been taken.

Portfolio arbitration and application of the exclusion policy are handled by the GREaT Committee, chaired by the asset management team consisting of heads of each portfolio management division, the risk management team and the ESG Solutions team. The Risk Department also hasa veto power and the right to appeal to the LBP AM Executive Board for a final decision. The process is described in section 2.1, p.29.

ENGAGEMENT AND VOTING POLICY

While the two afore-mentioned mechanisms are aimed at rapidly and directly reducing management companies' exposure to risks, LBP AM's Engagement and Voting Policy seeks to mitigate the source of risks – deemed to be of lesser magnitude or less imminent – through proactive action aimed at encouraging invested companies to improve their own management of environmental, social and governance risks to which they are exposed. The policy is described on p. 61 and its findings in section 2.3, p. 53.

THEMATIC POLICIES

Dedicated thematic policies stipulate how the main sustainability issues are dealt with transversally in these three mechanisms. These policies are co-constructed by experts from the Solutions team and the management and research teams and are submitted to the Sustainable Finance Committee for approval, which validates the assumptions and choices made and ensures that the policy is consistent with LBP AM - TFSA's overall ESG strategy. These policies define the rating criteria engagement action for high-risk companies and exclusions of the most exposed ones.

LBP AM - TFSA thus established its own policies on climate, biodiversity, coal, oil & gas, and compliance with standards of fundamental human rights (United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises). These policies are periodically updated, based on an annual assessment of the need for revision. The methodologies and results of these first two policies are described in sections 3.1 and 3.2.

CONVENTIONAL RISK MANAGEMENT FRAMEWORK

Finally, the **Risk Department**, responsible for applying the conventional risk management framework, is directly involved in validating and overseeing the implementation of the above-mentioned measures: participation in the development or validation of policies, control of SRI rating models, participation in the exclusion committee, and pre- and post-trade controls on compliance with the exclusion lists and ESG objectives of each fund.

The Risk Department has also set up a tool for monitoring climate risks to which LBP AM is exposed through aggregate investments and within its portfolios. This analysis is based on the six NFGS scenarios, plus two IPCC[1] scenarios: 4°C SSP3-70 and 5°C SSP5-8.5. For each of these scenarios, an estimate of asset impairment is carried out while integrating the effects of the energy transitions (scope 1, 2 and 3), as well as physical impacts (chronic or acute). The findings are reviewed monthly by the Risk Department and quarterly by the Risk Committee, which Executive Board sit on. This tool made it possible to compile a list of issuers subject to more intense scrutiny, particularly in shareholder engagement. A close-up look at this tool is presented in section 3.3.1, p87.

[1] Intergovernmental Panel on Climate Change

Focus

Human rights risk management via due diligence

IMPLEMENTING DUE DILIGENCE IN ACCORDANCE WITH THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS AND THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

LBP AM - TFSA joined Advance, an initiative of the United Nations Principles for Responsible Investment (UN PRI), in which investors engage with companies to obtain progress in managing human rights risks and positive outcomes for people. Within this framework, LBP AM takes part in two working groups on renewable energies and mining and engages with EDP and ArcelorMittal. The following avenues of progress are planned:

- upgrading of traceability measures in supply chains,
- measures for identifying risks in certain geographies or certain materials and products, and
- upgrading of health and safety risk management procedures.

LBP AM - TFSA is an active member of the Coalition Against Forced and Child Labour, organised by the FIR and Human Resources Without Borders (HRWB). This coalition aims to help combat forced labour and child labour worldwide. The coalition works to ensure that the exercise of due diligence effectively contributes to reducing risks for individuals through constructive dialogue initiated with companies. Engaged companies are assessed based on a jointly developed analysis framework by investors and HRWB. The goal is to highlight potential areas in which companies could improve on these two issues and to support them in implementing best practices.

For example, as a member of this coalition, LBP AM - TFSA has engaged with L'Oréal. Investors participating in this engagement identified an area for improvement in transparency and reporting. In 2024, L'Oréal published a new human rights report, which better reflects the level of understanding of the challenges within the company, the measures it has in place to prevent and mitigate risks in its value chain, as well as some corrective actions implemented.

MANAGING CONTROVERSIES AND PREVENTING RISKS OF SEVERE HARM

In accordance with its norm-based exclusion policy, **LBP AM may interact with companies in response to a controversy or when they pose an unacceptable risk of causing, contributing to, or being implicated in, impacts that are particularly critical in the areas of human rights or the environment.** CThis dialogue is different from regular dialogues with companies, in that it aims to address an impact that has already materialised, for example by putting through remediation and risk-control measures to prevent a recurrence of a negative impact or to support the companies concerned in halting and remediating potential future impacts.

Focus

Human rights risk management via due diligence

For example, in July 2023, **the GREaT Committee reviewed 19 chemicals companies** posing a high risk of violating LBP AM's fundamental ethics standards, due mainly to their production of per- and polyfluoroalkyls (PFAS) chemical compounds, commonly referred to as "forever chemicals". Potentially harmful to health and the environment, PFAS' main characteristic is their inalterable and bio-accumulable chain. Indestructible in nature and in organisms, these compounds may have critical environmental and health repercussions. LBP AM has accordingly begun enhanced due diligence to review the measures taken to reduce the risk of impact on people and the environment from the production and use of forever chemicals, as well as policies and strategies for remediating the impacts already caused by these products.

LBP AM - TFSA has identified expectations being made of these companies, particularly those who had pledged to:

1. halt and remediate these compounds' impact on people and the environment;
2. to consult with stakeholders affected and to report transparently on progress in those consultations;
3. to draw up and implement a robust policy of health and safety of workers on their production chains and in responsible development of chemicals ("safety by design").

LBP AM - TFSA has set up a suitable strategy based on the results obtained by companies during enhanced due diligence:

- seven companies, the least advanced and least committed to a total halt of PFAS production and showing little progress were excluded;
- six companies that have made little progress but for which improvement seems possible in long term, had their SRI score lowered and were placed on the norm-based watch list; and
- six companies having made a stronger engagement to halting production of forever chemicals or that have a clearer remediation strategy have also been placed on the norm-based watch list and are now subject to an individual or collective enhanced engagement, to support them in their efforts and to guide them in strengthening their remediation strategy.

To facilitate engagement efforts and to strengthen its leverage with concerned companies, **LBP AM - TFSA has joined the Investor Initiative on Hazardous Chemicals, sponsored by ChemSec.** This initiative includes 54 investors and more than 10 trillion dollars in AuM. Signatories of a letter sent to 50 of the world's largest producers and users of PFAS, LBP AM - TFSA engage with three sector companies, calling on them to plan their gradual exit from PFAS and to exercise greater transparency in managing the risks and impacts of the production and use of these substances.

Through this undertaking, LBP AM - TFSA is taking direct action with companies in favour of chemicals that are more responsible and respectful of persons and the environment, as well as to sustainably reduce the risk de controversies arising from the issues.

3rd PART

A CLOSE-UP ON THE ENVIRONMENT

Across all our management activities, we deploy an environmental policy to support the energy transition of the real economy, ensure effective management of climate risks, and contribute to the preservation of biodiversity.

Our range of environmental products, invested in green assets, enables our customers to contribute directly to environmental protection.

In this chapter, we present in detail our climate and biodiversity policies and their strengthening in 2023.

3.1 The Climate Policy

The investment activities of LBP AM and its TFSA subsidiary are concerned by climate issues in two ways:

- **Portfolio management has an impact on the climate**, for example through the decision on whether to finance fossil fuel projects, the influence of votes at general meetings, or the offering of green products to clients.
- **Climate change has effects on people, ecosystems and economic activities,** which, in turn, affect portfolios, for example through heightened risk of natural disasters, which affect companies, the new regulations that will require them to reduce their greenhouse gas emissions, and so on.

LBP AM - TFSA's Climate Policy aims to address the climate emergency across these two dimensions. To this end, we call on four levers:

1

Reducing exposure
to carbon-intensive assets

2

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

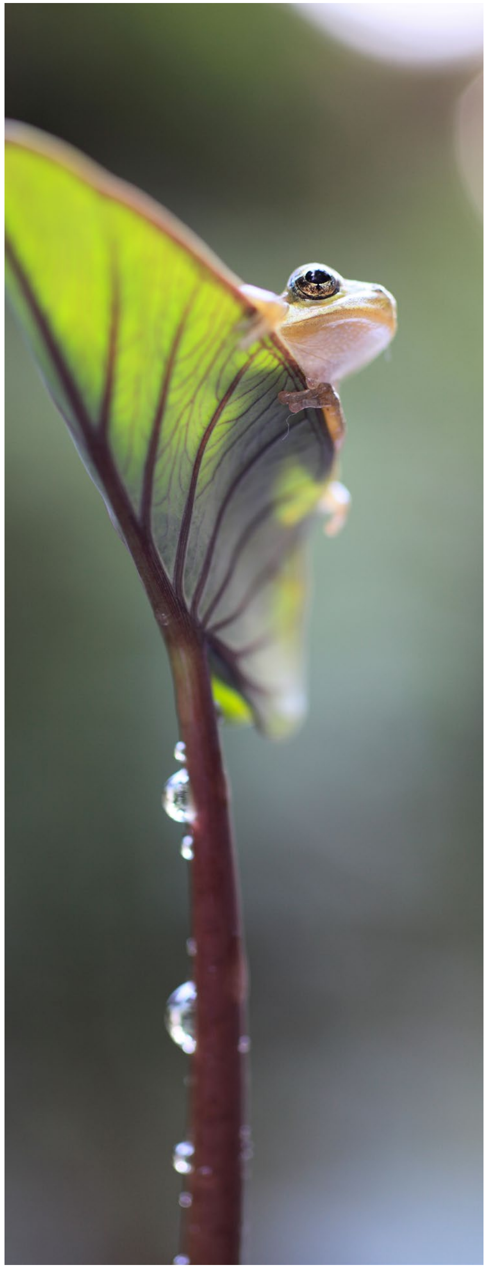
3

Engaging and providing support to invested companies
for their transition and

4

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

Together, these four levers are meant to help LBP AM and TFSA steer the decarbonation and gradual transition of their assets under management onto a trajectory that is compatible with the Paris Agreement objectives. This is what's behind its engagement to the Net Zero Asset Managers Initiative.



3.1.1 A strategy for achieving carbon neutrality

In 2023, the Intergovernmental Panel on Climate Change (IPCC) published its Sixth Assessment Report (AR6), noting that, to meet the goal of capping the increase in average temperature at 1.5°C in 2050, global net GHG emissions would have to be reduced by 84% by 2050.

Devoted to the mitigation actions needed, AR6 describes a series of political, technological, financial and behavioural measures and outlines a profound transformation of society towards sustainable and resilient consumption patterns, low-carbon technological innovations and well-managed land-use systems, while limiting the use of carbon capture and storage technologies. This is known as the Energy and Ecological Transition.

In 2021, the LBP AM Group joined the Net Zero Asset Manager Initiative (NZAMi) to ensure that its asset management practices are compatible with the Paris Agreement objectives. Accordingly, in 2022 **LBP AM - TFSA laid out a very ambitious decarbonation trajectory for its investments to ensure the carbon neutrality of its portfolios by 2050 – including both open-ended and dedicated funds – by setting, for the first stage, a target of aligning 80% of its total AuM by 2030 with a carbon trajectory compatible with meeting the Paris Agreement objectives, followed by 100% in 2040[1].**

Implementing these environmental transition goals across all the portfolios draws on a standard and transparent policy for managing allocations in fossil fuels (i.e., sector-specific policies on thermal coal, oil & gas).

One target:

80 %

of its total AuM
will be aligned with a decarbonation target compatible with the Paris Agreement objectives by 2030.

1 - La Banque Postale Asset Management – The Net Zero Asset Managers initiative

Concretely, by 2030, the target of 80% of total AuM aligned translates into an investment target of 90% of LBP AM's eligible assets1 in companies with decarbonation trajectories certified by SBTi as compatible with the emission-reduction scenarios needed to achieve the Paris Agreement climate objectives.

According to SBTi, "science-based targets show organisations how much and how fast they need to reduce their GHG emissions to prevent the worst effects of climate change."

This choice was made because of the robustness of the certification process of SBTi as a third party, its consistency with the most recent climate science, and the objective of solidifying the engagement made by LBP AM upon joining the NZAMI to **"give priority to achieving emissions reductions in the real economy in the sectors and companies in which we invest"**

Indeed, this transition-steering methodology, called SBTi-Portfolio Coverage, actively contributes to supporting the transition of financed2 companies by encouraging them to adopt transition plans having demanding decarbonation targets. According to the CDP study conducted in 2022 on the results of the "SBTi targets" campaign, SBTi companies reduce their GHG emissions by 12% per year, in line with the overall emission-reduction trajectories laid out in AR6.

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

To define its trajectory, LBP AM - TFSA:

- **Determined the "starting point",** i.e., the climate performance of our portfolios as of the end of 2021 by assessing issuers' medium- and long-term decarbonation trajectories and by analysing their progress in relation to their GHG reduction targets;
- **Reviewed several factors involved in shaping** this performance in the medium term, including the availability of methods and data on the different asset classes managed, degree of influence of LBP AM - TFSA as an asset manager, regional decarbonation dynamics, the size of the issuers involved, and adjustments in our strategic allocation so that it can be assessed at 2030.

LBP AM - TFSA is developing a methodology to define the Net Zero alignment objective at the level of its funds. NZAMi also provides for a revision of the Net Zero target every five years or in the event of a change in investment profile.

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

1 - La Banque Postale Asset Management – The Net Zero Asset Managers initiative

Focus

How to construct a global equities portfolio on a decarbonation trajectory aligned with the Paris Agreement?

LBP AM's alignment trajectory is also reflected in its product range. For example, LBP AM has set up a Global Equities strategy for a European insurance client, which also had a decarbonation trajectory towards carbon neutrality.

Given the difficulty of setting up a representative universe that is 100% aligned with the Paris Agreement and that is compatible with the client's other objectives, LBP AM worked with that client on short-term responses and on the milestones of the Net Zero trajectory.

Building a global portfolio through the prism of a Net Zero trajectory requires obtaining and processing a large number of datapoints from companies on their climate performance.

Building this type of portfolio thus requires accessing companies' climate performance databases, integrating them into sustainability assessment mechanisms, and developing proprietary sector-based policies and tools for analysing companies' alignment.

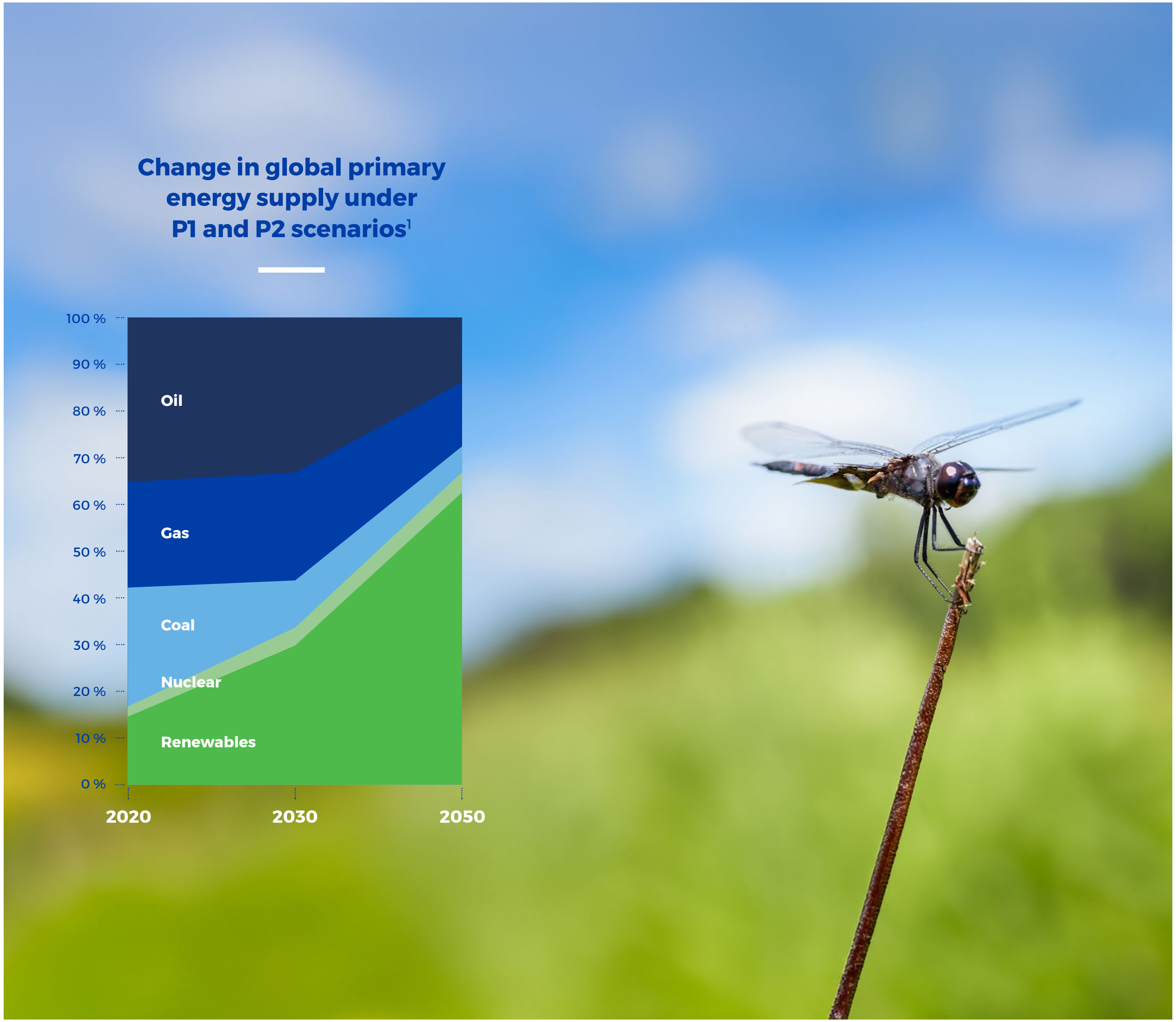
Initial client request	Answers and milestones set by LBP AM
→ A global equity fund with a low tracking error	→ A tracking error of 3% compared
→ Building a portfolio 100% aligned with the Paris Agreement	MSCI World index → 2023: 100% sustainability rate → 2024: 55% of the portfolio aligned with Paris Agreements → 2030: 80% of portfolio aligned with Paris Agreements → 2040: 100% of portfolio aligned with Paris Agreements → A trajectory matching the average alignment of LBP AM's total AuM

3.1.2 Reducing LBP AM - TFSA's exposure to high-carbon assets

The benchmark climate scenario provides for a rapid and aggressive decarbonation of the energy system.

Given that two thirds of global GHG emissions are from energy use, in the IPCC's P2 scenario, the share of renewable energies in global primary energy production rises from about 15% in 2020 to 29% in 2030 and to 60% in 2050. Meanwhile, fossil fuels' shares fall from about 83% in 2020 to 67% in 2030, and to 33% in 2050. Coal's share of global primary energy supply falls the most, followed by oil & gas.

The energy mix defined by the IPCC allows LBP AM - TFSA to construct it sector policy.



1 - Source: IPCC

THERMAL COAL POLICY

Of all fossil fuels, thermal coal has an especially adverse climate impact and is easily replaced by other energy sources. Hence, its steep decline in energy transition scenarios.

Politique de LBP AM - TFSA

- applies to issuers in the mining and power generation sectors, as well as service providers generating revenue derived from thermal coal;
- is aimed at encouraging them to eliminate thermal coal from their operations within the deadlines recommended by science (by 2030 for OECD countries and by 2040 for the rest of the world, according to the Climate Analytics expert report).

To do so, this policy relies on a combination of formal exclusion and engagement criteria, along with a timetable.

Hold

Issuers that have announced a coal exit date aligned with the Climate Analytics calendar. LBP AM - TFSA analyses issuers' public disclosures to find out whether a engagement has been made to exit coal in accordance with the science. We also ask that the related assets be decommissioned and not sold and that the social issues stemming from the shutdown of the facilities assets be considered in accordance with the principle of the just transition.

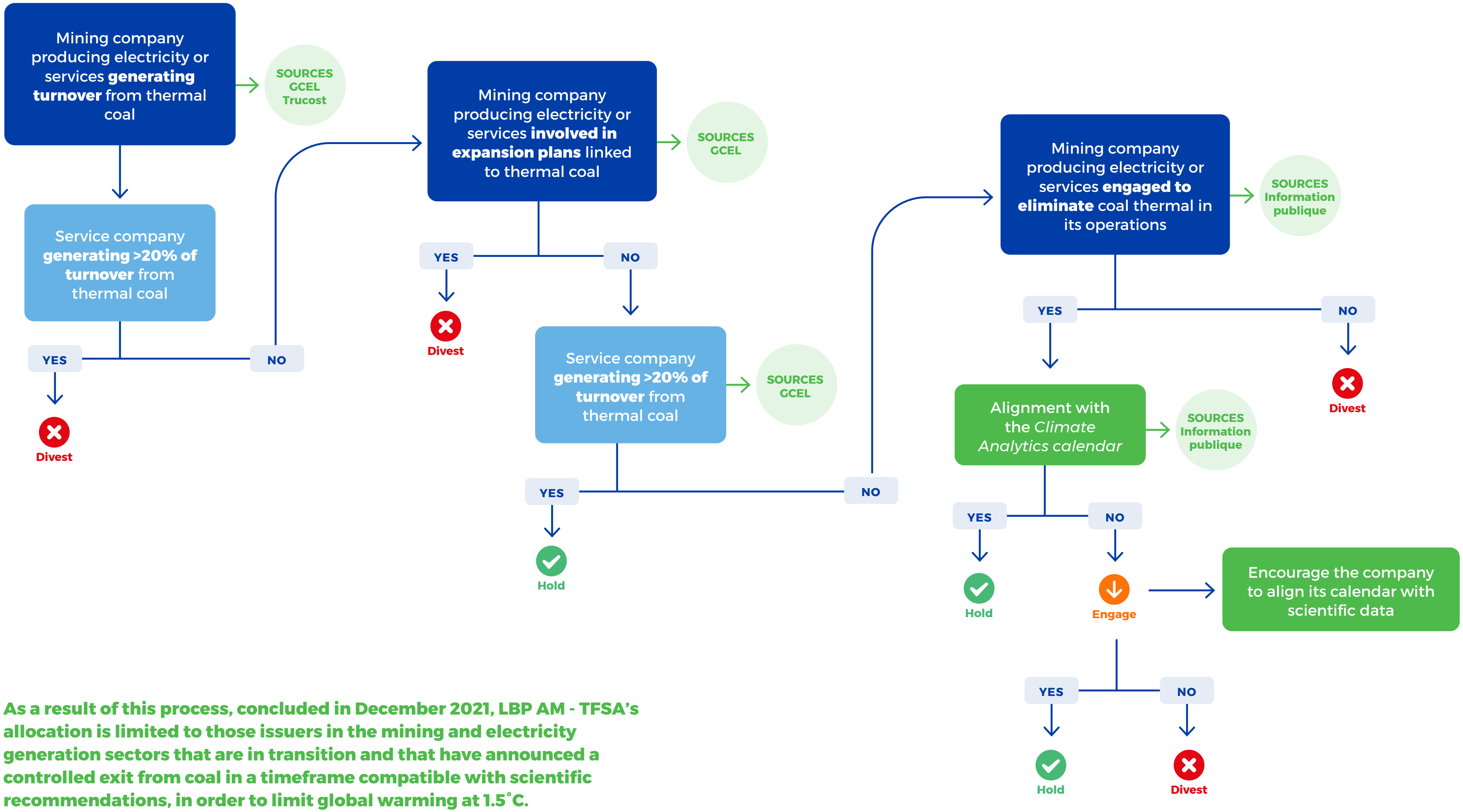
Engage

Issuers having reported an exit from coal but without a clear timetable. If necessary, an engagement is opened in Q1 of year N to encourage them to revise their strategy and align it with scientific findings. Where appropriate, LBP AM - TFSA asks them to provide a detailed plan demonstrating the robustness of their new strategy. LBP AM and its TFSA subsidiary rule on holding or divesting the security by 31 December.

Divest

- Mining company or electric power producer involved in developing new projects. Meeting the Paris Agreement objectives requires halting the development of new thermal power plants with no CCS and gradually shutting down the current plants. LBP AM - TFSA identifies the issuers involved in such projects, drawing on the Urgewald NGO's Global Coal Exit List, and systematically excludes any issuer that is on that list.
- Emitting mining company or power producer that has not disclosed any engagements to exit coal (by the end of the engagement period).
- Service company generating at least 20% of its revenues from thermal coal-related activities. LBP AM - TFSA draws on Trucost's research to identify them.

Coal exclusion policy

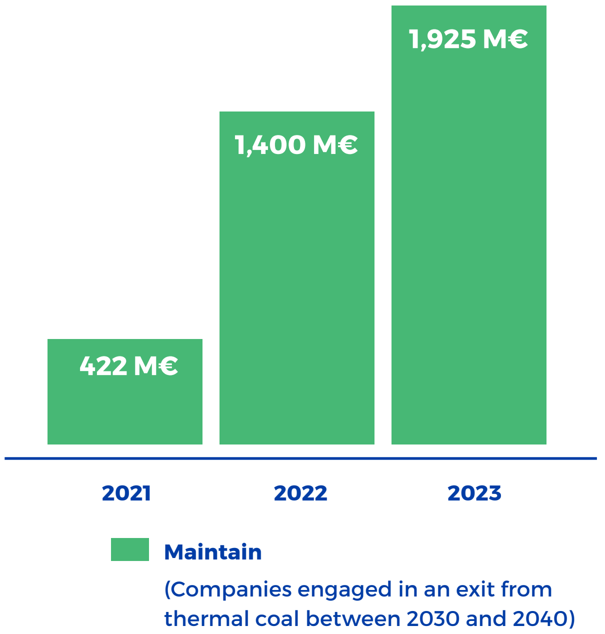


As a result of this process, concluded in December 2021, LBP AM - TFSA's allocation is limited to those issuers in the mining and electricity generation sectors that are in transition and that have announced a controlled exit from coal in a timeframe compatible with scientific recommendations, in order to limit global warming at 1.5˚C.

Total exposure of LBP AM and its TFSA subsidiary to companies themselves exposed to thermal coal thus amounted to €1.92 billion as of 31 December 2023, with 100% of assets managed in issuers to be held, as they are committed to an explicit coal exit path. As of 31 December 2022, this exposure amounted to approximately €1.4 billion, and in 2020 to €422 million.

Companies exposed to thermal coal are identified using an S&P Trucost database, in which companies generating revenue from this resource are pinpointed, followed by the Global Coal Exit List of the German NGO Urgewald, which includes mining or power-generating companies involved in new expansion projects, and service companies generating at least 20% of their revenues in thermal coal-related activities. The S&P Trucost database in question is not open-access and LBP AM - TFSA has not identified any risk of double counting.

Exposure to thermal coal



THE OIL & GAS POLICYR

In order to cap the rise in temperatures at 1.5°C by 2100, the energy scenarios put forward by the IPCC and the IEA[1] to comply with the global carbon budget needed to meet the 1.5°C target while ensuring ongoing economic growth and energy security, provide for steady reductions, from 2020, in oil & gas emissions throughout the supply chain, from production to consumption.

This is the energy transition, i.e., from fossil energies to decarbonised energies, combined with energy efficiency measures in all fossil fuel-consuming sectors.

Thus, according to the IPCC, worldwide oil & gas consumption must fall by 60% and 45%, respectively, between 2019 and 2050 (60% and 70%, respectively, without CCS[2]).

According to the IEA, annual energy efficiency will improve by 4% per year up to 2030, while oil consumption will begin to decline in 2019, and by nearly -75% between 2020 and 2050. Natural gas consumption will decrease in the mid-2020s before dropping by -55% between 2020 and 2050. This oil & gas demand trajectory implies that there is no need to explore for new resources and that there is no need for new fields beyond those already approved for development in 2021.

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

- **Encourage and support the orderly and fair energy transition** in the real economy that is necessary to meet the Paris Agreement objectives;
- **Contribute to the management of climate financial risks** – transition risks, legal risks and physical risks – of LBP AM - TFSA's portfolios.

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

1. International Energy Agency
2. Carbon capture and storage

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

1

AN EXCLUSION POLICY

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

Concretely, this means that the LBP AM Group:

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

2

AN ENGAGEMENT POLICY

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

LBP AM - TFSA asks companies:

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

LBP AM - TFSA also requires transparency on the company's exposure to climate risks and an energy transition strategy for controlling those risks; special watchfulness about the development of non-conventional energies; and clear and consistent governance, as well as a policy of influence favourable to the energy transition.

3

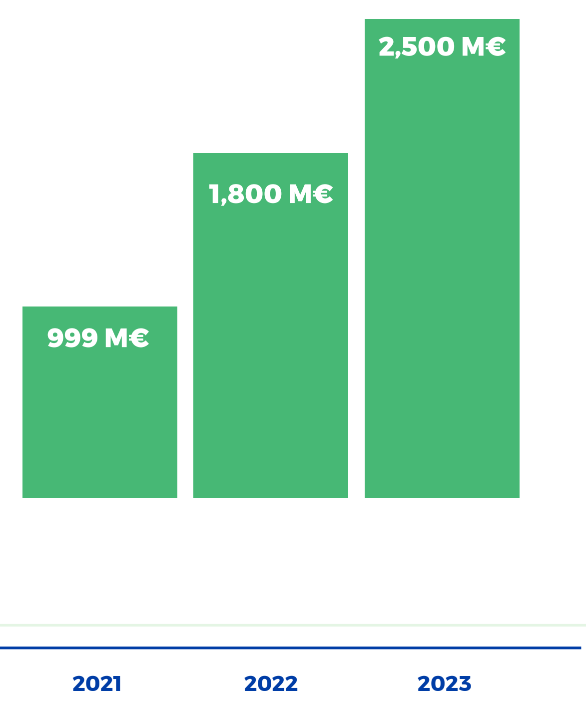
A RESEARCH AND SELECTION POLICY

LBPAM-TFSA reviews any investment in sector projects and sector companies with regards to its level of alignment with the energy transition.
LBP AM - TFSA bases its analyses on its proprietary rating model comprising some 30 criteria that inform the selection of its investments.

To find out more

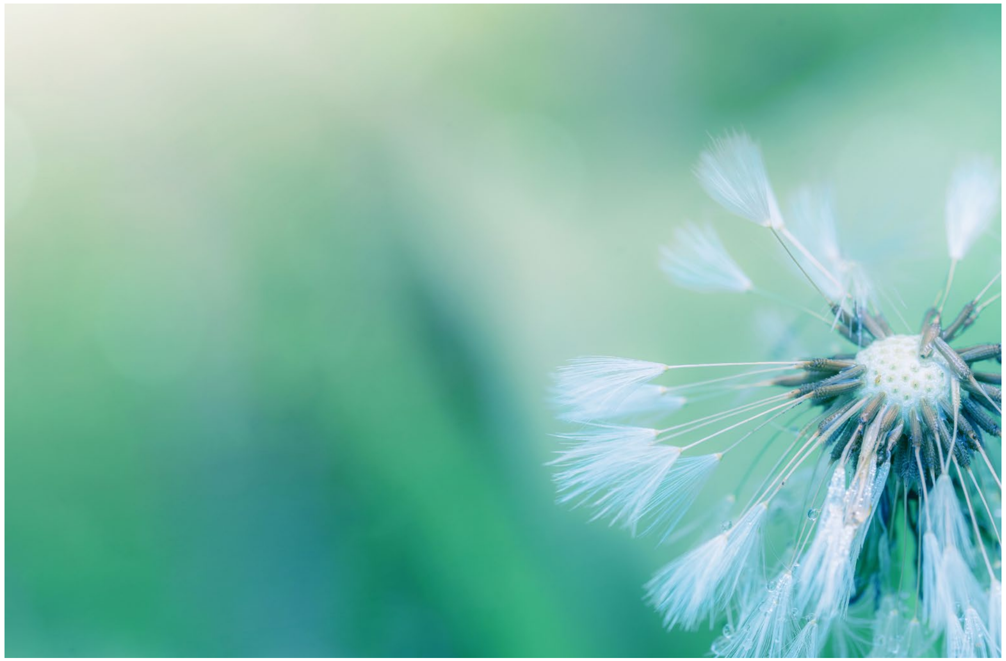
Oil & gas policy

Exposure to oil & gas



As of 31 December 2023, LBP AM - TFSA's exposure to issuers in the oil & gas sector amounted to €2.50 billion. As these exposures are largely in equities, we were able to take a proactive stance on shareholder dialogue with sector companies.

Companies exposed to oil & gas are identified based on data provided by S&P Trucost on the percentage of revenues generated from the extraction and/or production of non-conventional fossil fuels. Insofar as companies with exposure to non-conventional energies are very generally exposed to conventional energies, LBP AM - TFSA can then deduce what its total oil & gas exposure will be.



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

Improving the climate profile of the portfolios of LBP AM and its TFSA subsidiary first requires setting up steering indicators. As a matter of standard procedure, we include two datapoints on climate issues in managing and monitoring investments: the Energy and Economic Transition pillar rating and the measurement of GHG emissions for all portfolio securities. In addition, LBP AM - TFSA monitors how exposed all our portfolios are to climate risks and how aligned they are with the Paris Agreement objectives.

TRANSVERSAL INTEGRATION OF PORTFOLIOS' CLIMATE PERFORMANCE VIA GREAT

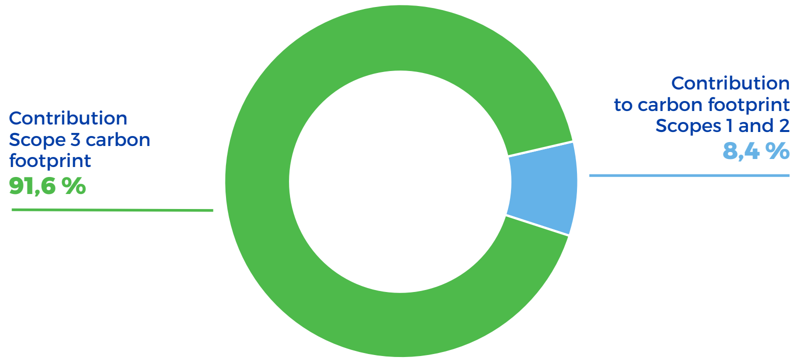
Climate research of LBP AM - TFSA is based on the pillar E of our GREaT methodology, which reflects the quality of the climate strategy of each issuer in the investment universe. This pillar's rating has a direct impact on an issuer's GREaT rating, which is used for the SRI labelling of the LBP AM Group portfolios. This systematic rating is used to assess the robustness of issuers' climate strategies by taking a critical look at their operations, products and services. This rating is based on a dozen indicators collected from specialised rating agencies.

MEASURING THE CARBON FOOTPRINT OF INVESTMENTS

Investments' carbon footprint, expressed as carbon intensity, is defined as the companies' GHG emissions, in tonnes of CO_2 equivalent, relative to the amounts invested. It is available in the investment monitoring tools for the management teams and is disclosed annually in the reporting of each ISR [SRI] labelled fund.

As of 31 December 2023[1], the carbon footprint of LBP AM and its TFSA subsidiary was 706 tonnes of CO_2 per €1 million invested for scopes 1, 2 and 3 taken together. For scopes 1 and 2, the carbon footprint was 59 tonnes CO_2 per €1 million invested, a stable figure for these scopes. This calculation is based on available information of 87% of portfolio issuers for scopes 1 and 2 and 74% for scope 3.

Breakdown of carbon footprint attributable to our investments



Methodology applied

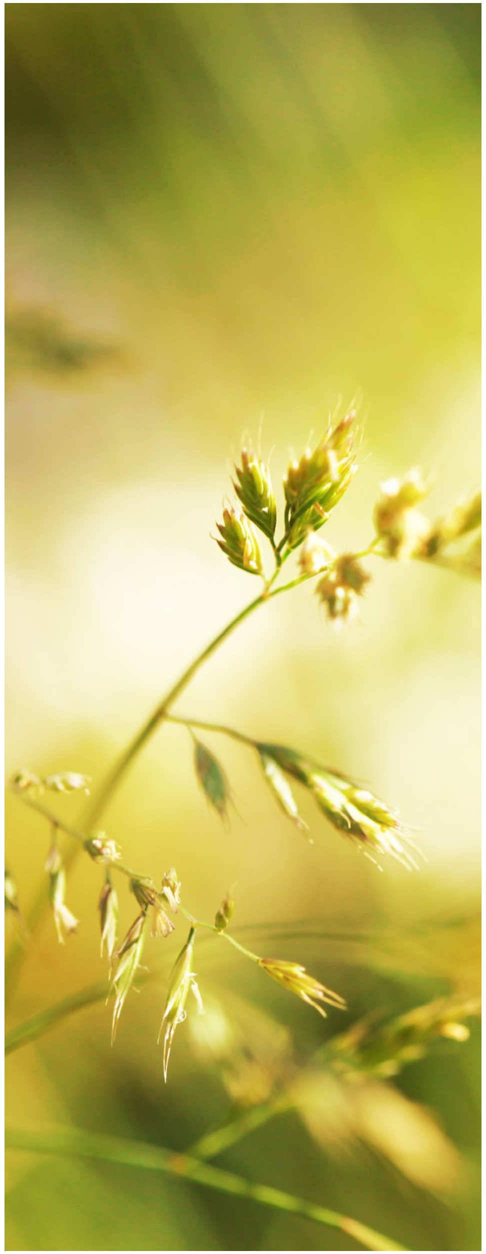
To measure the volume of GHG emissions (Scope 1+2+3) of each issuer in the portfolio, LBP AM - TFSA uses data provided by MSCI. It integrates Scope 3 emissions, in order to have an overview of the company and its value chain, despite limitations arising from the quality of the information communicated on this scope.

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

- **information provided** by the companies themselves;
- **the energy production model** (methodology reserved for power generators while using the energy mix);
- **modelling by business sector.** This approach is preferred for companies that do not disclose any information on their GHG emissions.

Based on the emissions of each invested company, LBP AM - TFSA calculates the proportion of these issues attributable to its portfolios, in proportion to its level of its holdings in these companies. These tonnes of emissions "attributable" to LBP AM or TFSA are then set in a ratio against €1 million invested, so that portfolios can be compared with each other and over time.

1 The perimeter for calculating the carbon footprint has been modified following the withdrawal of bond funds not eligible for this calculation. Although the numerator has remained relatively constant, the denominator decreased considerably. This is the reason for the increase in the carbon footprint.



ALIGNMENT OF PORTFOLIOS WITH PARIS AGREEMENT OBJECTIVES

The methodology now used by LBP AM is Science-Based Targets – Portfolio Coverage (SBT-PC), which aims to raise the share of assets invested in issuers committed to a de-carbonation trajectory and that have had their objective as being aligned with the climate scenarios by an independent body (SBTi, for example). Based on this standardized method, if a company has reported an SBTi-approved decarbonation objective, all assets invested in this company are deemed to be aligned.

Net Zero analysis comes from external data and valuations, which LBP AM buys from CDP via the CDP Temperature Ratings database. It includes all SBTi data and aggregates the statements of companies that have responded to its annual climate change questionnaire. Accordingly, all data used in analysis of the Net Zero alignment rate are data reported by companies, as part of their SBTi objective or during annual reporting to CDP.

Monitoring the degree of alignment

Each fund's degree of alignment is now a value that can be monitored by each manager on the SRI management platform, GREaT 360. A certified evaluation is also made on a regular basis, intended particularly for LBP AM's governing bodies and shareholders.

For example, as of 31 December 2023, the portfolios of LBP AM and TFSA had achieved 55% Net Zero alignment on its application perimeter.

However, there are methodological limits to the scope of application of SBTi methodology (presented in section 3.1.5, p.93), particularly for asset classes and business sectors that do not have an SBTi assessment methodology.

In addition, it should be noted that there are a number of difficulties in implementing this objective, including:

- the low predictability of companies' decarbonation trajectories;
- increased complexity depending on the type, size and geographical area of the issuers, pertaining mainly to the local regulatory framework applicable to the formalisation of transition plans;
- limited control over the outcomes of shareholder engagement activity;
- difficulties in anticipating the evolution of strategic asset allocation out to 2030;
- The convergence challenges pertaining to the portfolio management company's external growth operations.

CLIMATE RISK MANAGEMENT

Climate risk is considered by central bankers as a systemic risk that can significantly impact the stability of the global financial system.

Some central banks (e.g., European Central Bank and the Banque de France) have launched programmes aimed at developing and improving climate risk assessment approaches. The methodologies for assessing the effects of climate change and the energy transition are still recent but can be used to assess the main portfolio exposures to physical risks, i.e., the negative effects of climate change, and transition risks, meaning the political measures and shifts in consumer appetite for mitigating climate change.

Focus

Climate risk management

LBP AM and TFSA analyse and monitor issuers' climate risks through the following factors:

- **The proprietary GREaT ESG rating methodology** integrates climate risks in its "Energy Transition" pillar based on indicators provided by MSCI ESG and Moody's ESG. For Real & Private Assets funds, the indicator is calculated on the basis of a proprietary research grid, data for which are obtained directly from the companies.
- **The analysis of ESG materiality,** integrated in the financial analysis by the research and investment management teams makes a qualitative study of physical and transition risks when such is deemed material for the issuer.
- **Ad hoc measurement indicators** applied to all LBP AM - TFSA investments.

With a risk management framework reviewed annually, management of physical and transition risks and climate issue controversies is handled using several components of LBPAM-TFSA's investment strategy:

- **the selection of securities based on GREaT ESG scores** through best-in-class or best-in-universe strategies. Mandatory application of these strategies to fund management tends to underweight the most heavily exposed issuers;
- **in addition, qualitative analysis** by the research and management teams allows the managers to identify the most exposed issues, allowing them to make suitable investment decisions within an ESG integration approach;
- **the portfolio transition strategy** deployed as part of LBP AM/TFSA's engagement to the Net Zero Asset Managers Initiative (NZAMi). This strategy aims to align the company's investments on a 1.5°C trajectory, based on the IPCC's P2 scenario. This ambition was materialised in 2022 in the company's engagement to achieve "net 0" alignment for 80% of AuM by 2030;

To find out more

Net Zero strategy

- **Sector exclusion policies** in coal and oil & gas are used to control the company's exposure to these sectors, which are heavily exposed to transition and reputational risks. The societal goal of this approach is to avoid exacerbating the impact of locking out regional economies and companies that are invested in fossil fuels. The financial goal, where applicable and depending on cost of running assets and the positioning in the value chain, is to limit the risk of stranded assets or the decline of emitting commercial activities that would result from a successful energy transition, as advocated by the IPCC.

To find out more

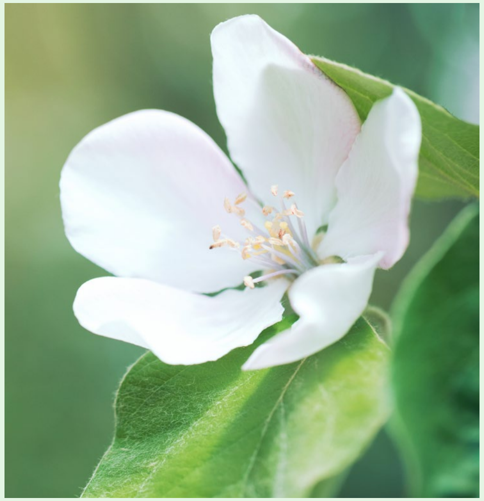
Oil & gas policy

- **The engagement and voting policy** include several components of portfolio climate risk. In accord with its transition goals, LBP AM policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models, particularly by formalising robust transition plans.
- **Assessment of portfolio climate risks** by using a transversal climate steering tool for analysing risks on various scales and from separate angles, particularly by quantifying risk, analysing scenarios, breaking down risk by portfolio, and identifying the main contributors.

Focus

Creating a transversal climate risk steering tool

In 2023, the Risk Department developed a tool for steering climate risks for the purpose of quantifying and monitoring such risks while providing an analysis and breakdown of climate change-related risks. The tool enhances the ability of LBP AM and TFSA to assess climate risks in their activities and portfolios, by offering a vision of these risks at several levels of granularity (overall, portfolio and issuer), and based on various risk criteria.



1 **Quantification of risk:** Based on MSCI risk indicators, LBP AM - TFSA estimates climate risk monthly, in order to monitor the exposure of its assets under management. This approach is used to summarise risk through a broad risk indicator called “Climate Risk”. This indicator is obtained by the sum of various risks, including physical risk, transition risk, political risk and technological timing. In addition to an overall assessment at the level of LBP AM and TFSA, each of these risks can be studied individually for a more granular analysis by risk type and to identify those risks that are the most material based on the portfolio, sector or the issuer concerned.

2 **Analysis of scenarios:** The analysis of scenarios is based on a baseline 2050 Net Zero scenario established by the NGFS network, which includes other stress scenarios extended as far as 3° and is supplemented by IPCC scenarios going as far as 5°. Integrating these scenarios provides an exhaustive view of potential climate transition risks.

3 **Breakdown in risk by portfolio:** Identifying and breaking down risk by portfolio means considering geographical features (by countries) or strategic ones (by portfolio), as well as various levels of exposure to physical risks (acute or chronic). This approach helps identify emissions related to LBP AM - TFSA portfolios (detailed in the methodology for measuring the carbon footprint of investments) and the comparison of the estimated risk to LBP AM compared to that of the main benchmark indices (CAC 40, EM ESG, STOXX50, MSCI WRLD, S&P, etc.).

4 **Identification of main contributors:** The detailed vision of exposure to climate risks by issuer helps determine, within a portfolio or sector, those companies that stand out by their high (or low) risks, in order to better steer engagement decisions.

Assessing physical risks

For the analysis below, LBP AM - TFSA has called on the supplier MSCI ESG, owing to the transparency and granularity of this methodology.

RESEARCH METHODOLOGY

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

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

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

Estimated materiality of physical risks is a function of three factors:

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

LBP AM and its TFSA subsidiary calculate the proportion of costs connected with the different climate risks attributable to their investments, then add up the costs by risk category to estimate their weight in the total valuation of the portfolio.

Cost of climate risk as a percentage of eligible assets covered

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

RESULT

This method estimates this risk at

-2.5 %

of AuM.

This analysis is based on information provided by MSCI ESG on more than

82 %

of the assets invested in securities eligible for measurement.

Transition risk assessment

For the analysis below, LBP AM - TFSA uses the supplier MSCI ESG for the transparency and granularity of this methodology

ANALYSIS METHODOLOGY

Transition risks are those that might arise, for instance, from any of the policies instituted by governments and international organisations, to ensure a transition compatible with meeting the Paris Agreement objectives. To assess the political risks, MSCI ESG starts from the engagements made by governments in 2015 to reduce their greenhouse gas emissions by 2100 to estimate the proportion of reduction in GHG emissions that should be achieved by each sector within each country. It then assigns an emissions reduction trajectory to each company in accordance with its geographical location and its market share. Lastly, the required GHG reduction is multiplied by an estimated CO_2 price to arrive at a final cost.

FINDINGS OF THE ANALYSIS

The impact of the transition risk at the level of the assets is estimated at

-10.19%

The total impact of climate risks is estimated at

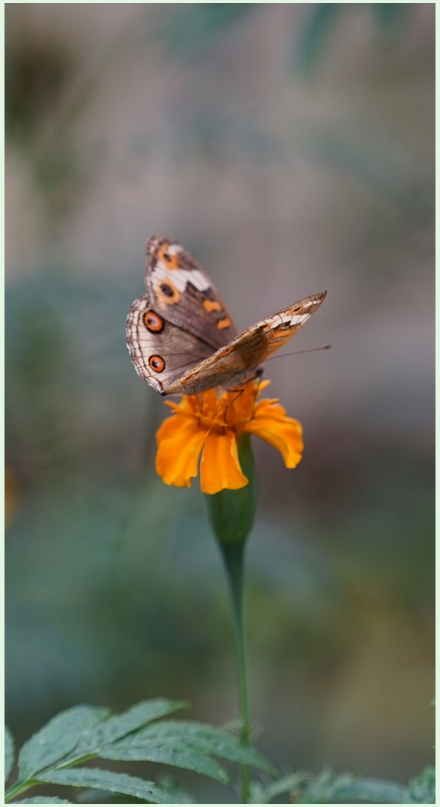
-10.87%

of the portfolio value and breaks down as follows:

- Political risk arising from regulation (transition risk): -10.19%
- Physical risks due to weather-related events: -2.54%
- Technological opportunities in the revenues generated by low-carbon activities and the holding of patents related to GHG reduction: 1.86%

Indeed, these risks are partly offset by the green opportunities that will emerge from investments made in companies considered “solutions providers” for the energy transition, according to the MSCI ESG methodology. These results are based on information available for more than 82 % of AuM invested in assets eligible for measurement.

A methodological review has been carried out and may explain gaps in magnitude between financial years. Consequently, we do not show historical information on this indicator, the comparison of which would be of little relevance.



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

ENGAGEMENT IN FAVOUR OF THE ENERGY TRANSITION: ASSESSMENT

As of 31 December 2023,

€4.37

bn (equity funds) of total
AuM were exposed to securities and projects providing energy transition solutions, via its offering of products and services, as identified by the official French Greenfin label.

In addition, to promote sustainable investment, the Taxonomy Regulation (Regulation (EU) 2020/852) establishes a common classification system for the European Union to identify those business activities deemed sustainable. A business activity is deemed to be "eligible", in other words, likely to make a substantial contribution to each European environmental objective, if it is included in the evolving list of activities included in the delegated acts of this regulation. An eligible business activity is not necessarily one that meets the technical criteria for deeming that it is aligned with European taxonomy. A detailed breakdown of AuM pertaining to activities eligible under the technical criteria Regulation (EU) 2020/852 «Taxonomy» is provided in the table in section 4.1.5 European Taxonomy and fossil fuels', p.108.

Increasing the proportion of assets aligned with a sustainable taxonomy is a major long-term focus of LBP AM and TFSA's climate strategy, as the energy transition is driven by companies that provide renewable energy solutions, green buildings and energy efficiency, waste recovery and the circular economy, sustainable mobility, organic and sustainable agriculture, smart grids and low-carbon information technologies. This effort is reflected in the creation of dedicated, listed and unlisted thematic funds.

STRATEGIES DEDICATED TO FINANCING THE ENERGY TRANSITION

LBP AM - TFSA manages and markets three funds in which the energy transition and protection of the environment are at the heart of the investment strategy: LBP AM ISR Actions Environnement, LBP AM ISR Global Climate Change and LBP AM Infrastructure Debt Climate Impact Fund.

LBP AM ISR Actions Environnement

Bearing the SRI label, this fund has also been awarded the Greenfin label created by the France's Ministry of the Environmental Transition. It enables clients to contribute to decarbonising the economy, while exposing themselves to the performance of European equity markets. The companies in which the fund invests must meet two requirements:

- **falling within one of the six environmental thematic identified** (environmental services and solutions, renewable energies, the circular economy, sustainable transport and mobility, green buildings, sustainable agriculture and food), defined to align with the nomenclature of the Greenfin label;
- **earning a rating considered positive** regarding the four axes of LBP AM's GREaT extra-financial research methodology.

LBP AM ISR Global Climate Change

This SRI-labelled fund is the global version of the previous one. Companies in which the fund invests must meet a dual requirement: falling within one of the six environmental thematic (sustainable agriculture and food, green buildings, the circular economy, renewable energies, environmental services and solutions, sustainable transport and mobility); and earning a rating considered positive regarding the four axes of LBP AM - TFSAs GREaT extra-financial analysis methodology.

LBP AM Infrastructure Debt Climate Impact Fund

In September 2023, LBP AM devised a new impact strategy aimed at "contributing to meeting the Paris Agreement goal of capping global warming at less than 2°C while financing infrastructures that: 1) contribute substantially to mitigating climate change; or 2) commit to decarbonating their business activity substantially".

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

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

Companies any portion of whose business activities involve fossil fuels or nuclear power are ***automatically excluded.***

Focus

LBP AM Infrastructure Debt Climate Impact Fund, un fonds à impact

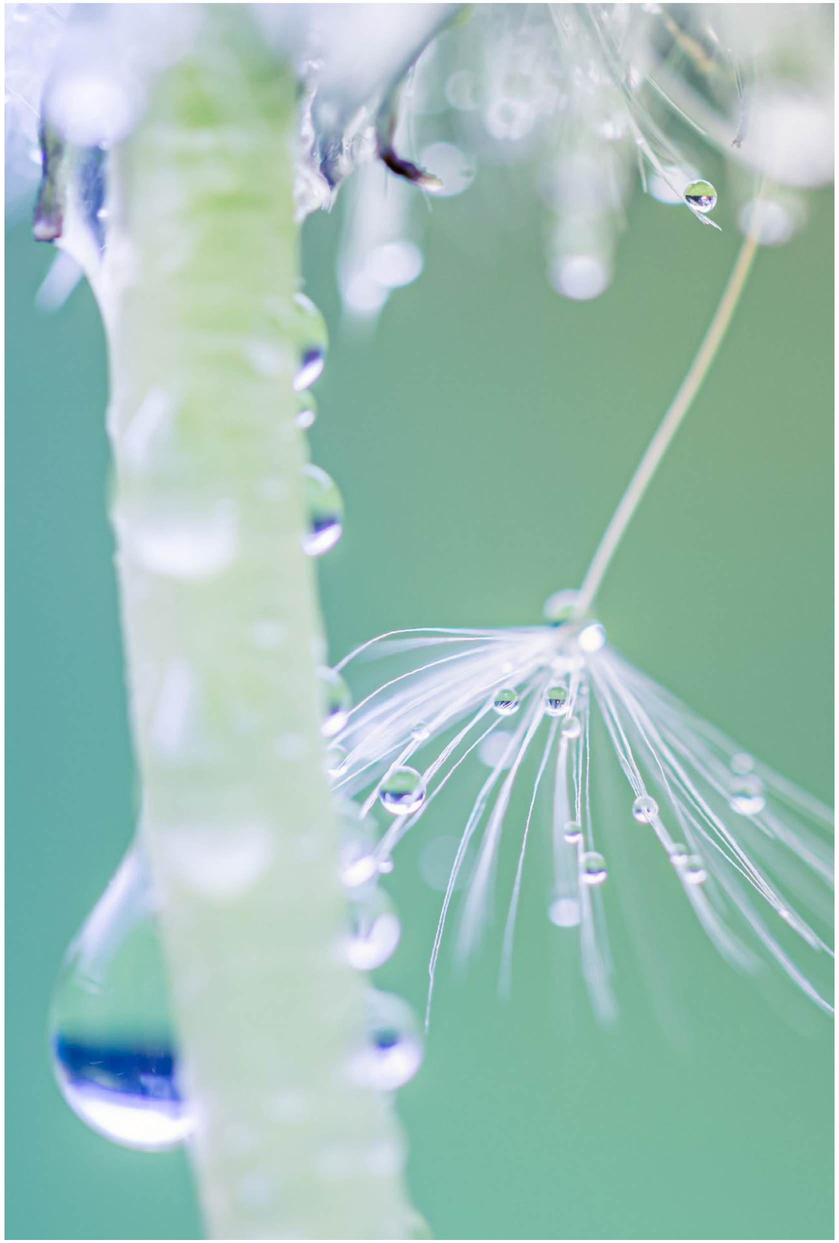
The fund's "impact" character has been certified via the evaluation grid of the impact of its strategies, developed in-house by LBP AM - TFSA. This certifies that its strategy complies with the recognised impact investment benchmarks, such as those of GIIN (Operating Principles for Impact Management) and FIR-France Invest (definition of impact finance) LBP AM thus ensured that it is aligned with the best practices in declaring its intentionality, additionality and measurability.

To supplement the investment policies stringent ESG selectivity, each investment is subject to an impact score assigned by LBP AM - TFSA's proprietary tool, in order to reflect the contribution of each investment to the fund's intentionality. Developed on the basis of the five impact dimensions of the think tank Impact Frontiers, this score ranges from 1 (for an investment making a very positive contribution to the impact thesis) to 10 (for an investment making a very negative contribution to the impact thesis).

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

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

The strategy is reflected in an impact report in which performance indicators are disclosed that pertain to CO_2 emissions avoided, the portfolio's implied temperature, and its impact score.



3.1.5 Supporting invested companies in the transition

A PRO-TRANSITION ENGAGEMENT POLICY

Dialogue with issuers is an integral part of LBP AM - TFSA's climate strategy, as this approach allows it to:

- **obtain additional information** about an issuer's transition plan;
- **influence that issuer to accentuate the alignment of its climate strategy** with the Paris Agreement, in particular to encourage it to define, achieve and deploy its decarbonisation objectives at all levels: activities, GHG scopes and horizons; and
- **ultimately, to improve the management** of our risks connected with the climate.

It is exercised through a variety of levers:

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

LBP AM and its TFSA subsidiary encourage companies:

- To formalise robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C.
- To consult with its shareholders regularly on this transition plan and its execution, through dedicated climate resolutions submitted to a vote at a general meeting, commonly referred to as Say-on-Climate resolutions (explained on p.65). They allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year.
- To assess, reduce and report its exposure to physical climate and transition risks, by applying the TCFD reporting framework.

APPLICATION IN 2023
SAY-ON-CLIMATE, A STEP FORWARD FOR SHAREHOLDER DEMOCRACY AND FOR THE CLIMATE

LBP AM and its TFSA subsidiary actively applied its voting policy to Say-on-Climate resolutions dealing with the approval of transition plans, with the goal of encouraging invested companies to develop transition plans for aligning themselves with the Paris Agreement objectives.

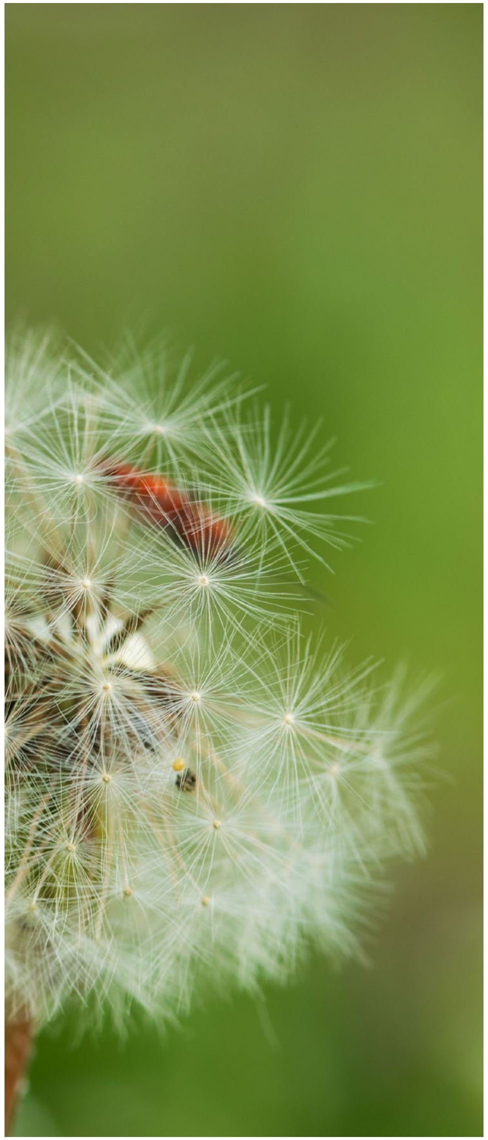
LBP AM and TFSA paid particular attention to the transition plans/climate strategies submitted for a vote at general meetings, focusing primarily on:

- The existence of precise greenhouse gas emissions reduction targets in the short and long term on a relevant scope;
- Their level of ambition, in light of the challenge of aligning with the trajectory set by the Paris Climate Agreement;
- The engagement of the Board of Directors to consult shareholders on a regular basis (at least every three years) on these objectives and strategies, taking into account the rapid changes in the regulatory, technological and political environment;
- The institution of criteria in the variable remuneration of managers that are aligned with the climate and environmental objectives announced by the company.

In 2023, LBP AM - TFSA had an opportunity to vote 15 Say-on-Climate resolutions. Of these, LBP AM opposed **six whose** plans failed to comply with criteria laid out in its voting policy. LBP AM - TFSA opposed all Say-on-Climate voted resolutions of oil & gas and mining companies.

LBP AM - TFSA opposed six resolutions whose plans failed to comply with criteria laid out in its voting policy.

The raisons for these opposing votes were sent to the company with the goal of assisting it in establishing best environmental practices.



SUPPORT FOR THE SCIENCE-BASED TARGETS CAMPAIGN (SBTI)

LBP AM and its TFSA subsidiary supported the engagement campaign organised by the Carbon Disclosure Project (CDP) entitled the "Science-Based Targets Campaign" (SBTi); which aims to encourage companies to commit to the SBTi in setting scientifically certified decarbonation targets that are aligned with the scenario capping global warming at 1.5°C.

47 engagements were conducted in 2023 by LBP AM - TFSA on the existence and quality des transition plans.

TotalEnergies

ENGAGING WITH TOTALENERGIES: FOR AN INCREASE IN ENERGY TRANSITION GOALS

This year, LBP AM and its TFSA subsidiary stepped up further their engagement of TotalEnergies, which had paid off in 2022 in persuading it to pledge to submit its climate strategy annually to a non-binding GM vote and to make its climate strategy more transparent, particularly in the following areas:

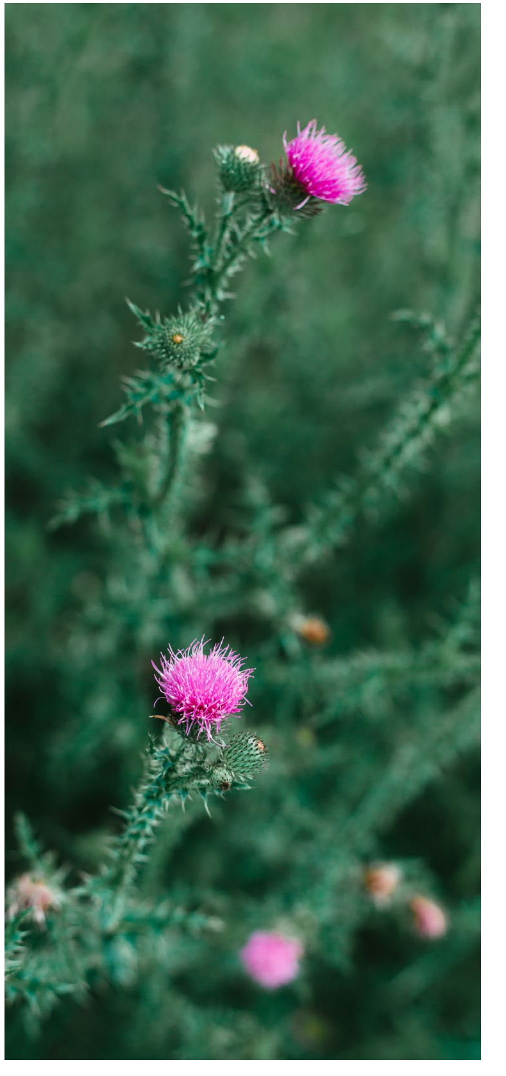
1. its absolute and relative reduction targets for GHG emissions in Scopes 1, 2 and 3 in the short (2025) and medium term (2030), covering all the company's activities;
2. its energy mix and production volume trends targeted for these deadlines;
3. short- and medium-term investment plans, broken down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

Despite this progress in transparency, LBP AM - TFSA regretted the lack of subsequent disclosures regarding the first item, on TotalEnergies' holistic and clear targets for absolute reduction of Scope 3 GHG emissions in the medium term, notably covering natural gas. LBP AM - TFSA continued to engage with TotalEnergies in 2023, particularly in taking part in filing a non-binding resolution on whether it should align its GHG-reduction targets (on scope 3 for 2030), with the Paris Agreement. This resolution filed by European investors, assisted by FollowThis, a Dutch association, received 30.4% of the votes by TotalEnergies shareholders – a high rate of support.

TotalEnergies nonetheless indicated that the vote would have no impact on its strategy. This resolution is available here:

To find out more

Projet Resolution Climate



engie

ENGAGING WITH ENGIE: FOR GREATER TRANSPARENCY IN ITS TRANSITION PLAN

LBP AM - TFSA and 15 other investors sent a letter to the chairman of Engie's board and engaged with the group on issues such as those dealt with in the Climate Action 100+ initiative, along with other, more specific issues. LBP AM - TFSA extended this engagement in co-filing, along with 15 other investors, a resolution with its dual objective being:

- to report that a growing number of investors want the group to file a non-binding Say-on-Climate resolution on a regular basis (presented on p.65);
- to obtain sufficient information for assessing this strategy with a 1.5°C scenario covering its entire perimeter of responsibility (scopes 1, 2 and 3).

In parallel with filing this resolution, LBP AM conducted a second engagement action in taking part in having an item added to the 2023 GM agenda, regarding indicators for monitoring the Engie's climate strategy. This led to an exchange at the general meeting between managers and shareholders on various issues, including the future of the Belgian nuclear power plants, the outlook for developing green hydrogen and biomethane and the carbon credits market. This dialogue was constructive, as the board of directors pledged to improve shareholder dialogue on this issue, thus highlighting sound shareholder democracy between Engie's board and shareholders.

Carrefour

ENGAGING WITH CARREFOUR

LBP AM - TFSA took part in having an agenda item added at Carrefour's 2023 general meeting in observing that the perimeter of the scope 3 emissions-reduction target, as well as reporting of these emissions, was too limited. To allow shareholders to judge progress in, and the reality of, Carrefour's GHG emissions reduction, the board of directors was asked to explain:

1. Why scope 3 indirect emissions data had not been disclosed in the audited Universal Registration Document (whereas they are included in the CDP's external and public questionnaire);
2. Why no engagement had been made in franchises in scope 3 emissions reduction.

The Board of directors took these requests on board, pledging at the general meeting, to supplement the emissions report and to produce an action plan on emissions of franchise stores beginning in 2024.

The board of directors had also given shareholders an opportunity to vote on a resolution that took up a draft resolution submitted by three shareholders **requesting an opinion on quantifying several of Carrefour's scope 3 action levers.** This-latter resolution was supported by LBP AM and was approved by 93% of the shareholders, thus demonstrating shareholders' interest in obtaining more details on Carrefour's climate strategy.

In accordance with its Biodiversity Policy, LBP AM - TFSA took action to help meet the objectives of the Kunming-Montreal Global Biodiversity Framework to limit and reverse depletion of biodiversity. LBP AM and its TFSA subsidiary launched an investment fund in 2022 on biodiversity, a fund that includes Carrefour for its engagements to the food transition and its efforts to recycle packaging, particularly through bulk-selling initiatives that put it among the leaders of its sector. However, there's still room for improvement in its environmental strategy, and LBP AM - TFSA asked for more information **on how Carrefour is combatting deforestation in its supply chain for beef sources in Brazil** through a question asked in writing and verbally at its 2023 general meeting. This exchange was an opportunity to interact with Carrefour on the crucial challenge of biodiversity, which is closely intertwined with the goal of reducing climate change.

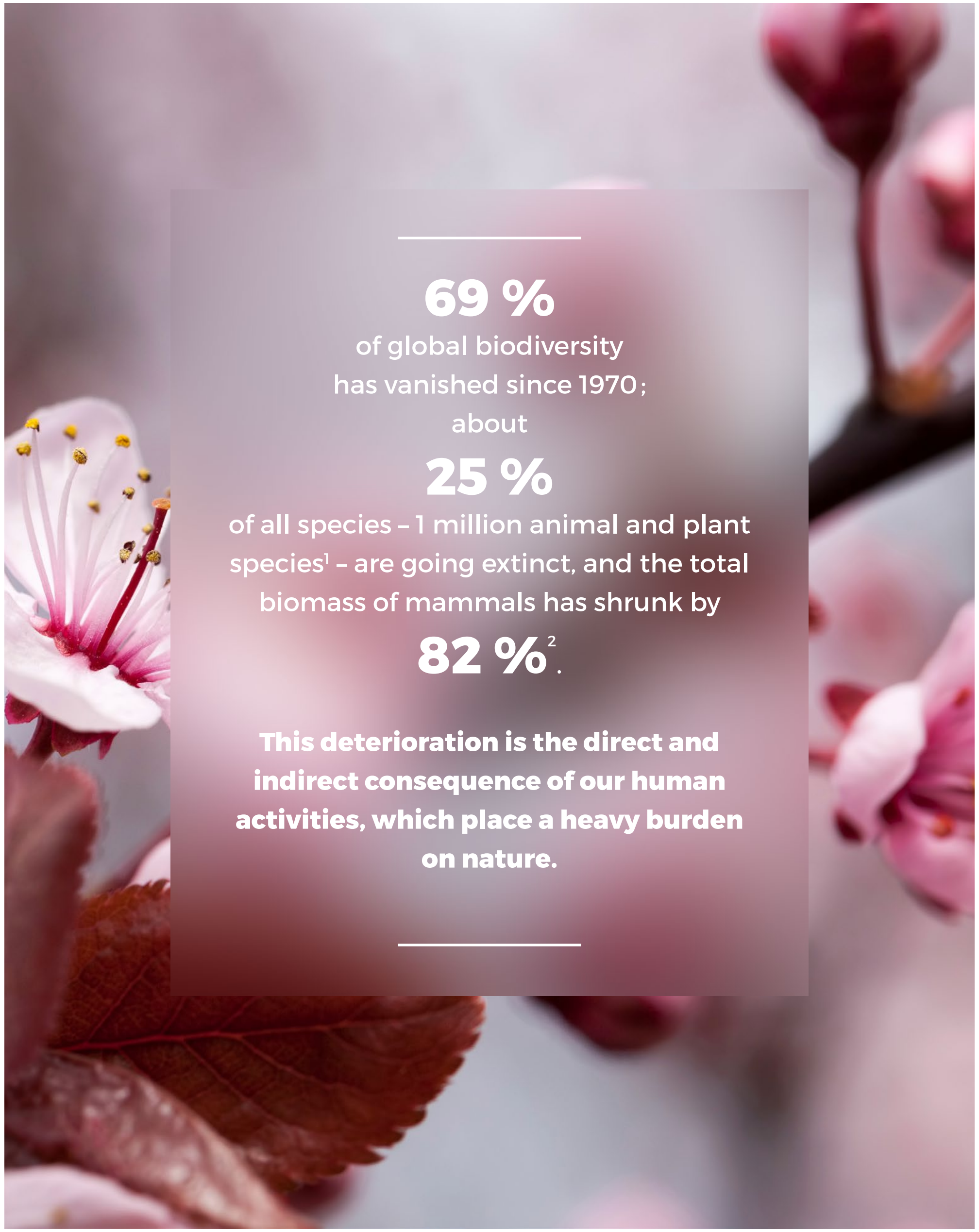
3.2 The Biodiversity Policy

There is an urgent need to reverse this depletion of biodiversity to keep the world viable by 2030. This is the subject of the United Nations Convention on Biological Biodiversity and its Conference of the Parties (COP) at the international level, but also of European and national policies. This is also a goal pursued under the OECD Guidelines for Multinational Enterprises and financial sector initiatives such as the Finance for Biodiversity Pledge, to which LBP AM and TFSA are signatories.

Since 2021, LBP AM has been a signatory of Finance for Biodiversity Pledge1 alongside its parent company, La Banque Postale. It takes active part in this international initiative by serving on its various working groups, which is a natural component of its roadmap.

Discussions are conducted alongside other investors on the following issues:

- **measuring** its impact on biodiversity;
- **setting objectives** to lower this impact: within a working group, LBP AM is studying the establishment of quantitative targets for 2030 on biodiversity, with the goal of setting targets to lower this impact by the end of 2024;
- **engaging dialogue** with invested companies on biodiversity;
- **publicly disclosing actions** conducted by the company.



1 IBPES Global Assessment Report, 2019
2 www.financeforbiodiversity.org/about-the-pledge

The Biodiversity Policy presents the engagement of LBP AM and TFSA to systematically include the issue of preservation of biodiversity in its investment policy. LBP AM and TFSA wish to draw on all the levers of action available to them to align their action with the Global Biodiversity Framework for the post-2020 period[3], which will guide action in favour of the protection of life at the international level.

In particular, LBP AM undertakes:

- to raise awareness of, and to support companies placing a heavy burden on biodiversity, or closely dependent on it, in producing a plan to control their risks and impacts on biodiversity;
- to exclude companies placing too heavy of a burden on biodiversity without having a remediation plan;
- to integrate biodiversity datapoints in investment decision-making tools;
- to apply to its own operations actions that foster the protection of biodiversity.

In 2023, LBP AM worked on greater enforcement of its policy by developing a framework for specific biodiversity issues, such as water, waste, the circular economy, pesticides and deforestation.

The measures taken contribute to 19 of the 23 actions targeted by the Kunming-Montreal Global Biodiversity Framework. These are also key avenues for implementing LBP AM - TFSA's engagement to the Finance for Biodiversity Pledge.

To find out more

The Biodiversity Policy

3. www.unep.org/fr/resources/cadre-mondial-de-la-biodiversite-de-kunming-montreal

3.2.1 The exclusion policy and its implementation

LBP AM - TFSA pledged to exclude companies placing a significant burden on biodiversity and that don't have remediation plans in place.
The biodiversity exclusion list has two stages: a quantitative review based on three criteria for identifying companies placing a heavy burden on biodiversity, and a qualitative review of these companies' policies and practices (see details on criteria on page 17 of the "Biodiversity Policy" document). Thematic exclusion policies (deforestation and pesticides) and geographical exclusions earmarked for real assets help the Group shape its actions and engagements to protecting biodiversity.

IN PRACTICE :

- **The biodiversity exclusion :**
  For companies in sectors placing a heavy burden on nature (heavy potential impact and close dependence), such as those based on the ENCORE benchmark; companies having a biodiversity footprint significantly greater than its peers are expected to institute policies and actions for managing and reducing their impact on nature, in order to demonstrate their transition towards modes of production having less impact on the living world. Where applicable, they can be excluded from the investment universe.

Deforestation

- **The deforestation exclusion:**
  - Carbon sinks: forests play an important part in capturing CO_2, something that is essential to limiting climate imbalance.
  - Reasons for deforestation: livestock, soja, forestry, palm oil, industry (mining, dams, etc.).
  - Especially heavy media pressures following the fires in summer 2019 in Amazonia, as well as in Asia and Africa.
  - Risks of exacerbating the situation by policies of the Bolsonaro government. Example: decision in February 2020 to authorise mining activities in territories reserved for Amerindians.
  - Human rights risks: displacement of indigenous peoples.

Implementing LBP AM's SRI strategy

- Identifying companies having a heavy impact on deforestation with no corrective measures
- Sources: NGOs, CDP, MSCI, etc.

Operators and wholesalers

Proposal:
Exclusion, unless the company has a deforestation prevention policy in place that is aligned with the Accountability Framework and based on external certifications (RSPO, RTRS, FSC, etc.)

Motivation:
- Direct responsibility for deforestation
- Risk of controversy

Manufacturers / processors

Proposal:
Exclusion, unless the company has a deforestation prevention policy in place that is aligned with the Accountability Framework and based on external certifications (RSPO, RTRS, FSC, etc.)

Motivation:
- Significant reputational risk (B-to-C)
- An important source of leverage for changing the practices of operators and wholesalers

3.2.2 The selection policy and its tools

LBP AM and TFSA systematically include biodiversity in managing their SRI funds through the proprietary investment notation tool GREaT, which filters the selection of investments of all open-ended funds of LBP AM/TFSA that adhere to the criteria of the French ISR [SRI] label. It is analysed in the "Sustainable Management of Resources" within the "Biodiversity and Water" criterion, which consists of indicators from two suppliers of data for rating a company's practices on its use of soil and water and its impact on biodiversity.

LBP AM - TFSA also follows up on its portfolios' biodiversity footprints. This is calculated using the footprint methodology on the Biodiversity Impact Analytics databased powered by the Global Biodiversity ScoreTM (BIA-GBS) and created by CDC Biodiversité and Carbon 4 Finance.

IN PRACTIC:

The Global Biodiversity Score assesses the impact of a company's activities on biodiversity in light of four of the five pressures defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IBPES):

- soil artificialisation;
- overexploitation of natural resources ;
- pollution ;
- climate change.

This tool estimates these pressures based on financial or operational data, by breaking down the inputs used to generate the revenues of the company in question. Data on the pressures that companies report directly can also be used, such as the carbon footprint. The model is based on estimates, informed by the GLOBIO model and the EXIOBASE database.

The impact is express in MSA.km². MSA (Mean Species Abundance) is recognised by the scientific community as one of the metrics for aggregating various types of impacts on biodiversity in order to assess the integrity of ecosystems by measuring the average abundance of species at a given location.

1 MSA.km²
lost
equals the total of
1 km²
of virgin natural territory.

In order to obtain a single global measurement, mathematical transformations are necessary:

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

These transformations result in a single metric, the msa.ppb, stated per €1 million invested. These metrics can be broken down into two biomes, land-based and freshwater aquatic, and two temporal concepts, static impacts, i.e., the accumulation of the degradation caused by the company's activities over the previous 50 years, and dynamic impacts, which indicate the deterioration caused in the year under consideration, reflecting the current business model of the company under study.

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

This footprint methodology can be consulted and applied to all LBP AM/TFSA funds.

Statistical impacts

67.89%

of AuM covered by the indicators (the products covered by the biodiversity indicator are convertible bonds, corporate bonds, sovereign bonds and equities)

47.36

MSA.PPB[1]/€bn invested

Intensity of the dynamic aquatic impact:

0.05

MSA.km²/ €K

Intensity of the static aquatic impact:

4.98

MSA.km²/ €K

Intensity of the dynamic land-based impact:

2.92

MSA.km²/ €K

Intensity of the static land-based impact

73.52

MSA.km²/ €K

1. Scope: all assets in listed equities and corporate and sovereign bonds

Focus

Creation of a proprietary Biodiversity indicator: BIRD

In 2023, LBP AM and TFSA developed a Biodiversity score to assess holistically how well biodiversity issues are managed.

Applicable to companies in all sectors, the indicator is used to determine whether the company:

- has instituted an oversight mechanism at the level of the board of directors and/or responsibility at the level of senior management for biodiversity issues;
- has made public engagements to, or joined an initiative dealing with, biodiversity;
- has assessed its impacts throughout its value chain;
- took actions for meeting its objectives in the past year;
- uses and discloses performance indicators for monitoring its impacts on biodiversity;
- publicly discloses how it manages biodiversity;
- manages specific issues arising from the burdens it places on biodiversity in water, waste, deforestation, sensitive biodiversity areas, and supply chains.

This indicator can be used in selecting thematic funds and, more broadly, in selecting sustainable investments as defined by SFDR.

The indicator's components may also be used to identify areas for improvement, while encouraging shareholder engagement.

LAUNCH AND MANAGEMENT OF A DEDICATED PRODUCT

In November 2021, to help mitigate the depletion of biodiversity, LBP AM - TFSA launched an international equity fund, Tocqueville Biodiversity ISR, to finance companies that lead their sectors in terms of sustainability of their practices with regard to biodiversity; and companies offering products and services for reducing impacts on biodiversity:

- **change in land and sea use** is addressed through investment in agriculture by fostering regenerative agriculture or sustainable aquaculture;
- **overexploitation of resources** is addressed by promoting a circular economy that reduces use of animal and plant resources by exiting the linear modes of production now common in the economy.
- **pollution** by investing in pollution cleanup strategies or alternatives to polluting activities.

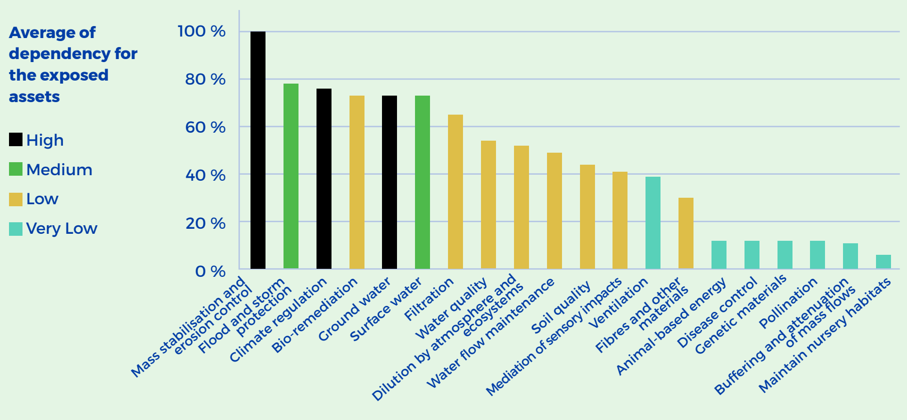
Focus

Biodiversity risk management

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

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

Percentage of AUM dependant on ecosystem



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

- **Stock selection based on ESG GREaT** ratings through best-in-class or best-in-universe strategies. When these strategies are applied restrictively in fund management, the most exposed issuers tend to be underweighted. The exclusion policy based on biodiversity criteria and its component dedicated to deforestation, targeting exploitative and/or trading companies directly involved in deforestation and having not implemented a solid risk prevention policy. Particular attention is paid to the trading, agri-food, forestry and extractive/petroleum industries, insofar as they are directly responsible for the reduction in forest land.

- **The engagement and voting policy,** which is aimed at supporting companies on the path to better understanding and taking into account the issues related to biodiversity. LBP AM - TFSA has adopted a sector-specific approach in order to optimise the effectiveness of this action. A sector is selected for a period of 2 to 3 years, during which the company supports businesses deemed high-priority, given their positioning and the amount of assets they represent in the LBP AM Group portfolios.

3.2.3 The Engagement Policy and its deployment

LBP AM - TFSA conducts dialogue with invested companies to encourage them to reduce their impacts on biodiversity and control their dependencies on natural capital. This policy consists of several collaborative engagements addressing targeted thematic, such as the disclosure of action plans, and bilateral engagements with companies whose practices could be changed to very good effect.

IN PRACTICE :

- **Shareholder engagement** promotes good practices and encourages the monitoring of benchmark standards on high-impact topics in connection with the five pressures of the IPBES, in order to reduce the contribution to these pressures (see p. 28 of the Biodiversity Policy to access matches between the different thematic of collaborative engagements and the pressures as defined by the IPBES). The aim of the individual engagements is to establish a comprehensive strategy on the part of the engaged company, ranging from the assessment of its impacts, dependencies and risks, to the setting of objectives and the implementation of an action plan to achieve these objectives. LBP AM - TFSA's engagement strategy also adapts to challenges in specific sectors and companies. Dialogues are engaged with invested companies on important biodiversity issues, such as deforestation, use of pesticides, managing water resources, or the circular economy.

- **Voting at general meeting and including biodiversity in Say-on-Climate objectives,** presented in section 3.1.5 p.93. LBP AM and TFSA encourage listed companies that are heavy GHG emitters and have a big impact on biodiversity to submit "Say-on-Climate" or "say-on-nature" resolutions to a shareholder vote.

ENGAGEMENTS IN 2023

In 2023, LBP AM - TFSA conducted 29 engagements on biodiversity thematic. Seven of these were on the issue of managing deforestation risks in sectors exposed to the riskiest commodities: palm oil, soja, livestock and its derivative products, rubber, wood and cacao.

IN PRACTICE :

In 2023, LBP AM-TFSA conducted various collaborative engagements with other investors on shared issues:

- An international network of investors, Farm Animal Investment Risk & Return (FAIRR), encourages agro-industry manufacturers to improve their animal welfare and nutrition practices. FAIRR conducts several targeted engagements of companies failing to put through good practices in these areas, for the purpose of raising their awareness and supporting them in making changes. In 2023, LBP AM took part in collaborative engagement campaigns on sustainable aquaculture and waste and pollution, engaging with two companies.

- In 2023, LBP AM - TFSA also took part in engagement campaigns coordinated by CERES. This initiative brings together international investors who wish to contribute to combatting deforestation, caused mainly by livestock and palm oil and soja crops. Each year since 2020, LBP AM - TFSA has engaged with at least one company producing agricultural commodities on the thematic of deforestation in order to encourage it to set a dated goal for ending the use of deforestation and conversion into farmland by putting through an action plan, monitored through indicators.

- In 2023, LBP AM took part in an engagement campaign organised by the Carbon Disclosure Project (CDP) called the "Non Disclosure Campaign". This initiative aims to enhance the environmental transparency of portfolio companies on the thematic of climate, water and forests. As part of this campaign, LBP AM engaged with three companies via individual letters, asking them to disclose more indicators.

To find out more

Activity report of the CDP engagement campaign

3.2.4 The advocacy policy

LBP AM and its TFSA subsidiary pledge to support regulatory initiatives that strengthen the action of companies – including financial companies – in favour of biodiversity, by replying to consultations within sustainability frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) or the European Financial Reporting Advisory Group (EFRAG) and on regulations on issues such as deforestation-related products imported into the European Union. LBP AM/TFSA supported the text drafted by PRI, UNEP-FI and the Finance for Biodiversity Foundation in the runup to the COP15, stressing the importance of financial institutions in meeting objectives of preserving and restoring biodiversity.

4th PART

KEYS FOR GREATER UNDERSTANDING

In this chapter, you will find all the information needed to understand how the responsible investment policy of LBP AM and its TFSA subsidiary ties in with regulatory reporting frameworks.

4.1 Disclosures pertaining to provisions of article 29 of the french energy and climate act

4.1.1 The entity's general approach to considering environmental, social and governance criteria

Since 2018, LBP AM and its subsidiary TFSA have chosen to adopt a 100% SRI approach.

Their approach to taking environmental, social and governance criteria into account is based on a transversal SRI policy that includes the GREaT research methodology and shareholder engagement to promote sustainability, transparent exclusions, and holistic thematic policies in support of a range of engaged funds. Details on how the ESG approach is integrated into LBP AM's investment strategy may be found in section 1.1, p.8.

For this purpose, LBP AM and TFSA have obtained the official French ISR [SRI] label for all its eligible open-ended funds, in order to guarantee its clients a commitment to selectivity and transparency, and to integrate SRI into all its investment process and for all its teams (section 1.1.1, p.8).

In addition, LBP AM - TFSA has joined various financial sector initiatives, allowing it to play a role in developing SRI and the SRI management standards of tomorrow, as well as collaborative, cutting-edge initiatives in shareholder engagement. The initiatives that LBP AM - TFSA has joined can be found in section 1.3.3, p.20.

4.1.2 Internal resources deployed by the entity

In deploying and developing their SRI management approach, LBP AM and TFSA are backed by SRI Solutions, a specialised research team developing a fundamental basis of analysis integrating sustainability risks, as well as by SRI managers and analysts-managers.

A description of in-house resources mobilised by LBP AM - TFSA in developing this strategy may be found in section 2.3.1, p.53.

4.1.3 Approach to taking environmental, social and governance criteria into account at entity governance level

Steering, setting and implementing the responsible investment policy of LBP AM and TFSA are subject to transversal governance handled at the highest level, by the Executive Board. The policy is steered by three dedicated committees, which consist of members having extensive experience in asset management, and more particularly in SRI management: the Sustainable Finance Committee, the Exclusion Committee and the Governance Committee. The various governance bodies are described in section 1.2 of the report (p.11), along with their members' know-how, skills and experience.

In addition, since 2021, all LBP AM employees have had a common objective within overall performances, for which several criteria are set in accordance with the SRI and CSR strategic roadmap. Each employee also has a specific extra-financial objective relating to the goals of his/her business line. These points may be viewed in section 1.2.2, p.14.

4.1.4 Strategy for engaging with issuers or portfolio management companies and implementing that strategy

LBP AM and its Tocqueville Finance subsidiary believe that voting at general meetings is an integral part of the management process and exercise their voting rights on the basis of principles laid out in their Voting Policy. The policy stipulates the perimeter and procedure for voting at shareholder meetings, as well as the criteria on which basis resolutions submitted to a shareholder vote are approved or rejected. An assessment of voting actions in 2023 may be found in section 2.3, p.53.

The Shareholder Engagement Policy of LBP AM - TFSA constitutes one of the levers of action for a responsible investor, along with ESG selection, exclusion and thematic investment. Objectives of those levers and an assessment of actions conducted in 2023 may be found in section 2.3, p.53.

Section 2.3.1, p.53 describes the engagements undertaken, along with examples of engagement with three companies: Danone (p.56), Carrefour (p.96), and a distributor of software and IT services (p.57).

4.1.5 European taxonomy and fossil fuels

		(Mandatory) regulatory ratio based on disclosures by counterparties [1]	(Optional) voluntary ratio reflecting estimates of the level of alignment of counterparties [2]
		0010	0020
Share of exposures to taxonomy-eligible economic activities	0020	17.95%	N/A
Share of exposures to taxonomy-ineligible economic activities	0030	82.05%	N/A
Share of exposures to central administrations, central banks or supranational issuers	0040	13.05%	N/A
Total share of derivatives	0050	36.92%	N/A
Share of exposures to companies not required to disclose non-financial information, by virtue of Article 19a or Article 29a of Directive 2013/34/EU	0060	0.14%	N/A

N/A: Not available (the datapoint has not been calculated)

1 In accordance with explanations provided by the European Commission in its draft notice of 2 February 2022 (question 18), financial institutions using the most recent information released by their counterparties to determine the level of eligibility or alignment of their assets under management with the European taxonomy of sustainable activities. Entities subject to Instruction 2022-I-24 provide this information in the "Regulatory ratio" column.

2 They may also release complementary ratios on a voluntary basis, reflecting estimates of this level of alignment. The 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 use estimates to assess the alignment with the taxonomy of their exposure to companies not subject to the publication obligations of Articles 19a and 29a of Directive 2013/34/UE, if they are able to demonstrate compliance with all the criteria stated in Article 3 of Regulation (EU) 2020/852, with the exception of the criterion stated in Article 3b) of said regulation.

4.1.6 Strategy for aligning with the international objectives of Articles 2 and 4 of the Paris Agreement relating to the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are made entirely in France, the national low-carbon strategy referred to in Article L. 222-1 B of the Environmental Code

LBP AM and its TFSA subsidiary have set a decarbonation trajectory of their investments for ensuring carbon neutrality of their portfolios by 2050, including open-ended and dedicated funds, while setting as a midway point an objective of aligning 80% of their total assets under management by 2030 to a carbon trajectory compatible with meeting Paris Agreement objectives, followed by 100% by 2040.

Meeting the 2030 objective of 80% of total aligned AuM requires investing in companies whose decarbonation trajectories will have been certified by SBTi as compatible with the emissions reduction scenarios necessary for achieving the climate objectives of the Paris Agreement.

To establish decarbonization targets for horizon 2050with a midway point in 2030, LBP AM - TFSA has used the methodology of Science-Based Targets – Financial Institutions, referred to as the “SBTi-Portfolio Coverage”. This choice is based on the robustness of the process of having objectives certified by an external third party such as SBTi, its consistency with the most recent climate science, and the wish to put into practice the commitment that LBP AM made in joining NZAMI. NZAMI objectives are updated every five years, based on changes in product AuM, the level of progress of the real economy, and the needs of LBP AM and TFSA clients.

To set its trajectory, LBP AM - TFSA first determined the portfolios’ climate performance by assessing issuers’ medium- and long-term decarbonation trajectories and by analysing companies’ progress compared to their GHG-reduction objectives.

Each fund’s degree of alignment is now a value that can be tracked by each manager on the SRI management platform, GREaT 360. An aggregate evaluation is also done on a regular basis, particularly for the attention of LBP AM governance bodies and shareholders. A methodology for adapting the Net Zero alignment objective at the level of the funds is under development. In a second stage, one or more factors of change have been integrated into the initial evaluated performance in order to assess portfolio performances out to 2030.

LBP AM - TFSA is developing a methodology for adapting the Net Zero alignment objective at the level of its funds (also planned by NZAMi once every five years or in the event of a change in investment profile).

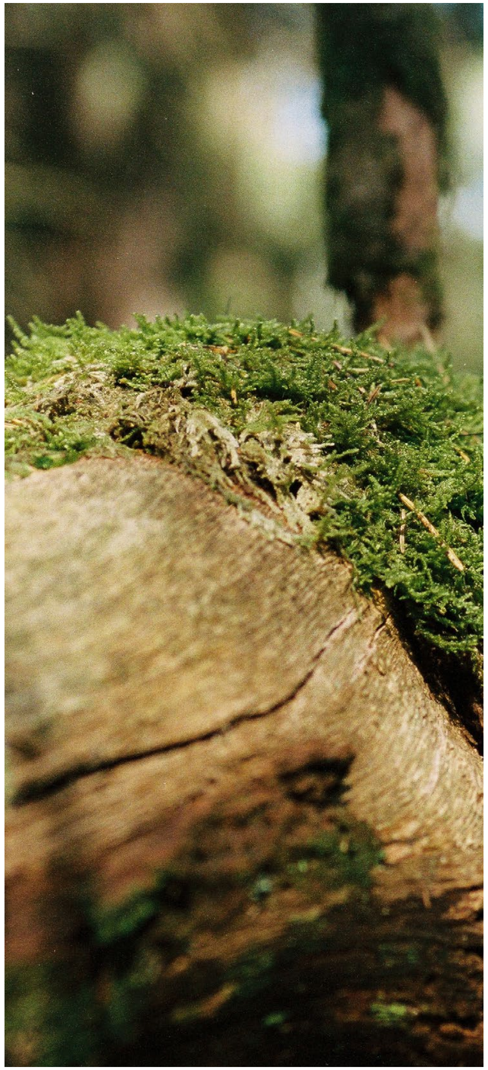
Details on the strategy may be found in section 3.1.1, p.73.

4.1.7 Strategy for aligning with long-term biodiversity-related objectives. The entity provides an alignment strategy with long-term biodiversity-related objectives, specifying the scope of the value chain considered, which includes objectives set for 2030, then every five years, on the following items

Measures taken under the biodiversity strategy of LBP AM and of its TFSA subsidiary contribute to 19 of the 23 target actions of the Kunming-Montreal Global Biodiversity Framework, placing LBP AM and TFSA, on their scale, at the heart of actions taken by governments, private-sector actors, and citizens to preserve nature.
First of all, LBP AM - TFSA has pledged to exclude companies having a material impact on biodiversity and that have not put through remediation plans. The biodiversity exclusion list is compiled after two stages: a quantitative analysis based on three criteria for identifying companies having a heavy impact on biodiversity, then a qualitative analysis of these companies' policies and practices. The practical adaptation, as well as various exclusion policies may be viewed in section 3.2 p.97.

When investment decisions are made, biodiversity is systematically integrated into the GREaT proprietary investment system. The portfolios' biodiversity footprint is calculated using the footprint methodology of the Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM (BIA-GBS), for evaluating the impact of a company's activities on biodiversity in 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 deploying LBP AM - TFSA's Biodiversity Policy, as well as associated actions are described in section 3.2 p.97.

Meanwhile, LBP AM - TFSA has engaged dialogue with invested companies to encourage them to reduce their impacts on biodiversity and control their dependence on natural capital. This policy is articulated around several collaborative engagements addressing targeted thematic – such as the disclosure of companies' action plans – and bilateral engagements with companies, a change in whose practices can be of significant importance. LBP AM - TFSA also acts in the area of biodiversity by voting at general meetings, and by integrating biodiversity into say-on-climate and say-on-nature resolutions. Details of the Engagement Policy and its deployment are described in section 3.2 p.97.



4.1.8 Approach for taking into account environmental, social and governance criteria in risk management, particularly physical, transition and liability risks related to climate change and biodiversity

In setting up a process of identification, evaluation, prioritisation and risk management, LBP AM - TFSA analyses issuers' climate risks through:

- **its quantitative ESG rating methodology, integrating systematically this dimension;**
- **a qualitative analysis of ESG materiality, showing when such risks pose a sustainability risk to investments;**
- **ad hoc measurement indicators applied to all LBP AM - TFSA investments. This process is described in section 2.4 p.66.**

This analysis is also used to monitor and manage physical risks, transition, and controversy risks related to these issuers' climate challenges. This is done using several components of the investment strategy of LBP AM - TFSA:

- **a selection of securities based on GREaT ESG scores, paired with a qualitative analysis;**
- **a portfolio transition strategy;**
- **an articulation of the various investment policies of LBP AM - TFSA(sector exclusion policy, Engagement Policy, and an evaluation of climate risks by portfolio.)**

In 2023, LBP AM developed an in-house transversal risk steering tool that provides additional granularity in steering and managing these issuers' risks. The tool is used to assess various climate scenarios or to break down risk by portfolio. All the tool's features are described in section 3.1.3, p.83.

Moreover, physical risks (chronic and acute risks) and transition risks are assessed on the basis of MSCI ESG data and assessment methodology. Details of these methods and the findings of these analyses for 2023 may be found in section 3.1.3 p.83.

A framework for managing biodiversity is also provided by "BIRD", a proprietary tool. This is applicable to companies in all sectors and makes it possible (section 3.2, p.97):

- **to provide oversight at the level of the board of directors and/or responsibility at the level of executive management for biodiversity-related issues;**
- **to evaluate the proper use and disclosure of performance indicators, in order to monitor its impacts on biodiversity;**
- **to manage specific issues pertaining to pressures that it exerts on biodiversity, including water, waste, deforestation, biodiversity-sensitive areas, and supply chains.**

Lastly, LBP AM pledges to assess the human rights risks of its portfolios and to identify the most relevant risks, i.e., those having an especially adverse impact on people because of their seriousness, their extent or their low degree of remendability. This evaluation aims to prioritise the preventive and mitigation actions of LBP AM and TFSA in the area of human rights, focusing on risks, sectors or geographies having especially relevant impact risks. In practice, identifying and evaluating these risks then makes it possible to take preventive and mitigation actions, as described in section 2.3 p.53.

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

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	QUANTIFIED INDICATOR		
		LBP AM GROUP	LBP AM	TOCQUEVILLE FINANCE
1. INFORMATION ON THE ENTITY'S GENERAL APPROACH				
→ **1.c. Overall percentage of assets under management considering environmental, social and governance quality criteria within total assets under management by the entity**	→ **As a % of assets under management**	81%	N/A	N/A
2. INFORMATIONS RELATIVES AUX MOYENS INTERNES DÉPLOYÉS PAR L'ENTITÉ				
→ **2.a. Description of the financial, human and technical resources dedicated to taking into consideration environmental, social and governance criteria in the investment strategy, within total assets managed or held by the entity. The description includes all or some of the following indicators: percentage proportion of the corresponding full-time equivalents; percentage share and amount in euros of the budgets devoted to environmental, social and governance data; amount of investment in research; use of external service providers and data suppliers.**	→ **% of FTEs concerned out of total FTEs**	14%	N/R	N/R
	→ **Share of dedicated budgets as a % of total financial institution budget**	11.77%	N/R	N/R
	→ **Amounts in € of dedicated budgets**	€1,322,972	N/R	N/R
	→ **Amount of investments in research [2] (in €)**	€504,000	N/R	N/R
	→ **Number of external service providers externes and data suppliers contacted**	8	N/R	N/R

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	QUANTIFIED INDICATOR		
		LBP AM GROUP	LBP AM	TOCQUEVILLE FINANCE
4. INFORMATION ON THE ENGAGEMENT STRATEGY WITH ISSUERS OR WITH MANAGEMENT COMPANIES AS WELL AS ON ITS IMPLEMENTATION				
→ **4.c. Appraisal of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the thematics covered and the actions to monitor this strategy**	→ **% of companies involved in a dialogue out of all companies concerned by the thematic covered**	18%, i.e., 439 ESG exchanges with 302 companies, of which: - 257 ESG dialogues with 179 companies - 182 ESG engagements with 123 companies - 29 engagements on biodiversity and seven engagements on deforestation risk management - 47 engagements on climate and transition plans - 61 engagements on governance - 54 engagements on human rights with 40 companies	N/A	N/A
→ **4.d. Appraisal of the voting policy, in particular relating to submissions and voting at general meetings on environmental, social and governance resolutions**	→ **Total number of submissions on ESG issues**	2	N/R	N/R
	→ **Total number of votes on ESG issues**	15,519	N/R	N/R
	→ **Number of submissions on environmental issues**	2	N/R	N/R
	→ **Number of votes on environmental issues**	89	N/R	N/R
	→ **Number of submissions on social issues**	0	N/R	N/R
	→ **Number of votes on social issues**	207	N/R	N/R
	→ **Number of submissions on governance issues**	0	N/R	N/R
	→ **Number of votes on governance issues**	15,223	N/R	N/R
	→ **% of submissions on ESG issues out of total submissions made**	100%	N/R	N/R
	→ **% of votes (yes/no) on ESG issues out of total votes cast**	100%	N/R	N/R
	→ **% of submissions regarding environmental out of total submissions made**	100%	N/R	N/R
	→ **% of votes regarding environmental issues out of total votes cast**	0.60%	N/R	N/R
	→ **% of submissions on social issues out of total submissions made**	0%	N/R	N/R
	→ **% of votes on social issues out of total votes cast**	1.30%	N/R	N/R
	→ **% of submissions on governance issues out of total submissions made**	0%	N/R	N/R
	→ **% of votes on governance issues out of total votes cast**	98.10%	N/R	N/R

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	QUANTIFIED INDICATOR		
		LBP AM GROUP	LBP AM	TOCQUEVILLE FINANCE
5. INFORMATION ON THE EUROPEAN TAXONOMY AND FOSSIL FUELS				
→ **5.b. Share of assets in companies operating in the fossil fuel sector, within the meaning of the delegated act pursuant to Article 4 of this regulation [1];**	**[1] → Share of AuM in %**	7%	N/A	N/A
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT				
→ **6.a. A quantitative target for 2030, reviewed every five years until 2050. This objective must be revised no later than five years before the target year. The objective includes direct and indirect greenhouse gas emissions, in absolute value or intensity value relative to a baseline scenario and a baseline year. It may be stated by measuring the implicit increase in temperature or by the volume of greenhouse gas emissions;**	→ **Quantitative target for 2030 expressed as volume of GHG emissions (if applicable)**	80% of AuM aligned with Net Zero by 2030 and 90% aligned with the Net Zero-eligible perimeter	N/R	N/R
	→ **Unit of measure of 2030 quantitative target**	% of AuM Net Zero-aligned	N/R	N/R
	→ **Amount of AuM (€) covered by the quantitative alignment objective expressed as volume of GHG emissions**	€46.4bn as of 31 December 2023	N/R	N/R
			Or 80% of total AuM of €58bn	N/R
	→ **Share of AuM covered by the quantitative alignment objective expressed as volume GHG emissions out of total AuM (%)**	80%	N/R	N/R
	→ **Quantitative target for 2030 expressed as the increase in implied temperature (if applicable)**	-	N/R	N/R
	→ **Amount of AuM (€) covered by the quantitative alignment objective expressed as the increase of implied temperature**	-	N/R	N/R
	→ **Share of AuM covered by the quantitative alignment objective expressed as the increase in implied temperature out of total AuM (%)**	-	N/R	N/R

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	QUANTIFIED INDICATOR		
		LBP AM GROUP	LBP AM	TOCQUEVILLE FINANCE
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT				
→ **6.b When the entity uses an internal methodology, information on it to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy:**	→ **Use of an internal methodology? (yes/no)**	NO	N/R	N/R
→ **6.b. ii. The degree of coverage at the portfolio level; (the level of coverage between asset classes must be specified in the report)**	→ **Level of portfolio coverage in%**	80%	N/R	N/R
→ **6.b. iii. 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 indicators used)**	→ **"Free metric (consistent with the stated objective 6.a., if applicable)»; numerical value as a %**	55% of assets aligned	N/R	N/R
	→ **Description of free metric (text)**	The methodology currently used is SBT-PC Science Based Targets – Portfolio Coverage, which is aimed at increasing the proportion of assets invested in issuers committed to decarbonation and having certified their objective with an independent body, e.g., the SBT initiative. According to this industry method, if a company has issued an SBTi-certified decarbonation objective, any asset invested in this company is considered to be aligned.	N/R	N/R
	→ **Unit of measure for the free metric**	% of AuM aligned with Net Zero Coverage: listed asset classes	N/R	N/R

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

DÉTAIL ET NUMÉRO D'INDICATEUR / D'ALINÉA	MÉTRIQUE	INDICATEUR CHIFFRÉ		
		GROUPE LBP AM	LBP AM	TOCQUEVILLE FINANCE
6. INFORMATION ON THE STRATEGY FOR ALIGNING WITH THE INTERNATIONAL OBJECTIVES TO LIMIT GLOBAL WARMING PROVIDED FOR IN THE PARIS AGREEMENT				
6.f. Changes in the investment strategy in line with the strategy for alignment with the Paris Agreement, and in particular the policies instituted with a view to a gradual exit from coal and non-conventional hydrocarbons, specifying the exit timetable determined and the proportion of total assets managed or held by the entity covered by these policies	**Coal: % of total AuM managed or held by the entity**	3.50%	N/A	N/A
	Non-conventional hydrocarbons: % of total assets managed or held by the entity	4%	N/A	N/A
	Have you adopted a timetable for gradually exiting coal? (yes/no)	Yes, since 2019, LBP AM and TFSA has pledged to gradually exclude mining and electricity generation companies having coal-related expansion plans, and that have not pledged to exit coal by 2030 in the case of OECD countries and by 2040 in the rest of the world. In 2021, this engagement was extended to issuers supplying upstream and downstream services that generate at least 20% of their revenues from coal. The data come from Urgewald's Global Coal Exit List and from Trucost, another supplier.	Yes, since 2019, LBP AM has pledged to gradually exclude mining and electricity generation companies having coal-related expansion plans, and that have not pledged to exit coal by 2030 in the case of OECD countries and 2040 in the rest of the world. In 2021, this engagement was extended to issuers supplying upstream and downstream services that generate at least 20% of their revenues from coal. The data come from Urgewald's Global Coal Exit List and from Trucost, another supplier.	Yes, since 2019, TFSA has pledged to gradually exclude mining and electricity generation companies having coal-related expansion plans, and that have not pledged to exit coal by 2030 in the case of OECD countries and 2040 in the rest of the world. In 2021, this engagement was extended to issuers supplying upstream and downstream services that generate at least 20% of their revenues from coal. The data come from Urgewald's Global Coal Exit List and from Trucost, another supplier.
	State the final coal exit date chosen for your policy	2030 in the case of OECD countries and 2040 in the rest of the world	2030 in the case of OECD countries and 2040 in the rest of the world	2030 in the case of OECD countries and 2040 in the rest of the world

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

DETAIL AND INDICATOR / PARAGRAPH NUMBER	METRIC	QUANTIFIED INDICATOR		
		LBP AM GROUP	LBP AM	TOCQUEVILLE FINANCE
INFORMATION ON THE STRATEGY FOR ALIGNING WITH LONG-TERM BIODIVERSITY-RELATED OBJECTIVES				
7. c. Indicate the use of a biodiversity footprint indicator and, where appropriate, how this indicator measures compliance with international biodiversity-related objectives	**Free metric (MSA.ppb*/€bn invested)**	58 MSA.ppb*/€bn invested	N/R	N/R
	Brief description of the metric (text)	The Biodiversity Impact Analytics database powered by the Global Biodiversity ScoreTM (BIA-GBS) created by CDC Biodiversité and Carbon 4 Finance offers a biodiversity footprint measure equivalent to that of the carbon footprint. It assesses the impact of a company's activities on biodiversity based on four of the five pressures laid out by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. • Change in land and sea use; • Overexploitation of natural resources; • Pollution • Climate change. This impact is expressed in MSA.km². Mean Species Abundance (MSA) is a metric recognised by the scientific community as one of the metrics used to aggregate different types of impacts on biodiversity in order to assess the intactness of ecosystems by measuring the average abundance of species in a given location. The metric relates to aquatic and terrestrial biomes and is stated with respect to two timeframes: the static footprint; the stock and dynamic footprint; and the flow. A single measurement calculated by aggregating the four aquatic measurements – static aquatic, dynamic aquatic, static terrestrial and dynamic terrestrial – by scaling expressed in msa.ppb*. This single measure reflects all current and past impacts on the two biomes considered. This footprint measure reflects the estimated impacts on biodiversity of companies invested in by the portfolio management company. As this indicator is based on estimates, it is not directly useable for steering, alone compliance with the objectives of the Kunming-Montreal Global Biodiversity Framework. That's why the use of several types of more specific indicators is preferred; this is summed up in LBP AM's biodiversity policy.	N/R	N/R
	Unit of measure of the free metric (text)	MSA.ppb*	N/R	N/R
	Amount of AuM (€) covered by the biodiversity footprint indicator	€41bn	N/R	N/R
	Share of AuM covered by the biodiversity footprint indicator within total AuM (%)	70%	N/R	N/R

N/A: Not available (the datapoint is not calculated)
N/R: Not relevant (the distinction by entity is not relevant; refer to Group-level data)

4.1.10 Ongoing improvement plan

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

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
4°: Strategy of engaging with issuers							
Perimeter of companies involved in the engagement strategy.	**0110**	**Information presented**	Section 2.3.2, p. 61				
Presentation of voting policy and assessment.	**0120**	**Information presented**	Section 2.3.2, p. 61				
Assessment of the engagement strategy implemented, which may include the share of companies with which the entity has engaged a dialogue, the thematics covered, and the actions following up on this strategy.	**0130**	**Information presented**	Section 2.3.1, p. 53				
Assessment of the voting policy, in particular regarding submissions of, and voting on, resolutions on environmental, social and governance issues at general meetings.	**0140**	**Information presented**	Section 2.3.2, p. 61				
Investment strategy decisions, particularly in sector disengagement.	**0150**	**Explanation(s) for the lack of information**	Section 2.2.1, p. 42	Other	2023 is a transition year for LBP AM and its TFSA subsidiary, as the merger with LFDE is under way.	Convergence of sector-based policies is under way.	2025
Note: If the entity releases a report dealing specifically with its shareholder engagement policy, such information may be incorporated into it, while referring to this article.							

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
6°: Strategy for aligning with the international objectives of Articles 2 and 4 of the Paris Agreement relating to the mitigation of greenhouse gas emissions and, where applicable, for financial products whose underlying investments are made entirely in France, the national low-carbon strategy referred to in Article L. 222-1 B of the Environmental Code (in accordance with d) of 2 of Article 4 of SFDR).							
A quantitative target for 2030, which is revised every five years until 2050. This objective must be revised no later than five years prior to its expiration date. The target includes direct and indirect greenhouse gas emissions in absolute value or intensity value compared to a benchmark scenario and a benchmark year. It may be expressed through the measure of the implied temperature increase or by volume of greenhouse gas emissions	**0190**	**Information missing without explanation**		Data missing	Until 2023, LBP AM - TFSA set the decarbonation trajectory of its portfolios for 2050, including open-ended and dedicated funds, with a midway objective of aligning 80% of its total assets under management by 2030 with a carbon trajectory compatible with the meeting Paris Agreement objectives, followed by 100% in 2040. The Portfolio Coverage methodology has no standard for ensuring transposition, via simulation methodologies, to an expression of the objective of aligning assets under management in the form of an aggregate carbon metric.	LBP AM - TFSA had not adopted the interpretation of this indicator recently reported in 2024. The objective will be to determine a more granular timescale, in order to reflect a quantitative objective reviewed every five years out to 2050. LBP AM and TFSA have set up an active watch of methodological developments for the initiative, to be able to integrate, whenever possible, a transposition of the metric in footprint or temperature.	N/A

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
When the entity uses an in-house methodology , what component of this methodology is used to assess the investment strategy's alignment with the Paris Agreement or the national low-carbon strategy?	0200	**Explanation(s) for the lack of information**	Section 3.1.3 p. 83	Information not relevant (no in-house methodology)			N/A
Quantification of findings using at least one indicator.	0210	**Information presented**	Section 3.1.2, p. 76				
For entities managing index funds, disclosure on the use of "climate transition" and "Paris Agreement" benchmark, as defined by Regulation (EU) 2019/2089 of the European parliament and the Council of 27 November 2019.	0220			Information not relevant to the entity (no index funds)			
The role and use of evaluation in the investment strategy, particularly the fit between the evaluation methodology used and other indicators on environmental, social and governance criteria used more broadly in the investment strategy.	0230	**Information presented**	Section 3.1.2, p. 76				

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
Changes made to the investment strategy in connection with the strategy of alignment with the Paris Agreement, and policy implemented for a gradual exit from coal and non-conventional hydrocarbons, while specifying the exit timetable adopted and the share of total assets managed or held covered by these policies.	**0240**	**Information presented**	Section 3.1.2, p.76				
Follow-up actions, if any, on findings and changes made.	**0250**	**Information presented**	Section 3.1.3 p.83				
Frequency of assessment, scheduled dates for updating and relevant change factors	**0260**	**Information presented**	Section 3.1.1 p.73				

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
7°: Strategy of alignment with long-term biodiversity objectives. The entity provides a strategy of alignment with long-term biodiversity objectives, in specifying the scope of the value chain used, which includes objectives for 2030 and then every five years on the following.							
Measuring compliance with the objectives of the Convention on Biological Diversity, adopted in 1992.	**0270**	**Explanation(s) for the lack of information**	Section 3.2.1 p.99	Data missing	LBP AM - TFSA has mapped the contribution of its policy to CBD objectives. However, this dimension cannot be measured. In terms of measurement, a proprietary biodiversity indicator, called "BIRD" assesses holistically and qualitatively the quality of biodiversity management.	Active watch of the development of quantitative assessment methodologies of biodiversity impacts, particularly through participation in financial sector initiatives such as Finance for Biodiversity Pledge or collaboration with IFD.	Ongoing watch
Analysis of the contribution to reducing the main pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.	**0280**	**Information presented**	Section 2.2, p.41				
A mention of the backing by a biodiversity footprint indicator and, where applicable, the way in which this indicator measures compliance with international biodiversity objectives.	**0290**	**Information presented**	Section 2.2, p.41				

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
8°: Approach for considering environmental, social and risk management criteria. In accordance with article 3 of Regulation (EU) 2019/2088 of the European Parliament and Council of 27 November 2019, disclosures on how environmental, social and governance criteria are taken into account in risk management includes physical, transition and sustainability risks related to climate change and biodiversity and, in particular:							
The processes of identification, assessment, prioritisation and risk management related to taking ESG criteria into account, how risks are integrated into the entity's risk management framework, and how this process addresses the recommendations of European financial oversight authorities.	0300	Information presented	Section 3.1.3 p.83				
A description of the main ESG risks taken into account and analysed, which, for each risk, includes a characterisation, a segmentation, an indication of the economic sectors and geographical areas concerned by these risks, and an explanation of the criteria used.	0310	Information presented	Section 3.1.3 p.83				
An indication of how often the risk management framework is reviewed.	0320	Information presented	Section 3.1 p.72				
An action plan aiming to reduce the entity's exposure to the main environmental, social and governance risks taken into account.	0330	Information presented	Section 1.2 p.11				

		Is the expected information presented in the report? If not, is any explanation provided?	Which parts and pages of the report deal with the subject?	If the information is not presented: provide a narrative explanation of the reasons for the omission with a presentation of the plan for improvement			
				Reason for the omission	Narrative explanation of the reason for the omission	Plan for improvement	Timetable (year) planned for presenting the expected information
		0010	0020	0030	0040	0050	0060
A quantitative estimate of the financial impact of the main ESG risks identified and of the proportion of exposed assets, and the time horizon associated with these impacts at the level of the entity and the assets concerned, including the impact on portfolio valuation. When a qualitative statement is made, the entity describes the difficulties encountered and the measures planned for a quantitative assessment of the financial impact of these risks.	**0340**	**Explanation(s) for the lack of information**	Section 3.1.2 p.76	Lack of data	Quantitative estimates are made for climate issues. However, the risk analysis used does not allow for monetary quantification on biodiversity and human rights risks, due to the methodological challenges of translating them into monetary terms, and of aggregating values homogenously.	Active watch for following up on methodological advances and identifying the best practices in this area.	Ongoing watch
An indication of changes in methodological choices and findings.	**0350**	**Information presented**	Section 3.2.2 p.100				

4.1.11 Financial products classified SFDR Article 8 or 9

List of funds managed by LBP AM and its TFSA subsidiary:

FUND NAMES	SFDR	SUSTAINABLE APPROACH
AeAM Dutch Mortgage Fund	8	ESG AuM
AeAM Dutch Mortgage Fund 2	8	ESG AuM
AEGON EUROPEAN HIGH YIELD BOND FUND	8	ESG AuM
AEGON LEVEN - EQUITY LBPAM	8	SRI AuM
AEGON STRATEGIC GLOBAL BOND FUND I ACC EUR (HEDGED)	8	ESG AuM
ARCELOR six MONETAIRE	8	SRI AuM
ASSUREURS - CAISSE DES DEPOTS RELANCE DURABLE FRANCE - LBPAM COMPARTIMENT TOCQUEVILLE FINANCE	8	ESG AuM
ASSUREURS - CAISSE DES DEPOTS RELANCE DURABLE FRANCE - LBPAM DETTE PRIVEE	8	ESG AuM
AUXIA ASSISTANCE LBPAM	8	ESG AuM
CAPREVAL LBPAM	8	ESG AuM
CARREFOUR PRUDENCE SOLIDAIRE	8	ESG AuM
CMAV LBPAM	8	ESG AuM
CNP LBPAM ABSOLUTE RETURN	8	ESG AuM
CNP LBPAM SRI ACTIONS EURO	9	SRI AuM
CNP TOCQUEVILLE VALUE EUROPE SRI	8	SRI AuM
DECISIEL SRI ACTIONS	8	SRI AuM
DECISIEL SRI ACTIONS 70	8	SRI AuM
DECISIEL SRI ACTIONS 70 SOLIDAIRE	8	SRI AuM
DECISIEL SRI DIVERSIFIE	8	SRI AuM
DECISIEL SRI MONETAIRE	8	SRI AuM
DECISIEL SRI OBLIGATAIRE	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
DYNAMIQUE AL CROISSANCE	8	ESG AuM
ECUREUIL RETRAITE 5 ACTION EURO	8	ESG AuM
ERAFP ACTIONS EURO VIII	8	SRI AuM
ERAFP Actions Sm France III	8	ESG AuM
FEDERIS SRI ACTIONS US	8	SRI AuM
FEDERIS SRI EURO	8	SRI AuM
FEDERIS SRI FRANCE	8	SRI AuM
FGV - ACTIONS EUROPE LM	8	ESG AuM
FONDATION MH HANDICAP	8	ESG AuM
FUNDS NOV SANTE ACTIONS COTEES ASSUREURS - CAISSE DES DEPOTS RELANCE DURABLE FRANCE	8	ESG AuM
HOLDING MH	8	ESG AuM
IMMO DIVERSIFICATION A	8	SRI AuM
LA POSTE SRI ACTIONS 100	8	SRI AuM
LA POSTE SRI ACTIONS 30	8	SRI AuM
LA POSTE SRI ACTIONS 70 SOLIDAIRE	8	SRI AuM
LA POSTE SRI ALLOCATION FLEXIBLE	8	SRI AuM
LA POSTE SRI MONETAIRE	8	SRI AuM
LA POSTE SRI OBLIGATIONS	8	SRI AuM
LBPAM 3 MOIS	8	ESG AuM
LBPAM 80 PEA HORIZON DECEMBRE 2025	8	ESG AuM
LBPAM 90 HORIZON DECEMBRE 2027	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
LBPAM 90 HORIZON DECEMBRE 2028	8	SRI AuM
LBPAM 90 HORIZON JULY 2027	8	SRI AuM
LBPAM 90 HORIZON JULY 2028	8	SRI AuM
LBPAM 90 HORIZON MARCH 2028	8	SRI AuM
LBPAM ACTIONS PEA EMERGENTS	8	ESG AuM
LBPAM ACTIONS PEA US	8	ESG AuM
LBPAM APOLLINE CONVERTIBLES INTERNATIONALES	8	ESG AuM
LBPAM CAVAMAC CONVERTIBLES	8	ESG AuM
LBPAM DIVERSIFIE MT	8	ESG AuM
LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	8	ESG AuM
LBPAM INFLATION FLEXIBLE	8	SRI AuM
LBPAM INFRASTRUCTURE DEBT CLIMATE IMPACT FUND	9	ESG AuM
LBPAM SRI ABSOLUTE RETURN CONVERTIBLES	8	SRI AuM
LBPAM SRI ABSOLUTE RETURN CREDIT	8	SRI AuM
LBPAM SRI Absolute Return Taux	8	SRI AuM
LBPAM SRI ACTIONS 80	8	SRI AuM
LBPAM SRI ACTIONS AMERIQUE	8	SRI AuM
LBPAM SRI ACTIONS ASIE	8	SRI AuM
LBPAM SRI ACTIONS CROISSANCE CHINE	8	SRI AuM
LBPAM SRI ACTIONS DIVERSIFIE	8	SRI AuM
LBPAM SRI ACTIONS DIVIDENDES EURO	8	SRI AuM
LBPAM SRI ACTIONS EMERGENTS	8	SRI AuM
LBPAM SRI ACTIONS EURO FOCUS EMERGENT	8	SRI AuM
LBPAM SRI ACTIONS EURO LARGE CAP	8	SRI AuM
LBPAM SRI ACTIONS EURO MIN VOL	8	SRI AuM
LBPAM SRI ACTIONS EUROMONDE	8	SRI AuM
LBPAM SRI ACTIONS EUROPE	8	SRI AuM
LBPAM SRI ACTIONS EUROPE 50	8	SRI AuM
LBPAM SRI ACTIONS EUROPE MONDE	8	SRI AuM
LBPAM SRI ACTIONS EX-EURO	8	SRI AuM
LBPAM SRI ACTIONS FOCUS EURO	8	SRI AuM
LBPAM SRI ACTIONS FOCUS EUROPE	8	SRI AuM
LBPAM SRI ACTIONS FOCUS FRANCE	8	SRI AuM
LBPAM SRI ACTIONS FRANCE	8	SRI AuM
LBPAM SRI ACTIONS HORIZON	8	SRI AuM
LBPAM SRI ACTIONS JAPON	8	SRI AuM
LBPAM SRI ACTIONS MONDE	8	SRI AuM
LBPAM SRI ACTIONS SMALL CAP EURO	8	SRI AuM
LBPAM SRI ACTIONS SOLIDAIRE	8	SRI AuM
LBPAM SRI ACTIONS US	8	SRI AuM
LBPAM SRI ACTIONS USA 500	8	SRI AuM
LBPAM SRI AVENIR EPARGNE	8	SRI AuM
LBPAM SRI AVENIR EURO	8	SRI AuM
LBPAM SRI BONDS FLEXIBLE	8	SRI AuM
LBPAM SRI CONVERTIBLES EUROPE	8	SRI AuM
LBPAM SRI CONVERTIBLES MONDE	8	SRI AuM
LBPAM SRI CONVERTIBLES OPPORTUNITIES	8	SRI AuM
LBPAM SRI DETTES FINANCIERES FLEXIBLE	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
LBPAM SRI DIVERSIFIE	8	SRI AuM
LBPAM SRI DIVERSIFIE PLUS	8	SRI AuM
LBPAM SRI MULTI ACTIONS EMERGENTS	8	SRI AuM
LBPAM SRI MULTI ACTIONS EURO	8	SRI AuM
LBPAM SRI MULTI ACTIONS MONDE	8	SRI AuM
LBPAM SRI MULTI ACTIONS POTENTIEL	8	SRI AuM
LBPAM SRI OBLI FEVRIER 2029	8	SRI AuM
LBPAM SRI OBLI JULY 2026	8	SRI AuM
LBPAM SRI OBLI MARCH 2028	8	SRI AuM
LBPAM SRI OBLI NOVEMBER 2028	8	SRI AuM
LBPAM SRI PRO ACTIONS EURO	8	SRI AuM
LBPAM SRI PRO ALTO	8	SRI AuM
LBPAM SRI PRO RENDEMENT GLOBAL	8	SRI AuM
LBPAM SRI PROFIL 25	8	SRI AuM
LBPAM SRI PROFIL 50	8	SRI AuM
LBPAM SRI PROTECT 80-85 MAY 2028	8	SRI AuM
LBPAM SRI PROTECT 80-85 SEPTEMBER 2028	8	SRI AuM
LBPAM SRI STRATEGIE PEA 1	8	SRI AuM
LBPAM SRI STRATEGIE PEA 2	8	SRI AuM
LBPAM SRI TAUX	8	SRI AuM
LBPAM SRI TOTAL RETURN CREDIT	8	SRI AuM
LBPAM MID CAP SENIOR DEBT	9	ESG AuM
LBPAM RESPONSABLE ACTIONS EURO	8	SRI AuM
LBPAM RETRAITE PROTEGEE 85	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
LBPAM SRI HUMAN RIGHTS	8	SRI AuM
LBPAM ENERGY TRANSITION - COMPARTIMENT INFRASTRUCTURE TE	8	ESG AuM
LBPAM VOIE LACTEE	8	SRI AuM
MANDAT UNMI	8	ESG AuM
MH AGIRC-ARRCO FG	8	SRI AuM
MH AGIRC-ARRCO FS	8	SRI AuM
MH AGIRC-ARRCO RT	8	SRI AuM
MH INNOVATION SANTE	8	ESG AuM
MH TOCQUEVILLE CONVICTIONS SRI	8	SRI AuM
MHP AG LBPAM	8	SRI AuM
MHP EDITION LBPAM	8	ESG AuM
MHP PERE LBPAM	8	ESG AuM
MHRS AG LBPAM	8	ESG AuM
MHRS MICHELIN LBPAM	8	ESG AuM
MHRS SOCGEN LBPAM	8	ESG AuM
MONTPARNASSE DEBT FUND 2 - COMPARTIMENT INFRASTRUCTURE	8	ESG AuM
MONTPARNASSE DEBT FUND 2 - COMPARTIMENT REAL ESTATE	8	ESG AuM
MUTUELLE ALLASSO	8	ESG AuM
MUTUELLE MH LBPAM	8	ESG AuM
QUATREM LBPAM	8	ESG AuM
ROPS - CONVERTIBLE BONDS EUROPE 1	8	ESG AuM
SOREA SRI ACTIONS EURO	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
SOREA SRI CROISSANCE	8	SRI AuM
SOREA SRI DYNAMIQUE AND SOLIDAIRE	8	SRI AuM
SOREA SRI MONETAIRE	8	SRI AuM
SOREA SRI OBLIGATIONS	8	SRI AuM
SOREA OBLIGATIONS	8	SRI AuM
TOCQUEVILLE BIODIVERSITY SRI	9	SRI AuM
TOCQUEVILLE CROISSANCE EURO SRI	8	SRI AuM
TOCQUEVILLE CROISSANCE EUROPE SRI	8	SRI AuM
TOCQUEVILLE DIVIDENDE SRI	8	SRI AuM
TOCQUEVILLE ENVIRONMENT SRI	9	SRI AuM
TOCQUEVILLE EURO EQUITY SRI	8	SRI AuM
TOCQUEVILLE FINANCE SRI	8	SRI AuM
TOCQUEVILLE FOCUS CROISSANCE EUROPE SRI	8	SRI AuM
TOCQUEVILLE FRANCE SRI	8	SRI AuM

FUND NAMES	SFDR	SUSTAINABLE APPROACH
TOCQUEVILLE GLOBAL CLIMATE CHANGE SRI	9	SRI AuM
TOCQUEVILLE GLOBAL TECH SRI	8	SRI AuM
TOCQUEVILLE MEGATRENDS SRI	8	SRI AuM
TOCQUEVILLE MID CAP EURO SRI	8	SRI AuM
TOCQUEVILLE PME	8	ESG AuM
TOCQUEVILLE SILVER AGE SRI	8	SRI AuM
TOCQUEVILLE SMALL CAP EURO SRI	8	SRI AuM
TOCQUEVILLE TECHNOLOGY SRI	8	SRI AuM
TOCQUEVILLE VALUE AMERIQUE SRI	8	SRI AuM
TOCQUEVILLE VALUE EURO SRI	8	SRI AuM
TOCQUEVILLE VALUE EUROPE SRI	8	SRI AuM
TONI ACTIONS SRI 100	8	SRI AuM
TUTELAIRE ACTIONS SRI	9	SRI AuM
VIVACCIO SRI ACTIONS	8	SRI AuM

4.2 Disclosures pertaining to provisions of article 4 of regulation (eu) 2019/2088 of the european parliament and council of 27 november 2019

4.2.1 Introduction

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

This statement on the main adverse impacts on sustainability factors covers a reference period from 1 January 2023 to 31 December 2023.

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

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

In addition to these policies, the requirements of the official French ISR [SRI] label relating to the selection of securities by all eligible open-ended funds are applied on the basis of the ESG ratings established by the proprietary GREaT methodology, such that the adverse impacts of investments on sustainability factors can be taken into account holistically. It should be noted that this approach is not intended to set independent quantitative targets for each sustainability thematic that are already set.

The aim of this aggregate rating is to provide managers with information on the general ESG performance of companies, with a view to complying with the exclusion or portfolio rating improvement criteria set by the official French ISR [SRI] label. Consequently, companies that cause significant adverse impacts will tend to be excluded or underweighted in labelled portfolios. Further information on the GREaT rating methodology is available in the section «Description of policies to identify and prioritise the main adverse impacts on sustainability factors» below.

Lastly, funds that have been awarded the official French ISR [SRI] label are assigned two ESG performance indicators that reinforce the consideration of the main adverse impacts of investment decisions. Additional information on these indicators can be found in the "Description of policies to identify and prioritise the main adverse impacts on sustainability factors" section below.

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

4.2.2 Summary of the main adverse impacts on sustainability factors

The LBP AM Group has chosen to separate listed assets from real and private assets, given the significantly different nature of the assets considered. Consequently, for each indicator, LBP AM Group has produced a report on listed assets on the one hand and a report on real and private assets on the other. The assets considered are as follows:

- Listed assets: 58 billion euros;
- Real & Private Assets – infrastructure and corporate: 2.5 billion euros;
- Real & Private Assets – real estate: 1.3 billion euros.

With regard to the data on listed assets, LBP AM and TFSA use several suppliers to calculate adverse impact indicators: Clarity AI, ISS ESG, London Stock Exchange, Moody's ESG, and MSCI. Some of the data is estimated, but LBP AM - TFSA was not able to obtain a breakdown between the data reported by the companies and the estimated data for this financial year. Regarding the missing data, and unless otherwise indicated in the "explanations" column, LBP AM - TFSA has made the methodological choice of replacing the missing values of eligible assets with the average of covered assets, with the exception of calculations on the exposure of total assets. Non-eligible securities are considered as having no impact (i.e., 0). This approach may result in an overestimation or underestimation of the indicator's value.

Another approach considered would have been to assign zero value to the missing data, which would have involved routinely and potentially significantly underestimating the adverse impacts of investment decisions on sustainability factors. The values shown are thus to be considered with caution: their quality should improve as issuer reporting improves.

For transparency purposes, LBP AM - TFSA provides the portion of the eligible asset as well as the coverage on the eligible asset so that the reader can reconstruct the value within the scope of the available data. Regarding the data relating to private debt assets, LBP AM – TFSA sought to receive the information directly from counterparties. However, the collection of data on investments already contracted is hindered by the fact that counterparties have no contractual obligation to provide such information. LBP AM - TFSA makes its best efforts to incorporate systematic reporting into its new financing contracts. For this category of assets, LBP AM has chosen to calculate PAIs solely on the basis of available data and not to make an estimate of the missing data, as the limited amount of data available and the highly specific nature of each allocation do not make relevant estimates possible. The PAIs are thus stated on the covered assets.

The table below summarises the list of PAIs covered by LBP AM - TFSA:

APPLICATION	THEME	INDICATOR OF ADVERSE IMPACTS ON SUSTAINABILITY	PAI NUMBER
Investment in companies	**Greenhouse gas emissions**	GHG emissions (levels 1, 2, 3)	1
		Carbon footprint	2
		GHG intensity of invested companies	3
		Exposure to companies operating in the fossil fuels sector	4
		Share of consumption and production of non-renewable energy	5
		Energy consumption intensity per high-climate-impact sector	6
	Biodiversity	Activities having an adverse impact on biodiversity-sensitive areas	7
	Water	Water pollution	8
	Waste	Ratio of hazardous and radioactive waste	9
	Labour 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 for verifying adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	11
		Gender gap in remuneration not remedied	12
		Diversity on governance bodies	13
		Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical or biological weapons)	14
Investments in sovereign and supranational issuers	**Environment**	GHG intensity	15
	Social	Investment countries experiencing violations of social standards	16
Investments in real estate assets	**Fossil fuels**	Exposure to fossil fuels via real estate assets	17
	Energy efficiency	Energy-inefficient exposure to real estate assets	18

4.2.3 Description of the main adverse impacts on sustainability factors and historical comparison

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

Tableau 1.1	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Climate indicators and other environment indicators				
Greenhouse gas emissions				
1. GHG emissions				
Level 1 GHG emissions in tonnes of CO_2 equivalent	1,925,525 TCO_2eq	1,794,261 TCO_2eq	Eligible assets: 74%, Coverage of eligible assets: 94% (1,683,132 TCO_2eq calculated)	**Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Shareholder engagement:** in accordance with its transition ambition, LBP AM - TFSA's policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, LBP AM - TFSA encourages companies: To formally set out robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C. To consult its shareholders regularly on this transition plan and its execution, in particular through dedicated climate resolutions submitted to a vote at a general meeting, commonly called "say-on-climate" resolutions. These allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year. To evaluate, reduce and report its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with special attention and prioritisation to so-called "high stakes" sectors. They are thus articulated and broken down into two sector-based policies: oil & gas and coal. In application of this policy, LBP AM - TFSA took part in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting more than 1000 companies in order to obtain a commitment from them on transitioning their activities in accordance with the Science-Based Target initiative. Moreover, LBP AM actively encourages companies to submit their climate strategies to a shareholder vote for which it has established specific requirements (e.g., say-on-climate voting policy). When it deems it necessary, LBP AM and TFSA can also take part in submitting resolutions. For example, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and submitted three say-on-climate resolutions at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022, which it later withdrew in reaction to the companies' satisfactory commitments. And LBP AM and TFSA submitted a new resolution at Engie's 2023 general meeting. **Voting policy:** support of LBP AM and TFSA for climate plans submitted to a shareholder vote depends on the following: the plan contains specific targets for reducing short- and long-term GHG emissions; the plan is aligned with the trajectory set out in the Paris Climate Agreement; variable compensation for executives includes non-financial criteria aligned with the announced objectives; the Board of Directors undertakes to consult shareholders on a regular basis (at least every three years). ESG issuer rating used for selecting portfolio securities: the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to their procedures for measuring and reducing their carbon emissions throughout their value chain.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Level 2 GHG emissions in tonnes of CO_2 equivalent	525,091 TCO_2eq	570,926 TCO_2eq	Eligible assets: 74%, coverage eligible assets: 94% (535,565 TCO_2eq calculated)	**Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Shareholder engagement:** in accordance with its transition ambition, LBP AM - TFSA's policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, LBP AM - TFSA encourages companies: To formally set out robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C. To consult its shareholders regularly on this transition plan and its execution, in particular through dedicated climate resolutions submitted to a vote at a general meeting, commonly called "say-on-climate" resolutions. These allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year. To evaluate, reduce and report its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with special attention and prioritisation to so-called "high stakes" sectors. They are thus articulated and broken down into two sector-based policies: oil & gas and coal. In application of this policy, LBP AM - TFSA took part in the Science-Based Targets Campaign, organised by the Carbon Disclosure Project (CDP) and targeting more than 1000 companies in order to obtain a commitment from them on transitioning their activities in accordance with the Science-Based Target Initiative. Moreover, LBP AM - TFSA actively encourages companies to submit their climate strategies to a shareholder vote for which it has established specific requirements (e.g., say-on-climate voting policy). When it deems it necessary, LBP AM - TFSA may also take part in submitting resolutions. For example, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and submitted three say-on-climate resolutions at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022, which it later withdrew in reaction to the companies' satisfactory commitments. And LBP AM and TFSA submitted a new resolution at Engie's 2023 general meeting. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to their procedures for measuring and reducing their carbon emissions throughout their value chain. **Measurement indicator - ESG integration:** the fund's carbon footprint for all of its emissions (scope 1, 2 and 3) is calculated for each fund and made available to the managers.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Level 3 GHG emissions in tonnes of CO_2 equivalent	26,775,184 TCO_2eq	25,807,323 TCO_2eq	Eligible assets: 74% Coverage of eligible assets: 88%	**Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2023 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Shareholder engagement:** In accordance with its transition ambition, LBP AM - TFSA's policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, LBP AM - TFSA encourages companies: To formally set out robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C. To consult its shareholders regularly on this transition plan and its execution, in particular through dedicated climate resolutions submitted to a vote at a general meeting, commonly called "say-on-climate" resolutions. These allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year. To evaluate, reduce and report its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework These expectations are applicable to all sectors and are deployed with special attention and prioritisation to so-called "high stakes" sectors. They are thus articulated and broken down into two sector-based policies: oil & gas and coal. In application of this policy, LBP AM - TFSA took part in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting more than 1000 companies in order to obtain a commitment from them on transitioning their activities in accordance with the Science-Based Target Initiative. Moreover, LBP AM - TFSA actively encourages companies to submit their climate strategies to a shareholder vote for which it has established specific requirements (e.g., say-on-climate voting policy). When it deems it necessary, LBP AM and TFSA can also take part in submitting resolutions. For example, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and submitted three say-on-climate resolutions at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022, which it later withdrew in reaction to the companies' satisfactory commitments. And LBP AM and TFSA submitted a new resolution at Engie's 2023 general meetings.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
2. Carbon footprint				
Carbon footprint in tonnes of CO_2 equivalent per million euros invested	467 TCO_2eq per €m invested	520 TCO_2eq per €m invested	Eligible assets: 74% Coverage of eligible assets: 88% The coverage of the indicator has risen sharply (72% in N-1), which is one reason for this increase in the carbon footprint	**Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Performance indicator applied to certain funds:** some funds that have obtained the official French ISR [SRI] label possess a performance indicator measuring CO_2 emissions attributable to the fund's investments. This indicator is expressed as tCO_2 per million euros invested and covers scope 1 and 2 emissions. The fund must obtain a better score than its benchmark index or its ESG research universe defined for applying the selectivity criteria of the official French ISR [SRI] label. Use of this indicator is indicated in the SFDR appendix of the prospectus of the funds involved. Measurement indicator – ESG integration: the fund's carbon footprint for all of its emissions (scopes 1, 2 and 3) is calculated for each fund and made available to the managers.
3. GHG intensity of invested companies				
GHG intensity of invested companies in tonnes of CO_2 equivalent per million euros of revenues of invested companies	1,190 TCO_2eq per M€ **of revenue**	1,122 TCO_2eq per M€ **of revenue**	Eligible assets: 74% Coverage of eligible assets: 90%	**Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Shareholder engagement:** in accordance with its transition ambition, LBP AM - TFSA's policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, LBP AM - TFSA encourages companies: To formally set out robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C. To consult its shareholders regularly on this transition plan and its execution, in particular through dedicated climate resolutions submitted to a vote at a general meeting, commonly called "say-on-climate" resolutions. These allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year. To evaluate, reduce and report its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework These expectations are applicable to all sectors and are deployed with special attention and prioritisation to so-called "high stakes" sectors. They are thus articulated and broken down into two sector-based policies: oil & gas and coal. In application of this policy, LBP AM and TFSA took part in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting more than 1000 companies in order to obtain a commitment from them on transitioning their activities in accordance with the Science-Based Target Initiative. Moreover, LBPAM -TFSA actively encourages companies to submit their climate strategies to a shareholder vote for which it has established specific requirements (e.g., say-on-climate voting policy). When it deems it necessary, LBP AM and TFSA can also take part in submitting resolutions. For example, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and submitted three say-on-climate resolutions at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022, which it later withdrew in reaction to the companies' satisfactory commitments. And LBP AM and TFSA submitted a new resolution at Engie's 2023 general meetings. **Measurement indicator – ESG integration:** the fund's carbon footprint for all of its emissions (scopes 1, 2 and 3) is calculated for each fund and made available to the managers.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
4. Exposure to companies operating in the fossil fuels sector				
Share of investment in companies operating in the fossil fuels sector	5%	7.5%	Amount invested in coal: €1,925,076,286 Amount invested in oil & gas: €2,156,841,865 The upward shift is due to two methodological factors: 1/% increase in the share of equities in total AuM (vs. bonds, sovereign ones in particular) 2/ Use of a new data provider, Clarity, which led to a steep rise in the proportion of companies operating in the fossil fuels sector (+€616,455,778) compared to the previous supplier	**Exclusion policy – Coal:** Issuers from the mining and electricity production sectors that have not committed to an exit from coal within deadlines compatible with the IPCC recommendations to limit global warming to 1.5°C are excluded.In the rest of the value chain (upstream and downstream service providers), issuers that generate more than 20% of their turnover in connection with thermal coal are excluded. **Exclusion policy – Oil & gas:** companies in the sector that do not demonstrate a minimum strategic commitment to an energy transition, in light of the emissions trends established by scenario NZ2050, are excluded. LBPAM's and TFSA's sector-specific policy also establishes an exclusion list of companies involved in the exploration, production, storage and distribution of oil and gas that are significantly exposed to non-conventional energies (20% of their revenues). **Net 0 strategy:** deployed as part of LBP AM - TFSA's commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030, covering the fossil fuels, for which the objective is set at 100% alignment by this date. **Shareholder engagement – Coal:** LBP AM and TFSA engage companies that have formally set out a commitment to exit thermal coal when it is not aligned with scientific recommendations in order to encourage them to review the timeline for their plan. The decision on whether the stock is to be maintained in the portfolio is made at the end of the calendar year. **Shareholder engagement – Oil & gas:** in accordance with its Net 0 Strategy, LBP AM - TFSA conducts a stringent shareholder engagement policy with companies in the oil & gas sector aimed at establishing and publishing clear, credible strategies for the energy transition towards carbon neutrality, aligned with climate and energy scenarios, allowing global warming to be capped at 1.5°C, with priority given to permanent resources that are the most readily available and the least costly. The strategies must cover all emissions scopes and must in particular adapt their investment management (both capex and M&A) to the challenge of concentrating investments in existing and least-emitting fields. The aim is to avoid accentuating the locking-in effects of regional economies and companies invested in fossil fuels, and where applicable, based on the operating cost of assets and positioning in the value chain, to avoid increasing the risk of stranded assets or decline in high-emission commercial activities resulting from a successful energy transition, as recommended by the IPCC. It must also make it possible to keep under control the related physical risks arising from climate change, the risks to biodiversity arising from their operations and the social risks of their strategy. As part of this strategy, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and a second one at the 2022 AGM, which it withdrew following satisfactory commitments by the company. And LBP AM and TFSA submitted a new resolution at TotalEnergies' 2023 general meetings. **Voting policy:** support by LBP AM and TFSA for climate plans submitted to a shareholder vote is conditioned on the following: the plan contains specific targets for reducing short- and long-term GHG emissions; the plan is aligned with the trajectory set out in the Paris Climate Agreement; variable compensation for executives includes non-financial criteria aligned with the announced objectives; the Board of Directors undertakes to consult shareholders on a regular basis (at least every three years).

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
5. Share of energy consumption and production from non-renewable sources				
Share of energy consumption and production of invested companies that comes from non-renewable sources, compared to renewable energy sources, expressed as a percentage of total energy sources.	Energy consumed: 63.5%	Energy consumed: 59%	Eligible assets: 74% Coverage of eligible assets: 65% The value shown is calculated on the sole basis of covered eligible assets (i.e., no estimate made for missing values)	**ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to their energy consumption strategy and emissions due to their energy consumption. This encompasses the choices of, and changes in, technological developments; use of renewable energies; and managing atmospheric emissions tied to energy consumption.
6. Energy consumption intensity by high-climate-impact sector				
Energy consumption in GWh per million euros of revenues by invested companies, by high-climate-impact sector	Sector B: 1.3 GWh per €m of revenues Sector C: 0.5 GWh per €m of revenues Sector D: 3.8 GWh per €m of revenues Sector E: 3.0 GWh per €m of revenues Sector F: 0.2 GWh per €m of revenues Sector G: 0.2 GWh per €m of revenues Sector H: 0.8 GWh per €m of revenues	Sector A: 0.27 GWh per €m of revenues Sector B: 1.1 GWh per €m of revenues Sector C: 0.9 GWh per €m of revenues Sector D: 2.3 GWh per €m of revenues Sector E: 2.0 GWh per €m of revenues Sector F: 2.4 GWh per €m of revenues Sector G: 0.1 GWh per €m of revenues Sector H: 0.8 GWh per €m of revenues	Sector A: eligible AuM 0.0%. 100.0% coverage Sector B: eligible AuM 0.5%. 94.9% covered Sector C: eligible AuM 34.4%. 97.5% covered Sector D: eligible AuM 3.4%. 98.1% covered Sector E: eligible AuM 0.9%. 93.9% covered Sector F: eligible AuM 1.6%. 98.8% covered Sector G: eligible AuM 2.0%. 86.8% covered Sector H: eligible AuM 1.2%. 93.8% covered	**ESG issuer rating used for selecting portfolio securities:** the score assigned to issuers based on the GREaT proprietary methodology includes a criterion covering their policies of investing in low-carbon technologies and in energy efficiency of their infrastructures.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Biodiversity				
7. Activities having an adverse impact on biodiversity-sensitive areas				
Share of investments in companies having sites or facilities located in, or close to, biodiversity-sensitive areas, if the activities of these companies have an adverse impact on these areas	39%	49.5%	Eligible assets: 74% of total AuM Coverage of eligible assets: 95%. The data used are from Moody's ESG and consist exclusively of estimates. Non-covered assets are considered not to have any activities having an adverse impact on biodiversity-sensitive areas.	**Exclusion policy:** Exclusion of companies having a significant adverse impact on biodiversity, based on the analysis of the portfolio management company, and that have not adopted an in-house policy or action plans that could reduce this adverse impact. Exclusion of actors that are already subject to controversies pertaining to a strong impact on deforestation and that have not pledged to take corrective measures. **Engagement actionnarial :** LBP AM and TFSA deploy an Engagement Policy to encourage companies to identify and control their impacts on biodiversity. This engagement strategy focuses most of all on high-impact sectors and is implemented through individual or collective initiatives alongside NGOs or associations. These shareholder engagement approaches encourage companies: To identify their impacts and dependencies on biodiversity and ecosystemic services and to issue reports based on the TNFD and CSRD frameworks; To deploy an efficient risk management policy setting objectives and protection-restoration-limitation procedures for the impact of their activities on nature, including circularity and reduction plans for single-use plastic; To adhere to the Science Based Targets for Nature for contributing to achieving the objectives of the Global Biodiversity Framework of the Convention on Biological Diversity. A full list of collaborative engagements on this thematic in which LBP AM - TFSA participate may be found on their website. In 2023, LBP AM - TFSA joined the Nature Action 100 initiative co-steered by CERES and the Institutional Investors Group on Climate Change (IIGCC)). **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion on the impact of their activities on fragile ecosystems, with companies' policies for protecting biodiversity and soil use.
Water				
8. Water pollution				
Tonnes of water pollution from invested companies, per million euros invested, as a weighted average	0.39 tonnes per €m invested	0.81 tonnes per €m invested	Value calculated on eligible assets covered Eligible assets: 74% of total AuM Coverage of eligible assets: 13% The data used are from Moody's ESG and consist solely of data reported by companies. Low coverage of the indicator targeting mostly the heaviest-polluting issuers makes analysis fraught with uncertainty	**Engagement actionnarial :** LBP AM and TFSA deploy an Engagement Policy to encourage companies to better identify and control the pressures that their activities exert on fresh and sea water resources. This policy is implemented through individual or collective initiatives alongside NGOs or associations. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion on water consumption linked to their activities, water stress in their area of operations, and their policies for managing water risks and opportunities.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Waste				
9. Ratio hazardous and radioactive waste				
Tonnes of hazardous and radioactive waste produced by invested companies, per million euros invested, as a weighted average	8.94 tonnes per €m invested	7.8 tonnes per €m invested	Value calculated on eligible assets covered Eligible assets: 74% of total AuM Coverage of eligible assets: 13% The data used come from Moody's ESG and consist solely of data reported by companies Low coverage of the indicator targeting mostly the heaviest-polluting issuers makes analysis fraught with uncertainty	N/A

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Indicators related to social and personnel issues, respect for human rights and the fight against corruption and acts of corruption				
Social and staff matters				
10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises				
Share of investment in companies that have been complicit in violations of the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises (as a %)	3%	3%	Eligible assets: 74% of total AuM Coverage of eligible assets: 96% Non-covered eligible assets are considered "neutral" (i.e., no violation found)	**Exclusion**: exclusion of companies that could cause, contribute to, or be linked to a severe impact on human rights, the environment or the principles of good governance and/or that are guilty of serious and repeated violations of international standards in the areas of human rights, the environment and good governance, with no efforts made at remediation and for which LBP AM has deemed exclusion is the best way to exert leverage for reducing the risk of ongoing and future violations of standards, particularly the UNGPs and the OECD Guidelines for Multinational Enterprises. **Shareholder engagement:** Engagement Policy aimed primarily at: 1) companies with a serious impact or the risk of a seriously impact on human rights or the environment, 2) companies exposed to risks identified as relevant at the level of the LBP AM group, 3) the strengthening of due diligence in human rights and the environment within companies, taking into account the equity holdings of LBP AM - TFSA and these companies' weightings in total Group investments. The aim of these engagements, which may be bilateral or collective, is to tighten companies' practices in terms of due diligence and respect for human rights. LBP AM - TFSA's expectations are based on the following principles, which are adapted to the company's specific challenges: the implementation of due diligence on human rights, in line with the expectations of the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles on Multinational Enterprises; the identification, prevention, mitigation and remediation of the salient risks specific to the sector in which the company operates; remediation of adverse impacts; and consultation with stakeholders and persons affected by the company's activities or their legitimate representatives. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a number of indicators pertaining to the implementation of due diligence, particularly the existence of a human rights policy within the company, including an explicit pledge regarding UNGPs and the OECD Guidelines, the existence and implementation of a due diligence policy in supply chains, etc.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
11. Absence of compliance processes and mechanisms for verifying adherence to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises				
Share of investment in companies that have no policy of verifying adherence with the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, nor mechanisms for processing complaints or disputes making it possible to remedy such violations	2.6%	2.8%	Eligible assets: 74% of total AuM Coverage of eligible assets: 96% Non-covered eligible assets are considered "neutral" (i.e., no violation found)	**Exclusion:** exclusion of companies that could cause, contribute to, or be linked to a severe impact on human rights, the environment or the principles of good governance and/or that are guilty of serious and repeated violations of international standards in the areas of human rights, the environment and good governance, with no efforts made at remediation and for which LBP AM has deemed exclusion is the best way to exert leverage for reducing the risk of ongoing and future violations of standards, particularly the UNGPs and the OECD Guidelines for Multinational Enterprises. **Shareholder engagement:** Engagement Policy aimed primarily at: 1) companies with a serious impact or the risk of a seriously impact on human rights or the environment, 2) companies exposed to risks identified as relevant at the level of the LBP AM group, 3) the strengthening of due diligence in human rights and the environment within companies, taking into account the equity holdings of LBP AM and these companies' weightings in Group total investments. The aim of these engagements, which may be bilateral or collective, is to tighten companies' practices in terms of due diligence and respect for human rights. LBP AM - TFSA's expectations are based on the following principles, which are adapted to the company's specific challenges: the implementation of due diligence on human rights, in line with the expectations of the UN Guiding Principles on Business and Human Rights and the OECD Guiding Principles on Multinational Enterprises; the identification, prevention, mitigation and remediation of the salient risks specific to the sector in which the company operates; remediation of adverse impacts; and consultation with stakeholders and persons affected by the company's activities or their legitimate representatives. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a number of indicators pertaining to the implementation of due diligence, particularly the existence of a human rights policy within the company, including an explicit pledge regarding UNGPs and the OECD Guidelines for Multinational Enterprises, the existence and implementation of a due diligence policy in supply chains, etc. **Performance indicator applied to certain funds:** some funds that have obtained the official French ISR [SRI] label possess a performance indicator measuring the share of investments in companies that are signatories to the United Nations Global Compact. The fund must obtain a better score than its benchmark index or its ESG research universe defined for applying the selectivity criteria of the official French ISR [SRI] label. Use of this indicator is indicated in the SFDR appendix of the prospectus of the funds involved.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
12. Gender pay gap not remedied				
Uncorrected average gender gap remuneration in invested companies	4.17%	11.7%	Eligible assets: 74% Coverage: 5% of the eligible perimeter. Given the very low coverage of data, LBP AM has not made any estimates on non-covered eligible assets; the average stated is that observed on the covered assets. Data from data providers varied considerably between 2023 and 2024 in order to enhance accuracy. This explains the big change between N-1 and N	**ESG rating of issuers used to select portfolio securities :** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to their policy of preventing discrimination at the workplace. It includes gender equality promotion policies, protection and support of pregnant staff members, and the 'integration of vulnerable persons.
13. Diversity within governance bodies				
Average gender ratio in the governance bodies of companies concerned, as a percentage of total members	40.2%	40.2%	Eligible assets: 74% Coverage: 95% of the eligible perimeter Given the very low coverage of data, LBPAM has not made any estimates on non-covered eligible assets; the average stated is that observed on the covered assets.	**Shareholder engagement:** LBP AM - TFSA participates in the collaborative engagement initiative 30% Club France Investor Group, which was created in November 2020 to promote gender diversity on the governing bodies of SBF 120 companies. LBP AM - TFSA is a founding member of this French initiative. The coalition aims to encourage companies to promote the inclusion of women to positions of responsibility. Companies are expected to be transparent in the procedures used to find and appoint new executives and to explain how this process ensures diversity on management teams. Companies are also asked to disclosure how diversity is materialised at all levels of responsibility within the company. LBP AM - TFSA also expects proof of a culture of engagement in favour of gender diversity. **Voting policy:** LBP AM - TFSA conditions its support for male candidates to boards of directors on at least 40% female representation. **ESG rating of issuers used to select portfolio securities** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to employee remuneration, profit-sharing, training and encouragement.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical or biological weapons)				
Share of investment in companies involeved in the manufacture or sale of controversial weapons	0%	0%	Eligible assets: 74% of AuM Coverage of eligible assets: 100%	**Exclusion :** exclusion of companies that produce, develop, use, store, sell or distribute controversial weapons or essential and dedicated components of such weapons, regardless of the share of these controversial weapons in their revenues. Identifying controversial weapons is based on the Oslo Convention (the convention on sub-munitions), the Ottawa Treaty (or Anti-personnel Mine Ban Convention), the Biological Weapons Convention, the Chemical Weapons Convention, the Treaty on the Non-Proliferation of Nuclear Weapons, 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 (antipersonnel mines, cluster munitions, and chemical or biological weapons).

Tableau 2.1

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Emissions				
4. Investments in companies that have taken no initiatives to reduce their carbon emissions				
Share of investment in companies that have taken no initiatives to reduce their carbon emissions, with regards to compliance with the Paris Agreement (as a %)	34%	30%	Eligible assets: 74% of AuM Coverage of eligible assets: 99%	**Net 0 strategy:** deployed within the LBP AM - TFSA commitment to the Net Zero Asset Managers Initiative (NZAMI). This strategy aims to align the company's investments on a 1.5°C trajectory 1.5°C, using the IPCC's P2 scenario as a benchmark. This ambition was materialised in 2022 in the company's commitment to achieve "net 0" alignment for 80% of AuM by 2030. **Shareholder engagement:** in accordance with its transition ambition, LBP AM - TFSA's policy is to engage actively with companies to encourage them to initiate or accelerate the transition of their business models. To achieve its objectives, LBP AM - TFSA encourages companies: to formally set out robust transition plans for deploying a transparent and credible transition strategy, in order to align the duration of their activities and practices on a scenario for capping global warming at 1.5°C. To consult its shareholders regularly on this transition plan and its execution, in particular through dedicated climate resolutions submitted to a vote at a general meeting, commonly called "say-on-climate" resolutions». These allow shareholders to vote specifically on companies' energy transition strategies and objectives, and on its execution during a given financial year. To evaluate, reduce and report its exposure to physical and transition climate risks, in particular by applying the TCFD reporting framework. These expectations are applicable to all sectors and are deployed with special attention and prioritisation to so-called "high stakes" sectors. They are thus articulated and broken down into two sector-based policies: oil & gas and coal. In application of this policy, LBP AM and TFSA took part in the "Science-Based Targets Campaign", organised by the Carbon Disclosure Project (CDP) and targeting more than 1000 companies in order to obtain a commitment from them on transitioning their activities in accordance with the Science-Based Target Initiative. Moreover, LBP AM and TFSA actively encourage companies to submit their climate strategies to a shareholder vote for which it has established specific requirements (e.g., say-on-climate voting policy) When it deems it necessary, LBP AM and TFSA can also take part in submitting resolutions. For example, LBP AM and TFSA submitted and had placed on the agenda of TotalEnergies' AGM a say-on-climate resolution in 2020, and submitted three say-on-climate resolutions at the AGMs of Engie in 2021 and HSBC and TotalEnergies in 2022, which it later withdrew in reaction to the companies' satisfactory commitments. And LBP AM and TFSA submitted two new resolutions at the 2023 general meetings of TotalEnergies and Engie. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to their procedures for measuring and reducing their carbon emissions throughout their value chain. Performance indicator applied to certain funds: funds that have obtained the official French ISR [SRI] label are given a performance indicator measuring the share of invested companies whose GHG-reduction objectives have been certified by the Science Based Targets initiative (SBTi). The fund must achieve a better score than its benchmark or its ESG research universe defined for applying the selectivity criteria of the official French ISR [SRI] label. Use of this indicator is indicated in the SFDR appendix of the prospectus of the funds concerned.

Table 3.1	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Social and personnel issues				
3. Number of days lost due to injuries, accidents, deaths or illnesses				
Number of workdays lost due to injuries, accidents, deaths of illnesses at the companies concerned, as a weighted average	0.2 days per €m invested	0.1 days per €m invested	Eligible assets: 74%	**ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology includes a criterion pertaining to the risk of health and safety accidents likely to cause disruptions in production, litigation and liability issues.

Indicators applicable to investments in sovereign or supranational issuers

Table 1.2	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Environment				
15. GHG intensity				
GHG intensity of investment countries in tonnes of CO_2 equivalent per million euros of gross domestic product	Compared to total AuM: 39.7 tCO_2eq/€m GDP Compared to eligible AuM: 214.2 tCO_2eq/€m GDP	Compared to total AuM: 25.8 tCO_2eq/€m GDP Compared to eligible AuM: 243 tCO_2eq/€m GDP	Eligible AuM: 10.64% of total AuM Coverage of eligible AuM: 100%	attributed to each State in the portfolio includes criteria assessing the State's policies and practices, adopted and implemented to mitigate global warming. The State's mitigation practices take into account the ability to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, in line with the long-term objective set by the Paris Agreement to limit the rise in temperatures. These criteria include an indicator on the GDP's **CO_2** intensity. For financial products the management of which is delegated to Ostrum Asset Management, the delegate measures the GHG intensity of its investments in sovereign issuers.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Social				
16. Investment countries experiencing violations of social standards				
Number of investment countries experiencing violations of social standards as defined by international treaties and conventions, United Nations principles or, where applicable, national law	0	0	Eligible AuM: 10.64% of total AuM Coverage eligible AuM: 100%	For financial products managed by LBP AM - TFSA, the ESG rating assigned to each government in the portfolio includes criteria assessing to what degree the government's laws and practices ensure the respect and protection of basic human rights. More precisely, these criteria assess whether governments' laws and practices ensure respect for the rights to life, privacy, physical integrity of an individual's person, civil liberties, fundamental worker rights, as well as the principles of non-discrimination and combatting violence against women and persons of LGBTQI+ communities. For financial products the management of which is delegated to Ostrum Asset Management, the delegatee excludes issuers for which there is evidence of serious controversy with regard to the principles defended by commonly established international standards (United Nations, OECD), seriously undermining: Human Rights, Labour Rights, environmental protection and business ethics. Via a dedicated committee, the identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but placed under surveillance)
Proportion of total number of investment countries experiencing violations of social standards as defined by international treaties and conventions, United Nations principles or, where applicable, national law	0%	0%	Eligible AuM: 10.64% of total AuM Coverage eligible AuM: 100%	For financial products managed by LBP AM - TFSA, the ESG rating assigned to each government in the portfolio includes criteria assessing to what degree the government's laws and practices ensure the respect and protection of basic human rights. More precisely, these criteria assess whether governments' laws and practices ensure respect for the rights to life, privacy, physical integrity of an individual's person, civil liberties, fundamental worker rights, as well as the principles of non-discrimination and combatting violence against women and persons of LGBTQI+ communities. For financial products the management of which is delegated to Ostrum Asset Management, the delegatee excludes issuers for which there is evidence of serious controversy with regard to the principles defended by commonly established international standards (United Nations, OECD), seriously undermining: Human Rights, Labour Rights, environmental protection and business ethics. Via a dedicated committee, the identified issuers may be placed on the "Worst Offenders" exclusion list (excluded issuers) or on the "Watch List" (issuers not excluded but placed under surveillance)

Indicators applicable to investments in real estate assets

Table 1.3

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Fossil fuels				
17. Exposure to fossil fuels via real estate assets				
Share of investment in real estate assets used for extraction, storage, transport or production of fossil fuels	0%	0%	Eligible assets: 100% of AuM Coverage of eligible assets: 100% The value shown is calculated on the sole basis of covered assets (i.e., no estimate made for missing values).	LBP AM is not exposed to fossil fuels on its existing real estate assets, and the oil & gas policy applied will prevent any new investment.
Energy efficiency				
18. Exposure to energy-inefficient real estate assets				
Share of investment in energy-inefficient real estate assets	59%	59%	Eligible assets: 100% of AuM Coverage of eligible assets: 26% The value shown is calculated on the sole basis of covered assets (i.e., no estimate made for missing values).	An Energy Performance Assessment ("EPD") is produced for investments in France as a matter of standard procedure. With regard to the other investment countries (Europe), LBP AM encourages such diagnoses. In addition, LBP AM plans to change its ESG rating grid to improve the collection of information on buildings' energy performance.

Table 2.3	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Greenhouse gas emissions				
18. GHG emissions				
Level 1 GHG emissions generated by real estate assets in tonnes of CO_2 equivalent	27,765 TCO_2eq	N/A		**Net 0 strategy:** Investments in real and private assets are included in the afore mentioned net 0 strategy for assets that are methodologically eligible. **Shareholder engagement:** the Engagement Policy of listed assets is adjusted to reflect the special features of these asset classes. The Private Debt management teams interact with counterparties during the due diligence phase to compile information and deepen their understanding of their ESG practices. Moreover, in some strategies, they may negotiate the backing of loan contracts with impact indicators, to encourage borrowers to improve their practices in the most material environmental and social issues. For some investments being deployed, LBP AM thus negotiates the inclusion of indicators on measuring and reducing carbon footprints in all three CO_2 emissions scopes. This allows LBP AM to support the compilation of data and encourage counterparties to reduce their adverse impacts arising from carbon emissions. **ESG rating of issuers used to select portfolio securities:** the score assigned to issuers on the basis of the proprietary GREaT research methodology, adjusted to the special features of the asset classes in question, includes a criterion pertaining to initiatives taken to measure and reduce their carbon emissions.
Level 2 GHG emissions generated by real estate assets in tonnes of CO_2 equivalent	2,772 TCO_2eq	N/A		**Net 0 strategy:** Investments in Real & Private Assets are included in the afore mentioned Net 0 strategy. Issuer ESG rating used for evaluating investment projects: the score assigned to issuers on the basis of the proprietary GREaT research methodology, adjusted to the special features of the asset classes in question, includes a criterion pertaining to initiatives taken to measure and reduce their carbon emissions. Shareholder engagement: the Engagement Policy of listed assets is adjusted to reflect the special features of these asset classes. The Private Debt management teams interact with counterparties during the due diligence phase to compile information and deepen their understanding of their ESG practices. Moreover, in some strategies, they may negotiate the backing of loan contracts with impact indicators, to encourage borrowers to improve their practices in the most material environmental and social issues. For some investments being deployed, LBP AM negotiates the inclusion of indicators on measuring and reducing carbon footprints in all three CO_2 emissions scopes. This allows LBP AM to support the compilation of data and encourage counterparties to reduce their adverse impacts arising from carbon emissions.

	2022 IMPACTS	2023 IMPACTS	EXPLANATION	MEASURES TAKEN, PLANNED MEASURES AND TARGETS DEFINED FOR THE FOLLOWING REFERENCE PERIOD
Level 3 GHG emissions generated by real estate assets in tonnes of CO_2 equivalent	15,282 TCO_2eq	N/A		**Net 0 strategy:** Investments in Real & Private Assets are included in the afore mentioned Net 0 strategy. Issuer ESG rating used for evaluating investment projects: the score assigned to issuers on the basis of the proprietary GREaT research methodology, adjusted to the special features of the asset classes in question, includes a criterion pertaining to initiatives taken to measure and reduce their carbon emissions. Shareholder engagement: the Engagement Policy of listed assets is adjusted to reflect the special features of these asset classes. The Private Debt management teams interact with counterparties during the due diligence phase to compile information and deepen their understanding of their ESG practices. Moreover, in some strategies, they may negotiate the backing of loan contracts with impact indicators, to encourage borrowers to improve their practices in the most material environmental and social issues. For some investments being deployed, LBP AM negotiates the inclusion of indicators on measuring and reducing carbon footprints in all three CO_2 emissions scopes. This allows LBP AM to support the compilation of data and encourage counterparties to reduce their adverse impacts arising from carbon emissions.
Total GHG emissions generated by real estate assets in tonnes of CO_2 equivalent	45,819 TCO_2eq			Sum of the afore mentioned 3

N/A: Not available (data not calculated)

4.2.4 Description of policies to identify and prioritise the main adverse impacts on sustainability factors

The identification, prioritisation and management of the main adverse impacts on sustainability factors is carried out based on a set of complementary tools, policies and procedures.
It is carried out through cross-cutting policies intended to holistically address each sustainability thematic, by defining the treatment to be provided in terms of rules of exclusion, selection, engagement and voting. These policies are co-designed by SRI experts and management and research teams. Each policy is formally approved by the Sustainable Finance Committee, which is composed of the Management Board of LBP AM, the managers of the management and analysis teams, SRI Solutions and the Risk Department, as well as others. The GREaT Committee, composed of the managers of the management and analysis teams, SRI Solutions and the Risk Department, oversees the proper application by the various teams concerned.

LBP AM - TFSA has established policies on the following topics:

- Thermal coal, updated in April 2021,
- Oil and gas, validated in June 2022,
- Biodiversity, also covering the adverse impacts due to pollution and waste, approved in December 2023,
- Exclusion policy, the updated version of which was published in May 2023
- About human rights, the LBP AM - TFSA applies a normative policy updated in May 2023 and a comprehensive policy was published in March 2024.

These policies are available on the websites of LBP AM - TFSA management companies. These policies are split into exclusion, voting and shareholder engagement policies applied transversally to all LBP AM Group and impact stock selection strategies. A more detailed description of the application of these policies to the management of the adverse impacts of investment decisions on sustainability factors is available in the indicators table above, in the column "Measures taken, planned and targets set for the following reference period". The policies as well as the voting and shareholder engagement reports are available on the websites of LBP AM and TFSA asset management companies.

For certain thematic, such as controversial weapons, tobacco and gambling, the LBP AM - TFSA deems that only exclusion policies can limit the adverse impacts of potential investments in these sectors. These policies are available on the websites of LBP AM and TFSA asset management companies. In addition, the application of the requirements of the French ISR [SRI] label relating to the selection of securities to all eligible open-ended funds, based on ESG ratings established by the proprietary GREaT methodology, enables holistic consideration for the adverse impacts of investments on sustainability factors.

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

- greenhouse gas emissions;
- pressions on biodiversity, water and marine resources;
- pollution and waste management;
- respect for diversity and gender equality;
- human rights and working conditions.

It should be noted that this approach is not intended to address specific criteria for which quantitative objectives on each sustainability thematic might be established ex ante. Rather, it aims to provide managers with information on companies' general ESG performance, summarised in a score defined according to the AGIR systematic quantitative algorithm, which can be completed qualitatively, with a view to complying with the portfolio exclusion or rating improvement criteria set by the official French ISR [SRI] label. Consequently, companies that cause significant adverse impacts will tend to be excluded or underweighted in labelled portfolios. The AGIR systematic quantitative analysis framework is not applied to real assets or to Infrastructure, Real Estate and Corporate private debt. This is because the selectivity rules set out under the ISR label cannot materially be applied to these assets, as the investment is made in a targeted manner on certain projects and not from a wide universe of issuers. Notwithstanding, the GREaT methodology's philosophy has been transposed to these asset categories, and the ESG analysis is considered in the same way as the risk and compliance analyses by the investment committee. Consequently, the PAIs mentioned above are also taken into account in investment decisions.

4.2.5 Politique d’engagement

LBP AM - TFSA has made the strategic decision to engage actively with the companies it supports financially through its investment decisions, to encourage them to adopt a continuous progress approach to managing the challenges of sustainable development.

The Engagement Policy of LBP AM - TFSA covers a broad spectrum of sustainability issues, enabling it to contribute to efforts to reduce adverse impacts on the climate and the environment (including issues relating to biodiversity, pollution and waste), on fundamental human rights and on good corporate governance.

The main objectives, the scope and the usual procedures for conducting engagement procedures are formally stated in the comprehensive shareholder Engagement Policy, supplemented by our thematic SRI policies, which set out the technical expectations for specific issues and sectors. These policies are available on the websites of LBP AM and TFSA asset management companies.

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

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

- LBP AM Group’s share in the company’s capital, which partly determines its power of influence;
- the proportion of investment in the company represented by LBP AM - TFSA, which determines its level of exposure to the adverse impacts of companies;
- the degree of importance and materiality of an ESG controversy;
- the importance of the theme of engagement with respect to the company’s business sector (concept of a sector with stakes/risk with regard to a stake);
- the opportunities for engagement that can be presented via financial sector initiatives.

With regard to transferable securities, engagements are made both in respect of holdings in corporate shares and in bonds, for all holdings. The Engagement Policy may also cover real and private assets, broken down to take into account the specificities of these asset classes. The Private Debt management teams (corporate, infrastructure and real estate) dialogue with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, within the framework of certain strategies, they may be required to negotiate the backing of impact indicators with loan contracts to encourage borrowers to improve their practices on the most material environmental and social issues.

In order to deploy engagement and dialogue practices, the various teams (analysts, managers and SRI experts) regularly interact with the management and/or specialised teams of the companies in which LBP AM - TFSA invests. These exchanges are carried out in two manners, sometimes in combination, namely dialogue and bilateral engagement or collaborative engagement.

When the dialogue does not yield the desired outcome, the LBP AM - TFSA may use additional tools referred to as “escalation” tools. Our levels for escalation fall into three categories:

- Heightened dialogue: sending letters to the company, working with other investors or financial sector initiatives, reasoned opposition to resolutions submitted by the Board at a general meeting;
- Public actions at general meetings: Advance declaration of intended vote on a resolution at a general meeting, submission of written or oral questions at the general meeting, tabling of resolutions at the general meeting;
- Internal management levers: downgrading the stock’s ESG rating, reducing the position in the portfolio, placing the stock under surveillance, as a result of which no new investments may be made, and divestment when the commitment is deemed to have failed (lack of satisfactory corrective action, lack of openness to dialogue, etc.).

A more detailed description of the application of the Engagement Policy for managing the adverse impacts of investment decisions on sustainability factors is available in the indicators table above, in the “Measures planned and taken and targets set for the following benchmark period ” column.

*Access to the afore mentioned policies: LBP AM in the “News –Publications & Reports” category -- Publications & reports | LBP AM

4.2.6 References to international standards

LBP AM - TFSA gives pride of place to international standards when defining its thematic policies, enabling it to consider the adverse impacts of its investment decisions on sustainability factors.

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

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

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

LBP AM also applies due diligence as defined by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This is a requirement and a basic avenue of research on companies in which LBP AM and TFSA invest.

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

4.3 To find out more

4.3.1 Glossary

AIE

International Energy Agency

AFNOR

French Standards Association

AIM/CGE

Asia-Pacific Integrated Model/ Computable General Equilibrium

ARTICLE 29 LEC

Article of the French Energy and Climate Act defining the information which market participants are required to publish on the inclusion of environmental, social and governance quality criteria in the investment policy and on the resources implemented to contribute to the energy and environmental 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

Quasi-public body that ensures the quality of label issuers.

DCCI

French Directorate of Compliance and Internal Controls.

DNSH

Do No Significant Harm, a principle central to European financial regulation, consisting of not causing any harm to the six European environmental goals.

EFRAG

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

ESG

Environment, social and governance.

GIEC

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.

LFDE

La Financière de l'Échiquier

OPC

Organismes de placements collectifs [mutual fund].

PORTFOLIO COVERAGE

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

SBTI

The Science-Based Targets Initiative, an international partnership of specialised actors that enables companies to commit to defining clear and transparent objectives to reduce their carbon footprint, based on a framework "underpinned by climate science", and to have their compliance with this framework certified.

SFRD

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

TAXONOMY

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

TFSA

Tocqueville Finance SA

TNFD

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

4.3.2 Publications and communications pertaining to the SRI approach of the LBP AM Group

- LBP AM/TFSA makes public its entire responsible investment and engagement practices. The aim is, first, to ensure transparency with regard to investors and stakeholders; and secondly, to contribute to the transformation of asset management towards sustainable finance. Asset management companies have a part to play in changing behaviours. An educational approach is, in our view, essential in ensuring that everyone can take ownership of positive developments and reflections for more responsible finance.

- LBP AM and TFSA are best contacted through their website at: https://www.lbpam.com/fr. The main information on SRI policies and engagements can be found under "Our expertise in SRI management": Our expertise in SRI management | LBPAM, as well as, for TFSA, in "Responsible investment" heading: SRI, our conviction - LFDE - La Financière de l'Echiquier

LBP AM and TFSA take care to detail our SRI management processes, and how financial and extra-financial analysis is integrated into the managers' overall approach, product by product. This information is available under the "Our expertises | LBP AM" head for LBP AM, and in the "Responsible Investment, Our offer" section): SRI, Our offer - LFDE - La Financière de l'Echiquier for TFSA.

The transparency of LBP AM's approach is also ensured through the dissemination of articles on numerous SRI subjects published on the LBP AM - TFSA website and also on LinkedIn https://www.linkedin.com/company/LBPAM/

The table below lists most of the publications on LBP AM and Tocqueville Finance, the approaches taken and SRI funds

TYPE OF DOCUMENT	SOURCE	PUBLICATION FREQUENCY
→ **Code of transparency for each management process/fund**	→ **LBP AM website, heading: Publications**	Annual
→ **Energy and Climate Act Report**	→ **LBP AM website, heading: Publications**	Annual
→ **Voting policy**	→ **LBP AM website, heading: Publications**	Annual
→ **Energy and Climate Act Report**	→ **Tocqueville Finance website, heading: Publication**	Annual
→ **SRI Engagement Policy**	→ **LBP AM and TFSA website, heading: Publications**	Ad Hoc
→ **SRI Engagement Report**	→ **LBP AM website, heading: Publications**	Annual
→ **SRI Engagement Policy**	→ **Tocqueville Finance website, heading: Publications**	Ad Hoc
→ **Exclusion policy**	→ **LBP AM website, heading: Publications**	Ad Hoc
→ **Coal policy**	→ **LBP AM and TFSA website heading: Publications**	Ad hoc
→ **Oil & Gas Policy**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Biodiversity Policy**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Human Rights Policy**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Remuneration policy**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Policy on sustainability risks**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Policy on managing conflicts of interest**	→ **LBPAM and TFSA website, heading: Publications**	Annual
→ **SRI reports for each fund**	→ **LBPAM and TFSA website, under "Our funds"**	Monthly
→ **Fund inventory**	→ **LBPAM and TFSA website, under "Our funds"**	Quarterly
→ **Responsible Procurement Policy**	→ **LBPAM and TFSA website heading: Publications**	Ad hoc
→ **Glossary**	→ **LBPAM website, heading: Publications**	Ad Hoc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