2026

Responsible investment policy in transport

LBPAM

LA FINANCIERE DE L'ÉCHIQUIER

CONTENTS

Policy effective date:
1 September 2026

The LBP AM Group's purpose is to "enhance financial, natural and human capital and support clients in their sustainable transitions". To this end, it integrates, environmental, social and governance considerations into its investment decisions, with the aim of protecting investment value through the active management of sustainability risks and contributing to the transition of the real economy towards more sustainable practices and assets.

The LBP AM Group's Transport policy is part of this approach. It defines the general framework for analysis and management applicable to transport activities, a structuring sector for modern economies, both through its role in the mobility of people, the flow of goods and territorial cohesion, and through its social and environmental footprint.

At the global level, the transport sector accounts for a significant share - approximately 15%[1] - of energy-related greenhouse gas emissions and remains, in several segments, heavily dependent on fossil fuels. It also exerts considerable pressure on ecosystems, natural resources and communities. In this respect, the sector's trajectory is decisive for achieving international climate objectives, particularly those stemming from the Paris Agreement and carbon neutrality scenarios by 2050, and more broadly for the ecological transition.

This policy sets out the main risks and issues associated with the sector, as well as the overarching principles guiding the analysis of exposed players and assets. It is applied in alignment with the other LBP AM Group policies, notably those relating to climate, biodiversity and human rights. It is complemented by **sector-specific guidelines dedicated to the maritime, aviation, road and rail subsectors,** which specify the reference frameworks, the key ESG issues and the analytical approaches relevant to each transport mode.

SCOPE OF APPLICATION

This policy applies to the assets under management of LBP AM and LFDE under the following terms:

- To all open-ended funds
- To real and private asset funds
- To mandates and dedicated funds in direct securities, subject to the solicitation of the investors in these investment vehicles and to their approval of the application of this policy

This policy applies to direct investments, excluding funds of funds.

1 - These Charts Explain Greenhouse Gas Emissions by Sector | World Resources Institute & Chapter 10: Transport (IPCC)

CHAPTER I

AIR TRANSPORT

The transport policy in the aviation sector applies to companies whose main activity is aircraft manufacturing (commercial aircraft, helicopters and military aircraft), to companies whose main activity is air operations (airlines as well as the air transport of passengers and/or freight), and to companies and project companies operating aviation infrastructure (airports and airport services).

Sector Fundamentals & Key ESG Issues

TAir transport currently accounts for 2 to 3% of global greenhouse gas emissions[2]. Its decarbonisation remains complex: although carbon intensity (gCO_2/passenger/km) has been at least halved over the past 30 years, the sustained growth of the sector has led to an increase in absolute emissions, which have more than doubled since the 1990s[3]. As highlighted by the IEA in its Net Zero 2050 scenario[4], while managing the growth of air traffic is essential, the decarbonisation of the sector relies on several complementary levers, including:

- **The development of sustainable aviation fuels (SAF),** intended to gradually replace kerosene in order to reduce the sector's carbon footprint, although their production and sustainability still face challenges
- **The improvement of aircraft energy efficiency** through fleet modernisation (more efficient engines, weight reduction, design), as well as operational optimisation (flight paths), and, in the longer term, the development of electric, hybrid or hydrogen-powered aircraft - which remain technically limited
- **Airport infrastructure**, through the use of renewable energy, the energy efficiency of buildings and the electrification of ground operations

The sector is also faced with the challenge of managing its most material impacts on nature:

- **Land use change,** which can be partially limited through airport buffer zones dedicated to renaturation and biodiversity preservation
- **Habitat pollution** through the contamination of runoff water, which is laden with maintenance chemicals
- **Noise and light pollution**, which contribute to the disturbance of species, notably by altering migration patterns, as well as bird collisions
- **GHG emissions** through the release of carbon dioxide (CO_2) and other indirect greenhouse gases during transport activities, thereby contributing to air pollution

2 - How airlines are adapting to environmental challenges
3 - Common misconceptions about aviation and climate
4 - Aviation – IEA

Finally, the most salient social and human rights issues relate to:

- **Health, safety and working conditions:** high-risk environments, fatigue, psychosocial risks, and respect for fundamental labour rights (freedom of association, non-discrimination, forced labour).
- **Rights of local communities:** land use, displacement risks and impacts on livelihoods, requiring effective consultation, Indigenous Peoples' rights.
- **Safety and service quality:** risks of critical incidents and operational disruptions affecting continuity, accessibility and equity.
- **Health and healthy environment:** air pollution, noise and contamination affecting human health.
- **Supply chains and just transition:** human rights risks in sourcing and social impacts of transition (jobs, skills).

Moreover, the aviation sector can also generate socio-economic opportunities by providing essential connectivity between territories, supporting local economic development and creating skilled employment.

LBP AM Group Positions

UNLISTED ASSETS (CORPORATE, INFRASTRUCTURE)

The following **companies or activities are excluded from our investments**, with the exception of financing dedicated to clearly defined green "use of proceeds" integrated into the terms of the financing:

- Greenfield airport projects and/or extensions of existing projects located in biodiversity-sensitive areas[5] that have not implemented effective impact mitigation measures and, where applicable, compensatory measures to address the residual negative impacts of the project
- Projects for the construction or expansion of airport infrastructure that significantly contribute to the increase in air traffic, in particular through runway development, except in the outermost regions of the European Union (ORs) and the overseas countries and territories (OCTs)

When LBP AM decides to pursue a transaction, the SRI team applies its proprietary environmental and social risk mapping methodology to identify potential vulnerabilities associated with the investment.

This analysis informs and enhances the due diligence process systematically conducted by the private assets investment teams, in close collaboration with the SRI team, for all activities covered by this policy, in order to assess the investment's eligibility.

Where activities are identified as having significant direct exposure to excluded activities, particularly along the upstream value chain, it is ensured that the company adequately identifies and manages the associated material risks.

LBP AM encourages, notably through its GREaT rating model, projects or companies in the air transport sector that are dedicated to, or contribute to environmental transition opportunities, such as:

- Companies/projects with a decarbonisation trajectory approved by SBTi (near-term & long-term) or a credible transition plan
- The development of SAF (subject to compliance with LBP AM's fossil fuels, climate and human rights policies) or of infrastructure enabling their use (e.g. adaptation of existing fuel systems to accommodate SAF)
- Airports holding an Airport Carbon Accreditation (ACA) certification at a level of at least 4
- Airports with a zero phytosanitary products policy
- The development of electric, hybrid or hydrogen-powered aircraft
- Capex related to the energy and environmental transition of airport platforms (e.g. ground power supply, low-carbon propulsion for passenger shuttles, biodiversity preservation on these sites, etc.)
- Companies/projects that significantly contribute to the maintenance or development of essential services, particularly in terms of access to healthcare and the safety of people and the environment.

5 - IUCN sites, UNESCO World Heritage sites, and Key Biodiversity Areas (KBAs)

LBP AM Group Positions

LISTED ASSETS

In line with its climate policy, the LBP AM Group **encourages investments** in companies meeting one of the following conditions:

- Being aligned with the decarbonisation trajectory of the IEA Net Zero Emissions by 2050 scenario
- Having a "science-based" decarbonisation strategy validated by an external third party (e.g. SBTi) or a credible transition plan

Compliance with these conditions is assessed using the "Transition Plan Scoring – TPS" tool developed by LBP AM and the Net Zero alignment KPI (available in GREaT), monitored as part of the LBP AM Group's asset alignment objective.

PRIORITY AREAS FOR ENGAGEMENT

The LBP AM Group **prioritises engagement** with companies within the above-defined scope on the following topics:

- Alignment with decarbonisation targets/trajectories
- Definition of a credible transition plan
- Assessment of the materiality of impacts on ecosystems and implementation of mitigation measures targeting the most significant issues (renaturation projects, preservation of airport land for biodiversity, biodiversity roadmaps, wastewater management and treatment, etc.)
- In line with the expectations set out in the Group's Human Rights policy, publication of a clear and public commitment to respect human rights and to implement due diligence in this area, as well as to integrate risks related to social and human rights impacts in connection with decarbonisation strategies
- In addition, in the context of dialogues with companies, LBP AM will encourage them to contribute to the ICAO objective (adopted by IATA): a long-term global aspirational goal of achieving net zero carbon emissions by 2050 (LTAG)

CHAPTER II

RAIL TRANSPORT

The transport policy in the rail sector applies to companies whose main activity is train manufacturing (equipment, design and production), to companies whose main activity is rail transport operations (passengers and freight), and to companies and project companies operating rail infrastructure (construction, maintenance and modernisation of fixed structures and equipment).

Sector Fundamentals & Key ESG Issues

According to the IEA, rail transport accounts for less than 1% of the transport sector's total energy consumption. It is the most energy-efficient and least carbon-intensive mode of transport.

The development and reliability of the rail network are also key to the mobility of people and goods at the local, national and international levels, and are an important driver of regional attractiveness.

The electrification and expansion of the rail network are a major lever for decarbonising mobility. According to the IEA Net Zero Emissions 2050 scenario, the rail sector is expected to double its share to reach 20% of total transport activity by 2050, with train electrification reaching 90%. However, low-carbon electricity is required to maximise environmental benefits. Other levers for action and innovation supporting the decarbonisation of the sector include:

- **The expansion** of rail transport capacity
- **The modernisation and/or adaptation of the network,** notably through the digitalisation and centralisation of traffic management
- **Strengthening the climate** resilience of infrastructure
- **European interoperability** to facilitate cross-border rail traffic
- **Hybrid, battery-powered or hydrogen trains**, which still face significant technical and accessibility limitations

The rail network nevertheless creates pressures on nature, including:

- **Habitat fragmentation and ecosystem disruption caused** by the development of the railway network.
- **Noise pollution** with negative effects on local wildlife
- **The exploitation of resources** for the construction and renovation of railway infrastructure.

As a result, projects in the sector must incorporate impact assessments that support the implementation of measures to reduce pressures on ecosystems, such as the integration of ecological corridors or the avoidance of biodiversity-sensitive areas. In addition, in order to reduce pressure on natural resources, the sector can develop reuse and recycling value chains—particularly for ballasts, sleepers and rails—capable of recovering waste and reducing the extraction of new resources.

Finally, the most salient social and human rights issues relate to:

- **Health, safety and working conditions:** industrial and construction risks, fatigue, and supply chain labour risks.
- **Rights of local communities:** expropriation, economic displacement and livelihood impacts, requiring consultation and compensation, Indigenous peoples' rights.
- **Safety and service quality:** accident risks and service disruptions affecting accessibility and equal access.
- **Health and healthy environment:** noise, vibration, pollution and land use impacts on quality of life.
- **Supply chains and just transition:** upstream risks and social challenges linked to technological transition.

In parallel, he rail sector can contribute to socio-economic opportunities by providing essential, accessible and low-carbon mobility, supporting regional development and creating sustainable employment.

LBP AM Group Positions

UNLISTED ASSETS (CORPORATE, INFRASTRUCTURE)

The following companies or activities are **excluded from our investments**, with the exception of financing dedicated to clearly defined green "use of proceeds" integrated into the terms of the financing:

- Greenfield rail projects located in or crossing biodiversity-sensitive areas[6] that have not implemented effective impact mitigation measures and, where applicable, compensatory measures to address the residual negative impacts of the project
- Companies generating more than 5% of their revenue from thermal coal transport activities, and unlisted companies or projects whose activity depends significantly and on a lasting basis on the transport of thermal coal.

When LBP AM decides to pursue a transaction, the SRI team applies its proprietary environmental and social risk mapping methodology to identify potential vulnerabilities associated with the investment.

This analysis informs and enhances the due diligence process systematically conducted by the private assets investment teams, in close collaboration with the SRI team, for all activities covered by this policy, in order to assess the investment's eligibility.

Where activities are identified as having significant direct exposure to excluded activities, particularly along the upstream value chain, it is ensured that the company adequately identifies and manages the associated material risks.

LBP AM **encourages**, notably through its GREaT rating model, projects or companies in the rail transport sector that are dedicated to or contribute to territorial development opportunities, particularly where they support an environmental transition, such as:

- Companies/projects with a decarbonisation trajectory approved by SBTi (near-term & long-term) or a credible transition plan
- The development of the circular economy, particularly in rail construction (reuse and recycling value chains for materials, waste recovery, etc.)
- Projects aimed at improving energy efficiency and decarbonising rail mobility assets (electrification, hybrid, battery-powered or hydrogen trains, biofuels), eco-design and weight reduction, major rehabilitation of industrial sites
- Projects and/or activities contributing to the development of rail freight and combined transport (rail-road transport)
- Operational sobriety of assets: eco-driving, digital sobriety, eco-practices, building management systems
- Projects aimed at extending product lifespans (quality improvements, reuse, material recycling, waste recovery: rails, ballast, sleepers, digital terminals, etc.)
- Projects aimed at minimising the environmental impact of industrial processes (e.g. use of electric furnaces for green rail production)
- Activities and projects strongly integrating measures to reduce impacts on nature and local communities
- Companies/projects making a significant contribution to maintaining or expanding the capacity and geographical coverage of essential everyday mobility services

6 - IUCN sites, UNESCO World Heritage sites, and Key Biodiversity Areas (KBAs)

LBP AM Group Positions

LISTED ASSETS

In line with its climate policy, the LBP AM Group **encourages investments** in companies meeting one of the following conditions:

- Being aligned with the decarbonisation trajectory of the IEA Net Zero Emissions by 2050 scenario
- Having a "science-based" decarbonisation strategy validated by an external third party (e.g. SBTi) or a credible transition plan

Compliance with these conditions is assessed using the "Transition Plan Scoring – TPS" tool developed by LBP AM and the Net Zero alignment KPI (available in GREaT), monitored as part of the LBP AM Group's asset alignment objective.

PRIORITY AREAS FOR ENGAGEMENT

The LBP AM Group **prioritises engagement** with companies within the above-defined scope on the following topics:

- Alignment with decarbonisation targets/trajectories
- Definition of a credible transition plan
- Assessment of the materiality of impacts on ecosystems and implementation of mitigation measures targeting the most significant issues (use of mineral and quarry resources, renaturation measures, etc.).
- In line with the expectations set out in the Group's Human Rights policy, publication of a clear and public commitment to respect human rights and to implement due diligence in this area, as well as to integrate risks related to social and human rights impacts in connection with decarbonisation strategies

CHAPTER III

MARITIME TRANSPORT

This policy covers maritime and waterway transport and applies to companies whose main activity is shipbuilding (design and manufacturing of vessels by shipyards, as well as engine manufacturing), to companies whose main activity is ship operations (shipowners, maritime freight and passenger transport, cruise lines), and to companies or projects operating port infrastructure (ports and port services, port equipment and associated logistics).

Sector Fundamentals & Key ESG Issues

According to the IMO (International Maritime Organization), maritime transport accounts for between 2 and 3% of global greenhouse gas (GHG) emissions, with an upward trend due to the intensification of trade. CO_2 represents around 90%[7] of the sector's GHG emissions, making decarbonisation a key challenge.

- **The use of alternative fuels** to fossil energy (methanol, ammonia, biofuels) and improvements in energy efficiency (fleet renewal, vessel optimisation) and operational efficiency (route optimisation, speed reduction) are the two main drivers of decarbonisation in the sector.
- **The use of incremental technologies** (wind-assisted propulsion, onboard carbon capture) should be encouraged but is not sufficient to fully replace alternative fuels. Also, their potential for large-scale deployment remains uncertain.

Practices in the maritime mobility sector play a material role in the challenge of preserving marine ecosystems. The main high-impact practices relate to:

- **Fuel use**, leading to CO_2 emissions, as well as sulphur oxides (SOx) and nitrogen oxides (NOx)
- **Antifouling coatings**, which help reduce biofouling on hulls but release chemical substances (copper, arsenic, and other biocides) that are harmful to the marine environment.
- **The treatment and discharge of ballast water** by ships, resulting in the transfer of large quantities of water containing microorganisms, vegetation, and various pollutants.
- **Ship dismantling**, which involves soil and water pollution through toxic waste such as heavy metals and hydrocarbons

7 - *Greenhouse gas emissions and air pollution from global shipping, 2016–2023 - International Council on Clean Transportation*

The “BBNJ” (Biodiversity Beyond National Jurisdiction) treaty, which entered into force in 2026, addresses major issues such as the environmental impact assessment of human activities on marine biodiversity, and aims to preserve the functioning of ocean ecosystem services in areas beyond national jurisdictions. Indeed, currently, only 1% of the high seas is subject to conservation measures[8].

Finally, the most salient social and human rights issues relate to:

- **Health, safety and working conditions:** high-risk environments, fatigue, isolation, complex subcontracting, and severe labour rights risks (e.g. forced labour).
- **Rights of local communities:** port infrastructure impacts, displacement, loss of livelihoods, and consultation challenges, Indigenous peoples’ rights.
- **Safety and integrity of operations:** risks of major accidents and exposure to illicit activities (trafficking, corruption).
- **Health and healthy environment:** air, water and soil pollution, ecosystem damage affecting health and food security.
- **Supply chains and just transition:** human rights risks and social impacts linked to decarbonisation.

On the other hand, the maritime sector can also provide significant socio-economic opportunities by enabling access to essential and affordable mobility services for local communities, while ensuring connectivity to island territories and supporting port economies and employment.

8 - Source : Commissariat général au développement durable

LBP AM Group Positions

UNLISTED ASSETS (CORPORATE, INFRASTRUCTURE)

The following companies or activities are **excluded from our investments**, with the exception of financing dedicated to clearly defined green "use of proceeds" integrated into the terms of the financing:

- Owners or operators generating more than 20% of their revenue from cruise ship operations, unless they have a credible transition plan and/or are aligned with the decarbonisation trajectory of the IEA Net Zero 2050 scenario
- Companies generating more than 20% of their revenue from shipbuilding and/or operations dedicated to the transport of coal and/or other unconventional fossil fuels, unless they have a credible transition plan and/or are aligned with the decarbonisation trajectory of the IEA Net Zero 2050 scenario
- Greenfield port projects and/or extensions of existing projects located in biodiversity-sensitive areas[9] that have not implemented effective impact mitigation measures and, where applicable, compensatory measures to address the residual negative impacts of the project
- Shipyards and vessels that do not have a policy or practices in place to eliminate the use of toxic antifouling systems
- Vessels and ports that do not have a hazardous waste management policy
- Shipyards that do not have a materials recycling policy in the event of dismantling
- Vessels that do not have a ballast water management plan in accordance with the BWM Convention

When LBP AM decides to pursue a transaction, the SRI team applies its proprietary environmental and social risk mapping methodology to identify potential vulnerabilities associated with the investment.

This analysis informs and enhances the due diligence process systematically conducted by the private assets investment teams, in close collaboration with the SRI team, for all activities covered by this policy, in order to assess the investment's eligibility.

Where activities are identified as having significant direct exposure to excluded activities, particularly along the upstream value chain, it is ensured that the company adequately identifies and manages the associated material risks.

LBP AM **encourages**, notably through its GREaT rating model, projects and companies in the maritime transport sector that make a significant contribution to essential mobility services for people and goods in island and remote territories, as well as projects or companies contributing to the sector's environmental transition, such as:

- Companies/projects with a decarbonisation trajectory approved by SBTi (near-term & long-term) or a credible transition plan
- Projects contributing to reducing the carbon intensity of vessels (reduction of GHG emissions per tonne-kilometre transported)
- The development and use of synthetic fuels or second- and third-generation biofuels
- The development of hydrogen-powered vessels and the associated ecosystem
- The reduction of the environmental footprint of port activities (electrification – e.g. Onshore Power Supply, replacement of handling equipment, electricity generation, waste management, etc.), as well as ports holding the EcoPorts label
- Vessels holding the Green Marine Europe certification
- Activities and projects strongly integrating measures to reduce impacts on nature, benefiting biodiversity
- Companies/projects contributing to essential mobility services for people and goods in island or remote territories, or providing lower-carbon alternatives to air transport

9 - IUCN sites, UNESCO World Heritage sites, and Key Biodiversity Areas (KBAs)

LBP AM Group Positions

LISTED ASSETS

The LBP AM Group **excludes from its investments**:

- Companies generating more than 20% of their revenue from cruise ship operations, unless they have a credible transition plan and/or are aligned with the decarbonisation trajectory of the IEA Net Zero 2050 scenario
- Companies generating more than 20% of their revenue from the construction and/or operation of vessels dedicated to the transport of coal and/or other unconventional fossil fuels, unless they have a credible transition plan and/or are aligned with the decarbonisation trajectory of the IEA Net Zero 2050 scenario

On the contrary, the LBP AM Group **encourages investments** in companies meeting one of the following conditions:

- Being aligned with the decarbonisation trajectory of the IEA Net Zero Emissions by 2050 scenario
- Having a "science-based" decarbonisation strategy validated by an external third party (e.g. SBTi) or a credible transition plan

Compliance with these conditions is assessed using the "Transition Plan Scoring – TPS" tool developed by LBP AM and the Net Zero alignment KPI (available in GREaT), monitored as part of the LBP AM Group's asset alignment objective.

PRIORITY AREAS FOR ENGAGEMENT

The LBP AM **Group prioritises engagement** with companies within the above-defined scope on the following topics:

- Alignment with decarbonisation targets/trajectories
- Definition of a credible transition plan
- Assessment of the materiality of impacts on ecosystems and implementation of mitigation measures targeting the most significant issues
- In line with the expectations set out in the Group's Human Rights policy, publication of a clear and public commitment to respect human rights and to implement due diligence in this area, as well as to integrate risks related to social and human rights impacts in connection with decarbonisation strategies

CHAPTER IV

ROAD TRANSPORT

The transport policy in the road sector applies to companies whose main activity is the manufacturing of road vehicles (equipment, design and production of passenger cars, light commercial vehicles, industrial vehicles and heavy-duty trucks), to companies whose main activity is road transport operations (passenger transport and logistics), and to companies and projects operating road infrastructure (construction, maintenance and modernisation, operation of roads and motorways, as well as road equipment).

Sector Fundamentals & Key ESG Issues

In 2024, road transport is the second most GHG-emitting sector globally (12% of emissions[10]) and accounts for 94% of transport-related GHG emissions[11]. Its rapid decarbonisation is a key driver for achieving the climate mitigation objectives of the Paris Agreement. It relies on:

- **Mass electrification, primarily through battery electric vehicles**, but also intermediate options such as hybrid or hydrogen-powered vehicles, although their impact on emission reductions is more limited
- **Modal shift, including public transport and active mobility**

However, significant challenges remain, particularly regarding battery production, notably **the availability of critical materials and minerals**, whose extraction has a high impact on land use and natural resources. It is therefore essential to develop collection and recycling value chains. In addition, road infrastructure must be adapted to electrification. The development of such infrastructure contributes to land use change, which can be mitigated, among other measures, through the renaturation of land.

Road transport pollution also includes:

- The use phase, through atmospheric emissions such as carbon dioxide (CO_2), nitrogen oxides (NO_x), and fine particulate matter.
- Downstream impacts, including the end-of-life management of batteries and other components.
- Noise pollution, which disrupts the communication and behavior of many animal species.

Finally, roads and their construction contribute to land artificialization, which can be mitigated, among other measures, through land restoration (renaturation).

10 - These Charts Explain Greenhouse Gas Emissions by Sector | World Resources Institute
11 - Les émissions de gaz à effet de serre des transports - notre-environnement

Moreover, the most salient social and human rights issues relate to:

- **Health, safety and working conditions:** risk-prone environments, driver fatigue, and labour rights violations in supply chains (forced labour, migrant workers).
- **Rights of local communities:** infrastructure development causing displacement, expropriation and socio-economic impacts, indigenous peoples' rights.
- **Safety and service quality:** high accident rates and challenges in ensuring safe, affordable and equitable mobility.
- **Health and healthy environment:** air pollution, noise and waste affecting public health, especially for vulnerable groups.
- **Supply chains and just transition:** human rights risks in raw materials and social implications of low-carbon transition (jobs, affordability).

At the same time, road transport can also drive socio-economic opportunities by ensuring essential mobility for access to services and economic activities, while supporting local employment.

LBP AM Group Positions

UNLISTED ASSETS (CORPORATE, INFRASTRUCTURE)

The following companies or activities are **excluded from our investments**, with the exception of financing dedicated to clearly defined green "use of proceeds" integrated into the terms of the financing:

- Greenfield rail projects located in or crossing biodiversity-sensitive areas[12] that have not implemented effective impact mitigation measures and, where applicable, compensatory measures to address the residual negative impacts of the project
- Companies generating more than 5% of their revenue from thermal coal transport activities, and unlisted companies or projects whose activity depends significantly and on a lasting basis on the transport of thermal coal.

When LBP AM decides to pursue a transaction, the SRI team applies its proprietary environmental and social risk mapping methodology to identify potential vulnerabilities associated with the investment.

This analysis informs and enhances the due diligence process systematically conducted by the private assets investment teams, in close collaboration with the SRI team, for all activities covered by this policy, in order to assess the investment's eligibility.

Where activities are identified as having significant direct exposure to excluded activities, particularly along the upstream value chain, it is ensured that the company adequately identifies and manages the associated material risks.

LBP AM **encourages**, notably through its GREaT rating model, projects and companies in the road transport sector that make a significant contribution to essential mobility services for people and goods, as well as projects or companies contributing to the sector's environmental transition, such as:

- Companies/projects with a decarbonisation trajectory approved by SBTi (near-term & long-term) or a credible transition plan
- Activities or infrastructure supporting the development of the electric vehicle ecosystem (e.g. charging infrastructure, battery production, battery recycling, etc.)
- Other activities or infrastructure contributing to the decarbonisation of the sector
- Circular economy activities or infrastructure within the sector
- Activities and projects strongly integrating measures to reduce impacts on nature, thereby benefiting biodiversity
- Companies/projects making a significant contribution to the development of essential services, particularly in terms of access to essential services and the safety of people and the environment

12 - IUCN sites, UNESCO World Heritage sites, and Key Biodiversity Areas (KBAs)

LBP AM Group Positions

LISTED ASSETS

The LBP AM Group **encourages investments i**n companies meeting one of the following conditions:

- Being aligned with the decarbonisation trajectory of the IEA Net Zero Emissions by 2050 scenario
- Having a "science-based" decarbonisation strategy validated by an external third party (e.g. SBTi) or a credible transition plan

Compliance with these conditions is assessed using the "Transition Plan Scoring – TPS" tool developed by LBP AM and the Net Zero alignment KPI (available in GREaT), monitored as part of the LBP AM Group's asset alignment objective.

PRIORITY AREAS FOR ENGAGEMENT

The LBP AM Group **prioritises engagement** with companies within the above-defined scope on the following topics:

- Alignment with decarbonisation targets/trajectories
- Definition of a credible transition plan
- Assessment of the materiality of impacts on ecosystems and implementation of mitigation measures targeting the most significant issues (water management, pollution reduction, etc.)
- For tyre manufacturing companies, the implementation of a deforestation prevention policy for directly owned rubber plantation sites and/or for the natural rubber supply chain
- In line with the expectations set out in the Group's Human Rights policy, publication of a clear and public commitment to respect human rights and to implement due diligence in this area, as well as to integrate risks related to social and human rights impacts in connection with decarbonisation strategies

In addition, in the context of dialogues with companies, LBP AM will encourage them to:

- For automotive manufacturers, implement a strategy to address resource supply risks (dependencies)
- For automotive manufacturers, decarbonise their vehicle offering
- Include, in their responsible sourcing policies, recognised standards such as IRMA (Initiative for Responsible Mining Assurance) or the RMI (Responsible Minerals Initiative), particularly for companies involved in battery production for vehicles

https://www.lbpam.com

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