

BIODIVERSITY

POLICY

POLICY

2024

Foreword

Biodiversity is the living tissue of our planet.

It encompasses all natural environments and forms of life as well as all the relations and interactions that exist between the **living organisms** themselves on the one hand, and between these organisms and their **living environments** on the other.

It provides stocks of natural assets (natural capital) and renders essential services for the smooth running of certain activities (ecosystem services):
it is the foundation of our economy and our society.

The latest global report from IPBES¹ estimates that around 1 million of animal and plant species are currently threatened with extinction, particularly over the coming decades, reaching a rate of loss unprecedented in human history. 69% of global diversity has disappeared since 1970²; some 25% of species are at risk of extinction, and the total biomass of wild mammals has declined by 82%³.

The deterioration is the direct and indirect consequence of our human activities, which exert major pressure on nature.

1- Source: IPBES Global Assessment Report, 2019

2- Source: Living Planet Report, WWF 2022

3- Source: IPBES Global Assessment Report, 2019

THE CHOICES WE MAKE WILL HAVE AN IMPACT ON THE CLIMATE AND BIODIVERSITY

INDIRECT HUMAN INTERACTIONS

Demographics



Sociocultural



Economy



Technology



Governance



Values



DIRECT HUMAN INTERACTIONS

Fossil fuel extraction



Exploitation of land and sea



Overexploitation



Pollution



Invasive species

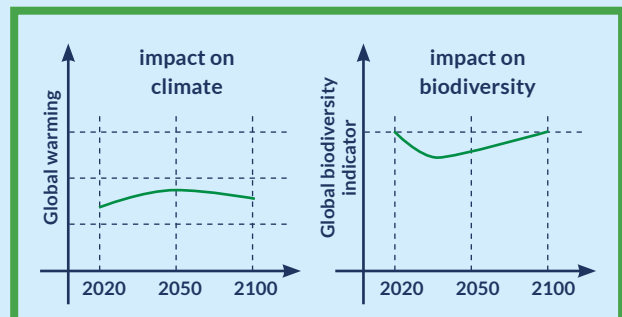
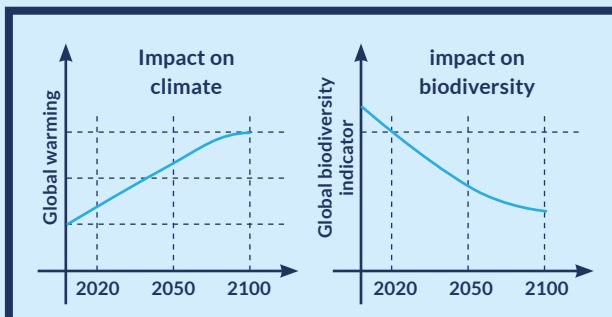


“BUSINESS AS USUAL” SCENARIO

Current policies and values that exert increasing pressure

TRANSITION SCENARIO

Transformative changes leading to rapidly decreasing pressures



Source: Living Planet Report, WWF, 2022

There is an urgent need to address the loss of biodiversity, which is one of the United Nations Sustainable Development Goals that must be imperatively achieved in order to maintain a viable world in 2030. This is the purpose of the United Nations Convention on Biological Biodiversity and its Conference of the Parties (COP) on the international scale, but also of European and national policies. It is also a goal pursued under the OECD guidelines for multinationals and initiatives in the financial sector such as the Finance For Biodiversity Pledge, of which LBP AM and TFSA are signatories.

This policy reflects the commitment of LBP AM and TFSA to integrate the issue of biodiversity preservation systematically in their investment policy. LBP AM and TFSA aim to mobilise all levers of action at their disposal in order to bring their action into line with the Post-2020 Global Biodiversity Framework, which guides action in favour of the protection of living organisms on the international level.

The LBP AM group focuses in particular on:

- ▶ **Raising awareness and guiding and supporting companies** with a strong impact or dependence on biodiversity to implement a control to manage their risks and impact on biodiversity;
- ▶ **Excluding stakeholders with too significant an impact on biodiversity** without implementing a remediation plan;
- ▶ **Integrating biodiversity data on biodiversity** in our investment decision support tools;
- ▶ **Applying actions favourable to biodiversity protection** in our own operations.

Our measures contribute to **10 of the 23 target actions** defined in the **Kunming-Montreal Global Diversity Framework**, so that the LBP AM group can contribute to the change of course required to conserve nature and deploy a consistent risk management framework for it.

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INTRODUCTION

1.

Biodiversity: a key issue

Biodiversity is defined as the variety of forms of life on Earth, comprising three interconnected levels: ecosystem biodiversity, species diversity and genetic diversity within said species.

It provides irreplaceable goods and services that are indispensable to humans, such as:

- ▶ **supply services**, such as food, water, pharmaceutical products, minerals, etc.;
- ▶ **regulation services**, such as coastal protection, climate regulation or pollination;
- ▶ **cultural services** which are essential for sectors such as tourism or spirituality for certain populations.

Provided free of charge, they are vital for the smooth running of our economy. Although highly complex to calculate, up to half of the global GDP is estimated to be based on services rendered by nature, and the malfunction of major ecosystem services could therefore represent an annual cost of \$125 trillion, or 1.5 times the global GDP.¹

Human exploitation of natural resources and services rendered by nature is growing exponentially at a pace that now threatens its integrity. **Human activities exert five forms of pressure on biodiversity²:**

- ▶ changing in the use of land and seas and soil artificialisation,
- ▶ overexploiting of biological resources,
- ▶ climate change,
- ▶ pollution,
- ▶ proliferation of invasive species.

In addition to the global challenges that the general erosion of biodiversity represents for our society, investors in particular must take a closer look at the risks related to biodiversity for the invested companies.

1 - Costanza et al. (2014)

2 - https://files.ipbes.net/ipbes-web-prod-public-files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf

These are of two kinds:

- ▶ dependencies on nature, which constitute a “physical” risk for companies when the goods and services provided by nature fail or cease to function;
- ▶ the development of regulations and consumer awareness, which create a “transition” risk for companies that have a very negative biodiversity footprint.

The measurement and transparency of companies regarding their biodiversity footprints and dependencies are key issues therefore. The multidimensional and highly localised nature of biodiversity nevertheless makes it very difficult to gain a holistic understanding of the footprint and biodiversity risk.

2.

An increase in regulations and standards

The United Nations Convention on Biological Diversity³ (UN CBD) is the reference convention on the conservation of biodiversity. Through its Global Biodiversity Framework it sets its objectives for actions to be taken by 2030. This text, which is not legally binding, must however be implemented within each signatory State under the form of “National Biodiversity Strategies” with the possibility of translating these commitments into legislation.

European regulations on the transparency of economic players regarding their impact on biodiversity are already being developed:

- ▶ **Article 29 of the French Energy Climate Act⁴** is the first regulatory text to require financial institutions in particular to report on their biodiversity risk management policy and how they respond to meet the objectives set by the Convention.
- ▶ In Europe, **the Sustainable Finance Disclosure Regulation (SFDR)⁵** requires investors to report on the activities of companies financed in areas of biodiversity considered sensitive. They may also report on indicators relating to the share of financed companies that have biodiversity or deforestation policies. Furthermore, they have to report on numerous indicators relating to pressures on diversity: land use, water use, waste management, the consumption of natural resources, climate, etc.
- ▶ Furthermore, in the dedicated delegated act, **the European Taxonomy⁶** of sustainable activities includes a description of activities and criteria for identifying activities contribution to the conservation and restoration of biodiversity. Companies and investors will thus have to report on this contribution.

3- CBD, 2022 <https://www.cbd.int/gbf/>

4- https://www.legifrance.gouv.fr/jorf/article_jo/JORFARTI000039355992

5- https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.196.01.0001.01.ENG&toc=OJ%3AL%3A2022%3A196%3ATOC

6- https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

- ▶ **The Corporate Sustainability Reporting Directive (CSRD)**⁷ also extends reporting by companies on topics such as “Biodiversity and Ecosystems” and “Aquatic and Marine Resources”, but also the pressure from “Pollution” and “Climate Change,” as well as solutions such as the “Circular Economy.”
- ▶ **Other texts**, focused on mastering negative impact specific to certain activities, such as deforestation or the use of batteries in the automotive industry, are proliferating in the European Union to regulate the practices of companies on the use of natural resources and to preserve ecosystems.

Internationally, voluntary initiatives are being structured to encourage companies to chart policies and set targets for the conservation of living organisms:

- ▶ The Science Based Targets Network supports companies in defining targets for action to conserve biodiversity: the “Science Based Targets for Nature”⁸;
- ▶ The Taskforce for Nature-Related Financial Disclosure (TNFD) is developing a voluntary reporting framework dedicated to natural capital that is linked to the TCFD framework on climate;
- ▶ The global goal for nature “Nature-Positive by 2030”⁹, which combines the reduction of the destruction of living organisms and the restoration of biodiversity, serves as the basis for the establishment of the Global Biodiversity Framework.

7 - <https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting>

8 - Two references have at this time been made available on land and fresh water use respectively.

9 - A global goal for nature: Nature Positive by 2030, <https://www.naturepositive.org/>

OUR COMMITMENTS



Relying on the Kunming-Montreal Global Biodiversity Framework, LBP AM and TFSA are committed to the protection of biodiversity through:

1. **Controlling their exposure** to companies that have a severe impact on biodiversity and fail to implement remediation measures supported by a credible action plan;
2. **Shareholder engagement** to encourage invested companies to control their impact on biodiversity and their dependence on natural capital;
3. **Support for regulatory initiatives** aimed at strengthening the actions of companies (including financial companies) in favour of biodiversity conservation;
4. **Systematically integrating biodiversity** into their securities analysis and selection process;
5. **Monitoring the biodiversity footprint** of their investments;
6. **A CSR action plan** for actions to protect biodiversity in their open operations.

Finance for Biodiversity Pledge

LBP AM and TFSA have since 2021 been signatories to the Finance for Biodiversity Pledge¹ alongside their parent company La Banque Postale. Through this international initiative, they are committed to:

- ▶ **Pooling** the acquired knowledge with other investors;
- ▶ **Measuring** our impact on biodiversity;
- ▶ **Setting targets** to reduce this impact before the end of 2024;
- ▶ **Engaging** in dialogue with companies invested on biodiversity issues;
- ▶ **Publishing reports** on our actions.

This policy constitutes one of the key vehicles for implementing this commitment.

1 - <https://www.financeforbiodiversity.org/about-the-pledge/>

GOVERNANCE



1.

Validation

The charting and updating of the LBP AM group's biodiversity policy is coordinated by the SRI Solutions team in consultation with the teams involved in its deployment: management, risks, fundamental analysis.

The policy is validated by the Sustainable Finance Committee composed of members of the Executive committee, the heads of the management and analysis teams, marketing and sales teams, risk management, and the CSR leaders of the Group, and is reviewed and updated on a regular basis. This committee also validates the advocacy positions associated with the biodiversity policy.

2.

Deployment

The daily responsibility for integrating biodiversity in our operations is incumbent upon all the staff of the LBP AM group, and more particularly regarding the application of provisions relating to management, management teams, analysts, and SRI Solutions.

Monitoring the implementation of the Biodiversity Policy relies on:

- ▶ **The GREaT Committee**, which oversees the transversal deployment of commitment and exclusion policies. It thus ensures the validation of the exclusion lists and monitors the execution of commitment complaints stemming from this policy.
- ▶ **The ESG Committee**, which brings together on a weekly basis all the members of management, the SRI Solutions team, and the Fundamental Analysis teams to:
 - **Disseminate monitoring** on trends, risks and major themes relating to Biodiversity;
 - **Determine the prioritisation and organisation** of enhanced due diligence exercises or commitments pursuant to the biodiversity policy.
- ▶ **Other commitments** are managed by the "Sustainable Finance" Committee.

Awareness raising is regularly offered to Group employees as part of management or CSR actions.

EXCLUSION POLICY

LBP AM and TFSA undertake to manage their exposure to companies that have a severe impact on biodiversity by implementing remediation measures supported by a credible action plan.

1.

Objectives and scope

The exclusion policy of LBP AM and TFSA aims to limit their exposure to companies with the most severe and irreversible impacts on biodiversity.

Controlling their exposure contributes to:

- ▶ **voluntarily applying duty of care** as defined under the OECD principles regarding multinationals;
- ▶ **taking into account negative impacts on biodiversity** as defined by the SFDR and the “Do No Significant Harm” criterion as defined under the European Taxonomy;
- ▶ **managing the reputational and financial risk** which may result from investing in companies involved in highly controversial practices (litigation, commercial risk, etc).

This exclusion policy is applied to all open funds of LBP AM and TFSA. **It is also proposed to clients investing in closed-end funds and forms part of the broader biodiversity engagement policy.**

2.

Source Data

Given the significant proportion of companies with a negative impact on biodiversity and their very large number, **LBP AM and TFSA draw on the following indicators to identify those with the most serious and irreversible consequences:**

- ▶ **Sector analysis** covering critical biodiversity issues using the United Nations ENCORE model to prioritise the sectors with the greatest issues at stakes.
- ▶ **The “Biodiversity Impact Analytics” database** powered by the “Global Biodiversity Score™”¹ (BIA-GBS) to assess the impact of a company’s activities on biodiversity.
- ▶ **Controversy indicators** published by data providers used by LBP AM group such as Moody’s ESG, ISS ESG, and MSCI.
- ▶ **Reports from specialised NGOs** analysing the practices of certain companies.

3.

Approach

The “Biodiversity” exclusion list is drawn up after two stages:

A quantitative analysis based on 3 criteria that can be used to identify companies with a significant impact on biodiversity:



1 - The Global Biodiversity Score is a measure of the impact of a company’s activities on biodiversity based on the 5 main pressures exerted on biodiversity. It is broken down into 4 measures of impact measures evaluated in msa.km² (static aquatic and terrestrial; and dynamic aquatic and terrestrial), i.e. in the mean species abundance per km² compared with its primary state, thus quantifying biological diversity loss due to the company’s activities. These four data points are aggregated into a single measure: msa.ppb* which makes it possible to aggregate mathematically impacts of different natures. <https://www.cdc-biodiversite.fr/le-global-biodiversity-score-pour-les-institutions-financieres/>

2 - 50,000 msa.ppb* corresponds to the 3rd quartile of the distribution of the database + 75 IQR, i.e. a footprint that can be statistically considered as an extreme value. This threshold may be adjusted according to updates of the database following the statistical measure described above.

3 - In sectors identified as the most critical in terms of impacts recorded in the ENCORE tool, classes are defined by coupling an activity sector (GICS 2) and a geographical area (Developed Europe, North America, Developed Asia Pacific, Emerging Markets) within which companies statistically identified whose footprint is significantly higher than their peers because it exceeds a threshold set by peer group such as: Q3 + (1.5 * interquartile range). In order to limit biases, the comparison is made in absolute terms and by normalising the score by the company’s Enterprise Value and its turnover.

4 - The controversies are studied on a case-by-case basis within the ESG Committee of the LBP AM group.

A qualitative analysis of the policies and practices of these companies, which are not included in the exclusion list if they meet all of the following criteria:

- ▶ The company has a **biodiversity policy**. This policy can be dedicated or incorporated in an overall CSR policy.
- ▶ The company has conducted an **assessment of its main risks and dependencies, as well as impacts on biodiversity**. It specifies the scope of the assessment and whether it takes its supply chain into account. It outlines a plan to extend the assessment to its entire value chain.
- ▶ The company has set **targets for biodiversity protection and impact reduction with clearly defined deadlines** in line with international standards or global objectives such as the **Kunming-Montreal Global Framework**. These objectives primarily focus on its direct activities, and if possible, on its value chain.
- ▶ The company has an **action plan** with a **time horizon** and sets milestones to attain its goal.
- ▶ The company has integrated the concept of **dependence** on natural capital and ecosystem services into its **risk management policy**.
- ▶ The company reports **indicators or metrics** on its dependencies or impacts on biodiversity and their evolution in order to report on progress in attaining its targets.

In addition, the following practices are encouraged but not discriminatory for drawing up the exclusion list:

- ▶ **proactive prevention** of nature and habitat degradation, as well as ecological restoration.
- ▶ the integration of biodiversity issues into the **governance principles** and their regular review by governance bodies in order to make sure that they are fully integrated into the company's strategy.
- ▶ **research and development actions** for the restoration and protection of biodiversity.

The list is updated annually and validated in the "GREaT" committee, whereas, for their part, controversies will be studied on an ongoing basis within the "ESG" committee so as to feed the deliberations by the GREaT committee.

4.

Thematic exclusion policies

a. Deforestation

Forests provide a wide range of ecosystem services that are essential to human societies and the environment: Regulatory services such as carbon sequestration, water and air quality regulation; supporting services such as nutrient cycling and soil formation maintenance; and cultural services such as tourism, education, or spiritual rites. It is crucial to recognise the value of these services and to adopt sustainable practices in order to preserve them.

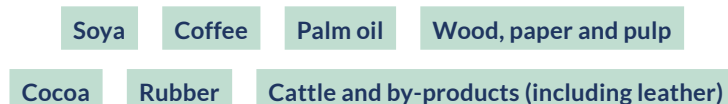


The United Nations have thus established a strategic plan for forests,⁵ including a goal to increase global forest area by 3% by 2030. While the rate of net forest loss has significantly decreased since 1990, deforestation and forest degradation continue at an alarming rate, compromising the attainment of this goal.⁶

Since 2019, LBP AM and TFSA have implemented a **cross-cutting policy** to exclude producers and traders of agricultural commodities with a high risk of contributing to deforestation and not implementing sufficient preventive measures to thwart this negative impact of their activities on forests. Adopting a risk-based approach, this exclusion policy focuses on the first links in the agricultural value chain which have a direct connection to the negative impact. The value chain downstream, whose connection to the impact is more distant and which encounters traceability issues, is addressed through the policy of integration in asset selection and engagement.

Scope

The deforestation risk exclusion policy applies to producers and traders of agricultural commodities deemed to be at high risk of deforestation by the French National Strategy against Imported Deforestation and the European Union Deforestation-Free Regulation (EUDR), meaning actors producing or wholesaling the following commodities⁷:



5 - UN Strategic Plan for Forests 2017-2030, <https://www.un.org/esa/forests/documents/un-strategic-plan-for-forests-2030/index.html>

6 - Source: FAO, *The state of the world's forests*, 2020

7 - Identified thanks the various sources of data (cf. 1 Identification of companies whose risk has to be assessed)

In 2023, the LBP AM group adapted its policy by including the possibility of adding mining companies to the scope based on controversies or poor practices highlighted by legal proceedings. The correlation between certain mining deposits and deforestation fronts can be considerable, depending on the minerals.

Identification of companies whose risk has to be assessed

Producers or traders of agricultural commodities at risk

Producers or traders of commodities at risk are identified primarily on the basis of the following sources:

COMMODITY AT RISK	DATA SOURCES			
	MSCI	ESG	CDP	SPOTT
Soya	✓	✓	✓	
Cattle and by-products (including leather)	✓	✓	✓	
Wood, paper and pulp			✓	✓
Palm oil	✓	✓	✓	✓
Rubber			✓	✓
Coffee			✓	
Cocoa			✓	

Mining companies exposed to strong controversies

Mining companies exposed to strong controversies are identified primarily through the data provider RepRisk⁸.

Identification of companies at risk for agricultural commodities

Based on the afore-established list of companies; an identification of those with significant risk factors for causing or contributing to activities associated with deforestation is established based on the following criteria⁹:



8 - Based on the scope of the mining sector by observing companies that have registered more than one "very severe" controversy on the matter over the past year.
9 - Source: MSCI

Risk management and assessment of practices

Companies at risk on agricultural commodities

A due diligence is carried out on the companies in this list of companies at risk to assess their deforestation risk management policies and impact as well as their implementation.

Pursuant to the principles of the Accountability Framework Initiative,¹⁰ the LBP AM group expects companies at risk to have implemented the following principles:

- ▶ **Map their supply chain and activities** so that they can identify commodities as well as the geographical areas considered at risk to which they are exposed;
- ▶ **Formalise of a Zero Deforestation and Conversion objective by 2025**, covering a holistic scope:
 - Covering all commodities at risk to which companies are exposed;
 - Pertaining to the entire supply chain and direct activities (all geographical areas);
 - Including legal and illegal deforestation;
 - Not relying on compensation through ecological restoration (no Net Deforestation objective) to achieve this objective.
- ▶ **Translation of this objective** into their supply contracts (where applicable), through binding clauses regarding results and traceability thereof for agricultural commodities.

This due diligence exercise is based on public policies and company reports or it relies on specialised data sources such as CDP Forests and Forest 500.

Mining companies

For mining companies, LBP AM will conduct a qualitative analysis of:

- ▶ **Their management of controversy** and, where applicable, the implementation of remediation and compensation measures;
- ▶ **The prevention measures** put in place to ensure that no deforestation occurs in areas of high biodiversity value, particularly the exclusion of any activity in “protected” areas and listed UNESCO World Heritage Sites, as well as enhanced due diligence on deforestation risk near primary forests or sensitive biodiversity areas;
- ▶ **The compensation** for activities that have caused deforestation or conversion by following the principle of “No Net Loss” of forest cover across all geographic areas of the company’s activities. This ecological restoration must be guided by a framework of best practices such as that of the Society for Ecological Restoration;¹¹
- ▶ **The company’s commitment** to fall in line with the objectives of the Kunming-Montreal Global Biodiversity Framework.¹²

10 - <https://accountability-framework.org/>

11 - <https://www.ser.org/page/mining>

12 - A useful source to this end might be the ICMM report *Opportunity to Contribute to the Global Biodiversity Framework*; https://www.icmm.com/website/publications/pdfs/environmental-stewardship/2023/factsheet_nature-gbf.pdf?cb=60001

b. Pesticides

The term “pesticides” encompasses two families of substances:

- ▶ **Biocides**, intended to destroy, repel, or keep harmful organisms such as insects, rodents, bacteria, moulds, algae, etc. They are used in various contexts, such as domestic hygiene, public health, the food industry, construction products, as well as to prevent diseases, infections, and material damage.
- ▶ **Plant protection or phytosanitary products**, used to protect cultivated plant species against harmful insects and diseases, and to improve yields. They include insecticides, fungicides, herbicides, nematocides (nematodes, parasitic worms), and acaricides (mites).



The negative impacts of the use of pesticides can be:

- ▶ **Decline in insect and pollinator populations**, particularly linked to insecticides and notably neonicotinoids.¹³
- ▶ **Disturbance of biodiversity and ecosystems**, through the direct or indirect disappearance of certain animal or plant species (poisoning, disruption in the food chain, etc.), particularly species listed as threatened by the IUCN.¹⁴
- ▶ **Water pollution from groundwater to watercourses**, threatening the integrity of aquatic organisms.
- ▶ **Soil pollution**: pesticides can persist in soils for several decades depending on the molecules and they can accumulate over time with harmful consequences to organisms in the soil, thereby reducing the health and fertility of soils.
- ▶ **Development of pesticide-resistant organisms** requiring increased doses or alternative use of more powerful chemicals.
- ▶ **Impacts on human health**: some molecules are declared carcinogenic or endocrine disruptors, and repeated exposure to them can significantly affect the health of the population.¹⁵

These impacts have led to a classification of pesticides based on their level of danger (WHO 1978) and the obligation to withdraw several products from the market.

13 - *Les pollinisateurs, la pollinisation et la production alimentaire*, IPBES, 2016

14 - *Impacts des produits phytopharmaceutiques sur la biodiversité et les services écosystémiques; Synthèse de l'expertise scientifique collective*, INRAE, 2022

15 - *Effets des pesticides et des engrais sur l'environnement et la santé et solutions envisageables pour les réduire au minimum, Vers un monde sans risques chimiques*, UNEP, 2022

Several international objectives have been set to reduce pesticide use and promote more sustainable alternative agricultural practices:

- ▶ The Kunming-Montreal Global Framework (2022) sets as the 7th target for 2030 to **“reduce by at least half the overall risk associated with pesticides and highly hazardous chemicals.”**
- ▶ The Stockholm Convention on Persistent Organic Pollutants (POPs) encourages the parties to **reduce the use of certain persistent pesticides gradually and to promote safer alternatives.**
- ▶ The European Biodiversity Strategy for 2030 includes specific measures to **reduce the use and risks of pesticides.** France has set a target to reduce the use of plant protection products by 50% by 2025.

As of the first quarter of 2024, LBP AM and TFSA will exclude from investments companies whose turnover generated from the manufacturing or sale of pesticides, including herbicides, fungicides, and insecticides dedicated to agriculture, **exceeds 20%**, so as to contribute to the attainment of these objectives.¹⁶

5.

Specific geographic exclusion policies for real assets

LBP AM invests through its real asset investment activities in real estate and infrastructure assets. The deployment of these activities in sensitive biodiversity areas can have significant impacts on biodiversity by fragmenting habitats.

To contribute to Target 3 of the Global Biodiversity Framework, the Real Assets department of LBP AM implements actions to avoid contributing to the disturbance of sensitive habitats.

Identification of areas

These areas are identified prior to investment for each project based on a mapping of the implantation area with the following references:

- ▶ Developed by the WWF, the **“Biodiversity Risk Filter”**¹⁷ aggregates various data sources to identify areas at risk in terms of biodiversity, in particular:
 - **Protected and Conservation Areas**¹⁸;
 - **Key Biodiversity Areas**¹⁹;
 - **Other important undefined areas** such as intact forest spaces or sensitive marine areas according to the WWF analysis²⁰.

16 – The companies will be identified by Sustainalytics and can be put on the list once checked by LBP AM where applicable.

17 – <https://riskfilter.org/biodiversity/explore/map>

18 – The data on which the BRF indicator relies stem from the “UNEP-WCMC’s World Database of Protected Areas” (WDPA), which identifies geographic areas that encroach on protected area whose IUCN classification varies between I and IV. In 2023, the WWF did not include conservation areas yet, as the coverage was not representative.

19 – “Key Biodiversity Areas” determined thanks to data from the “World Database of Key Biodiversity Areas” of the NGO BirdLife International

20 – https://cdn.kettufy.io/prod-fra-1.kettufy.io/documents/riskfilter.org/BiodiversityRiskFilter_Methodology.pdf

- ▶ **The UNESCO “World Heritage”**²¹ lists sites that represent natural assets of exceptional interest to the common heritage of humanity: “natural” sites, “cultural” sites, and sites combining both qualifications, known as “mixed” sites.
- ▶ **The Ramsar Convention**, or “Convention on Wetlands of International Importance especially as Waterfowl Habitat,” is an international convention dating back to 1971 with 172 contracting parties intended to protect wetlands. Vital for the survival of humans and many other species, these areas are among the most biodiversity-rich areas on the planet. The convention lists them in the “Ramsar List”²² maintained by the Convention.
- ▶ Founded by the World Resources Institute, the NGO network “**Global Forest Watch**” works together with governments to create regional and national maps²³ that gather various data points on forest evolution, land cover, land use, climate, and biodiversity. **These maps can be used in particular to identify the following zones to avoid any new implantation in these areas:**
 - **Biodiversity hotspots** as defined by “Conservation International”²⁴;
 - **Mangroves**²⁵, **peatlands**²⁶ and **forests with a high integrity index**²⁷ in order to prevent the risk of deforestation or ecosystem conversion, especially in primary forests.

Real estate: exclusion criteria

Real estate assets will exclude any new project (“green field”) in the aforementioned areas from their investment scope.

Infrastructure and facilities: Responsible diligence and data access

The diversity of infrastructure asset typologies can pose a challenge in terms of location data retrieval, especially for linear assets (road or railway infrastructure and facilities) or infrastructure project portfolios (renewable energy project portfolio, telecom tower parks, etc.). The Real Assets department integrates an assessment of asset location regarding these zones into its responsible diligence questionnaire.

This pilot approach aims to raise awareness among intermediaries about the importance investors attach to identifying project locations but also to assess the feasibility of implementing an exclusion policy.

21 - <https://whc.unesco.org/en/interactive-map/?search=&type=natural&components=0>

22 - <https://www.ramsar.org/fr/document/la-liste-des-zones-humides-dimportance-internationale>

23 - <https://www.globalforestwatch.org/map/>

24 - <https://www.conservation.org/priorities/biodiversity-hotspots>

25 - The data used stem from the programme Global Mangrove Watch; <https://www.eorc.jaxa.jp/ALOS/en/kyoto/mangrovewatch.htm>

26 - The peatlands are identified by matching 5 datasets from Global Forest Watch

27 - Integrity Index as determined by the Global Forest Cover method. The data were collected through Google Earth Engine. Areas with an index >=9/10 are excluded from the investable perimeter.

EXCLUSION CRITERIA

REFERENCE FRAMEWORK	INFORMATION SUPPLIED	EXCLUSION CRITERIA	RATIONALE
Biodiversity Risk Filter (WWF)	Protected and conservation areas	"Very High Risk"	Areas at very high risk have a 30% or more overlap with a protected or conservation area.
	Key Biodiversity Areas	"High Risk " or "Very High Risk "	Areas at high risk have a 10% or more overlap with a Key Biodiversity Area (KBA).
	Other undefined important areas	"High Risk " or "Very High Risk "	Areas at very high risk have a 30% or more overlap with a protected or conservation area.
World Heritage Sites (UNESCO)	UNESCO World Heritage natural and mixed sites	All nature and mixed sites	Sites representing natural assets of exceptional interest to the common heritage of humanity.
Ramsar Convention	Ramsar sites (wetlands)	All sites included on the Ramsar list	Wetlands are vital for the survival of humans and many other species and are among the most biodiversity-rich areas on the planet.
Global Forest Watch	Biodiversity hotspots	Any hotspot	Hotspots as defined by Conservation International.
	Mangroves	Any mangrove	Mangroves are forests growing insaltwater. They are excluded from the investment scope as part of the strategy to combat deforestation and climate change.
	Peatlands	Any peatland	Mangroves are forests growing in saltwater. They are excluded from the investment scope as part of the strategy to combat deforestation and climate change.
	Forest cover integrity index	Area with an index $\geq 9/10$	Areas with an index greater than or equal to 9/10 correspond to primary forests or forests with intact biodiversity.

OUR ENGAGEMENT POLICY

LBP AM and TFSA undertake to engage in dialogue with invested companies so as to encourage them to manage their impact on biodiversity and their dependencies on natural capital.

1.

Calculation of dependencies on ecosystem services and natural capital

The LBP AM group calculates the dependencies on natural capital of the companies invested regularly using the ENCORE tool, which assesses the main dependencies of each sector on natural capital and ecosystem services.

The calculation of these dependencies makes it possible to inform risk management measures and in particular to prioritise areas of shareholder commitment.

This analysis as at 31/12/22 has made it possible to determine that over 60% of LBP AM and TFSA investments had a “High” level of dependency on groundwater and surface water, while 50% had a “High” level of dependency on flood protection services, storm protection services and services for maintaining water flow and discharge. As managing water dependency and protection against extreme water events entails significant risks for the portfolio, LBP AM is developing a specific commitment approach alongside the holistic commitment efforts on biodiversity.

2.

Bilateral engagementa. **Biodiversity**

LBP AM and TFSA engage in a dialogue with selected companies belonging to key biodiversity sectors to strengthen their understanding of the issues and the development and deployment of their sectoral expectations for biodiversity management.

They encourage invested companies to implement the following measures:

Governance and Reporting

- ▶ **Issues relating to biodiversity** must be subject to oversight by the board of directors. The biodiversity policy, its integration into the company's strategy and the resulting key decisions must be approved by the company's governance bodies.
- ▶ **Criteria relating to biodiversity** and the main impacts of the company must be integrated into the variable remuneration criteria for company executives, in line with the charted strategy and objectives.
- ▶ **Awareness-building/training initiatives** for company employees are to be implemented, in line with the charted strategy and objectives, and must involve stakeholders upstream and downstream of the value chain.
- ▶ **Regular reporting** following the TNFD framework¹ and regular reporting to specific reporting initiatives such as the CDP.²
- ▶ **Partnerships with external reference bodies** are encouraged (NGOs, research laboratories, universities, etc.).

Company Policy, Objectives and Actions

- ▶ **Definition of a biodiversity policy** to ensure the management of dependencies on natural capital and risks of negative impacts on biodiversity in its activities, including:
 - An analysis of the dependencies of the company's activities and assets and its value chain on natural capital and ecosystem services;
 - An analysis of the impact of the company's direct or indirect activities on biodiversity;
 - Reporting on the scope and results of these analyses;

1 - <https://framework.tnfd.global/dashboard/>

2 - *Climate, Water and Forest*

- Building on these analyses, setting objectives to reduce the impact of the company's activities on nature, in line with the Kunming-Montreal Global Biodiversity Framework³ and/or setting objectives according to the principles of the "Science Based Targets for Nature" initiative⁴;
 - An action plan that can outline clearly the levers implemented so as to attain these objectives⁵;
 - Regular reporting of KPIs that demonstrates progress towards attaining these objectives;
 - Third-party audit of disclosed information;
 - Implementation of a risk management policy linked to the dependencies identified by the company.
- ▶ **Implementation of a responsible sourcing policy** that spells out the obligations for suppliers to adhere to the company's biodiversity policy principles, as well as the implementation of contractual clauses⁶ to limit their impact on biodiversity, whereby the compliance therewith must be verified.
 - ▶ **Publication and application of an influence policy** in line with the principles of the Global Biodiversity Framework and the scientific body (IPBES), with transparent feedback on its application.

Companies identified as being subject to controversies about practices generating pressure on biodiversity may be engaged with so as to assess the remediation measures implemented and to prevent any recurrence thereof. In cases where this commitment does not attain these objectives, LBP AM and TFSA shall deliberate on escalation measures in an ad hoc committee. In the event of exclusion, they may consider monitoring the company so that it can be reintegrated into the investment universe once these measures have been implemented.

The expectations of LBP AM and TFSA will be based on the following elements, adapted to the company's specific challenges:

- ▶ **the deployment of reporting** according to the TNFD and compliance with the future CSRD standards;
- ▶ **the deployment of commitments undertaken and objectives** set by the Global Biodiversity Framework of the Convention on Biological Diversity;
- ▶ **the sectoral guides** from the Finance for Biodiversity Pledge on commitment;
- ▶ **the sectoral guides** from the WBCSD;
- ▶ **the framework of Science Based Targets for Nature**, in particular the analysis of pressure from key sectors that are critical for biodiversity;
- ▶ **the main challenges of the sector** according to the ENCORE database;
- ▶ **scientific reports and NGO studies** pertaining specifically to the company and its sector.

LBP AM undertakes to engage with at least **10 companies** on these topics each year, prioritised in accordance with to their level of impact, the controversies they are involved in, the capital holdings of LBP AM and TFSA, and the weight of these companies in LBP AM and TFSA's total investments.

3 – <https://www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf>

4 – <https://sciencebasedtargetsnetwork.org/take-action-now/take-action-as-a-company/what-you-can-do-now/>

5 – The objectives can be set on a pressure point in particular, a type of ecosystem, etc., but must take due account of the notion of prioritisation linked to the main impact of the company's activities and the sensitivity of the locations affected.

6 – The clauses must be framed by thresholds, dates and penalties in the event of non-compliance.



b. Deforestation

The LBP AM group conducts a specific dialogue with companies in the Agri-food, Textile, and Automotive sectors as well as with manufacturers of automotive parts and batteries to encourage them to implement a Zero Deforestation and Conversion Policy by 2030.

In 2023, LBP AM and TFSA became members of the Forest Champions initiative of the CDP and submitted their entire portfolio of open funds for study in order to identify raw materials, sectors, and geographic areas at risk of deforestation to which they are most exposed. This study makes it possible to apprise the selection of companies in which conduct commitment actions on deforestation and can be renewed over time to update the results obtained.

The LBP AM group expects invested companies to take the following measures:

- ▶ **An analysis of exposure to the deforestation risk**, based in particular on:
 - An inventory of raw materials at risk;
 - Mapping the production sites and identifying products from deforestation fronts;
 - Identifying suppliers and implementing traceability from field/birth to raw material transformation as defined in the European Imported Deforestation Regulation⁷ (EUDR).
- ▶ Implementation of **Zero Deforestation and Conversion** commitments according to the format recommended by the Accountability Framework Initiative⁸ not including in particular compensations relating to reforestation actions and integrating the issue of respecting the rights of indigenous peoples.
- ▶ Implementation of a **responsible procurement policy** that integrates clauses relating to compliance with this objective, supported by reporting from suppliers and regular audits of the application of said clauses.
- ▶ **Public disclosure** of its commitments, action plan, exposure to deforestation, and the level of attainment of its various objectives, specifying the scope of measurement and proportion of traceable activities.
- ▶ **Transparency** on the policy and practices of influence relating to deforestation issues.
- ▶ **Actions**, as and where necessary, **to contribute to ecological restoration** taking into account the integrity of the restored ecosystem and the sustainability of long-term actions.

7 - https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

8 - The Framework Initiative is a guide that companies can use to set ambitious and holistic objectives in combating deforestation and ecosystem conversion; <https://accountability-framework.org/>



c. Pesticides

LBP AM and TFSA engage in dialogue with companies involved in pesticide use, in particular in the downstream part of the value chain such as the agri-food and textile sectors, in order to promote the reduction of their use as well as the transition to sustainable agricultural practices in the value chain.

Invested companies are expected to take the following measures in particular:

- ▶ A plan intended to **reduce the use or production of pesticides** by 2030, in line with Target 7 of the Kunming-Montreal Global Biodiversity Framework and the European Union’s “Farm to Fork” Strategy⁹ to reduce risks associated with pesticide use;
- ▶ A credible plan to **stop the use or production of Highly Hazardous Pesticides (HHPs)** by 2030;¹⁰
- ▶ The plan may include in particular:
 - Specifications defining the rules for pesticide use within its own activities and those of its purchases (quantity per production unit; types of products used; technologies used for spraying control);
 - A product selection strategy that can, where relevant, be integrated into the procurement policy, encouraging suppliers to use alternative solutions to chemical agricultural products and to implement more sustainable practices (agroforestry, soil conservation agriculture, agroecology), and implement incentive mechanisms (financial among others);
 - A precise traceability system for the use of pesticides and synthetic fertilisers in the life cycle of its products, covering the widest possible scope of products and suppliers.
- ▶ **Reporting on the proportion of products** from pesticide-free crops that implements clear communication to consumers about the presence/absence of pesticides in its products and awareness-raising actions on the benefits of pesticide-free products.
- ▶ **Publication of an influence policy** specifying the company’s stance on the use of plant protection products and exemplary transparency on associated advocacy practices.

9 – https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en

10 – Target recommended by the WHO, the European Chemicals Agency, the International Agency for Research on Cancer and the US Environmental Protection Agency.



d. Water

The scarcity of water resources and the deterioration of their quality are major challenges because water, a source of life and a common good to all living beings, is an essential pillar of ecological stability and economic activity.

According to the WHO, one third of the world's population has no access to safe water, and one quarter lives in an area of extreme water stress.¹¹ Economic activities exacerbate pressure on the availability and quality of the resource directly through their withdrawals and the discharge of pollutants, and indirectly through their contribution to climate change, which amplifies the scarcity of the resource and eutrophication of water.

The United Nations Water Strategy¹² defines an action plan to meet the targets set within the Sustainable Development Goal on water.¹³ It sets the following goal in particular: “By 2030, ensure universal and equitable access to safe and affordable drinking water for all.” To achieve this, it is essential that economic actors adopt sustainable water resource management practices.

Water resources are the most significant natural capital dependence area for the portfolios of the LBP AM group. As members of the Valuing Water Finance Initiative,¹⁴ LBP AM and FSA engage with the companies most at risk to encourage them to implement measures for sustainable water management tailored to their activities: the quantity of water used, deterioration of water quality caused by these activities, degradation of aquatic ecosystems, and access to water/hygiene/sanitation.

To this end, they can rely on the Global Assessment of Private Sector Impacts on Water report¹⁵ by CERES and the Global Institute for Water as well as the “Impact Index; Water Watch” by the CDP (see the diagram entitled “Impacts on water from different sectors at each stage of the value chain”, page 33).

They expect invested companies to take the following measures in particular:

Management of the quantity of water consumed and the impact on access to water

- ▶ Gauging the **company's water footprint** by site, region, business segment, and type of withdrawal, including the scope of its value chain.

11 - 17 Countries, Home to One-Quarter of the World's Population, Face Extremely High Water Stress, Hofste, Reig and Schleifer, 2019

12 - <https://www.unwater.org/>

13 - <https://sdg6data.org/en>

14 - <https://www.ceres.org/water/valuing-water-finance-initiative>; Valuing Water Finance Initiative: Global collaborative engagement initiative focusing on companies with a high water footprint to encourage them to recognise water as a financial risk and to implement such protective measures as necessary for water resources.

15 - <https://valuingwaterinitiative.org/wp-content/uploads/2022/04/Ceres-Global-Water-Assessment-2022.pdf>

- ▶ **Mapping water withdrawal sites** and their alignment with areas of high water stress¹⁶ including the value chain where possible and studying the impact of its withdrawals on local populations and other activities/uses.
- ▶ Setting **objectives for reducing water consumption**, comprising a specific action plan to preserve aquifers in water-stressed areas or to exit high water stress zones. Public disclosure of KPIs showing progress towards attaining these objectives.
- ▶ An eco-design approach to products based on a life cycle analysis to **assess and optimise water consumption**.
- ▶ Deployment of **sectoral best practices**.¹⁷
- ▶ **Compliance with WASH principles**¹⁸

Management of water quality and pollutant emissions and deterioration of ecosystems

- ▶ **Regular analysis of the impact** of activities on the quality of nearby surface and groundwater.
- ▶ Implementation of **an action plan to reduce water pollution** according to the sector's best practices¹⁹ by prioritising sites with high water stress, comprising specific objectives for reducing discharges/water pollution by substance and site.
- ▶ **Publication of KPIs** tracking the attainment of these objectives.
- ▶ Implementation of **remediation plans** in case of incidents leading to aquifer pollution, in particular actions to clean up pollution and restore or re-naturalise basins/wetlands/watersheds.
- ▶ **Mapping activities near critical ecosystems** for freshwater supply or ecosystems with sensitive aquatic biodiversity and implementation of a plan to protect such ecosystems.

Governance; Relations with suppliers and customers

- ▶ **Publication of an influence policy** specifying the company's stance on water use and pollution and exemplary transparency on related advocacy practices.
- ▶ In case of major impact, the water management **strategy** as well as the resulting key decisions must be **approved by the company's governance bodies**.
- ▶ Implementation of a **responsible procurement policy** that spells out the obligations for suppliers to adhere to the company's water management policy as well as the implementation of **contractual clauses**²⁰ on responsible water use, especially in high water stress areas, prevention of water pollution, the implementation of remediation plans in case of incidents, and preservation of ecosystems, in particular critical for freshwater supply or with sensitive aquatic biodiversity.
- ▶ Implementation of **awareness/training initiatives for company stakeholders**²¹ on the subject of water and its conservation.

16 - Use of tools such WRI Aqueduct or the WWF Water Risk Filter highly recommended.

17 - For example, the use of closed-loop water systems for mining companies; smart irrigation management and cover cropping for agriculture. These measures must be supported by scientific sources.

18 - <https://www.iom.int/water-sanitation-and-hygiene>

19 - Example: reduction of the use of chemicals and pesticides when the activities are in high water stress areas; use of buffer zones to limit pollutant discharge into basins.

20 - The clauses must be framed by thresholds, dates, and penalties in case of non-compliance.

21 - Including its customers through company communication and identification of products with a water footprint that have been eco-designed.

IMPACT OF DIFFERENT SECTORS ON WATER
AT EACH STAGE OF THE VALUE CHAIN

GICS SECTOR	SUPPLY CHAIN		DIRECT OPERATIONS		USE OF THE PRODUCT / END OF LIFE	
	Quantity of water	Quality of water	Quantity of water	Quality of water	Quantity of water	Quality of water
Food products	3	3	2	2	–	–
Beverages	3	3	2	2	–	3
Household products	–	1	–	1	–	2
Personal products	–	–	–	1	–	2
Textiles, clothing and luxury products	2	2	1	3	–	2
Automobiles and parts	–	1	–	1	–	1
Hotels, restaurants and leisure	–	–	1	–	–	–
Oil and gas	2	3	2	3	–	1
Consumable fuels	1	–	1	–	–	–
Construction and buildings	1	1	1	1	–	–
Electroplating	–	–	–	2	–	–
Pharmaceuticals	–	–	–	3	–	3
Chemicals	2	2	1	3	–	–
Building materials	–	–	1	–	–	–
Metals and mines	2	2	2	3	–	–
Paper and forest products	2	2	2	3	–	–
High technology and electronics	2	2	2	2	–	–
Semi-conductors and printed circuits	–	–	1	2	–	2
Batteries	2	2	–	2	–	2
Renewable electricity	–	–	3	1	–	–
Public electricity services	–	–	–	1	–	–

3 Very high risk

2 High risk

1 Medium risk

– Not enough information



e. Circular economy

The circular economy consists of imagining ways to reuse what exists so as to create anew by relying on the following principles:

- ▶ **Rethink:** through eco-design
- ▶ **Refuse:** the consumption of unnecessary products
- ▶ **Reduce:** the use of resources that can be reduced as well as overall consumption
Reuse: products and resources that can be reused
- ▶ **Repair**
- ▶ **Refurbish/Recondition**
- ▶ **Rethink the use or Repurpose:** for products whose initial use can no longer be ensured but for which an alternative use can be directly carried out or that can be used in another manufacturing process
- ▶ **Recycle:** as a last resort, products and resources that can no longer be used as such
- ▶ **Return to the Earth:** through composting or anaerobic digestion

This concept can be applied in most sectors to reduce pollution; greenhouse gas emissions; generated waste; overexploitation of resources; change of use of land and sea, and habitat fragmentation. Co-benefits include reducing production costs associated with the use of new resources, and it also contributes to territorial economic development, in particular through the creation of jobs dedicated to the repair, reuse, and recycling sectors (see the diagram entitled: “The circular economy: 3 pillars, 7 areas,” page 35).

Drawing on the work of the Ellen MacArthur Foundation²² and the INEC,²³ the LBP AM group encourages invested companies to implement the following measures:

- ▶ **Sustainable sourcing:** implementation of a responsible sourcing policy that optimises resource extraction and utilisation by limiting waste and environmental impact.²⁴
- ▶ **Eco-design:** systematic review using Life Cycle Analyses of resource efficiency of products; and eco-design practices to minimise the environmental impact and avoidable consumption; design that facilitates component separation and recycling and limits the impact of a product at the end of its life.
- ▶ **Extending product lifespan:** implementation of traceability and reporting concerning the average product lifespan and deployment of strategies to extend the duration of usage by consumers.²⁵

22 - <https://ellenmacarthurfoundation.org/>

23 - <https://institut-economie-circulaire.fr/>

24 - In particular in the utilisation of energy and mineral materials (mines and quarries) or in agriculture and forestry.

25 - Through the repair, resale, or donation of used goods, or through the purchase of used goods within the framework of reuse or repurposing.

THE CIRCULAR ECONOMY: 3 PILLARS, 7 AREAS



Source: ADEME

- ▶ **Industrial and territorial ecology:** Implementation of an inter-company organisation that pools needs and structures flow exchanges.²⁶
- ▶ **Functionality-based economy:** Commercial strategy that provides, as and where possible, services in the rationale of the functionality-based economy which favours usage over possession, and the sale of services relating to products rather than the products themselves.
- ▶ **Responsible consumption:** Implementation of training/awareness-raising programmes for the various stakeholders of the company on the importance of adopting reasoned consumption leading the buyer to make choices by taking the environmental impact of the product duly into account.
- ▶ **Repurposing:** Implementation of measures and/or support for the necessary infrastructure for product repurposing: deposit systems, recovery logistics, product repair and refurbishment, or organisation of their repurposing through partner organisations.²⁷ Active consumer awareness-raising and implementation of incentive mechanisms.
- ▶ **Recycling:** Implementation of measures and/or support for the necessary infrastructure for recycling products that cannot be reused:
 - Active participation in product collection from consumers;
 - Provision of means and resources for sorting and processing components;
 - Use of recycled components by setting threshold targets for recycled components by a specific date per product;
 - Clear communication on progress towards these objectives;
 - Public reporting of these ambitions, action plans, and progress indicators.















26 - To avoid losses and limit the use of individual services.


27 - Example: second-hand platforms or sale of refurbished equipment.


3.


Collaborative engagement

LBP AM and TFSA are also involved in collaborative engagement initiatives on issues that address biodiversity pressures.

COLLABORATIVE ENGAGEMENT						
COORDINATOR	THEME OF ENGAGEMENT					
CERES	Responsible production of raw materials and fight against deforestation					
FAIRR	Sustainable proteins					
	Sustainable aquaculture and responsible sourcing of aquaculture feed					
	Responsible use of antibiotics and antimicrobials (livestock)					
Rainforest Action investor coalition	Biodiversity and pollution					
	Deforestation in the automotive supply chain					
CDP	Reporting – Forestry Questionnaire					
	Reporting – Water Questionnaire					
FIR	Circular economy					
PRI	Responsible raw materials					
ShareAction <i>coming soon</i>	Use of agricultural chemicals					
	Protection of UNESCO World Heritage Sites					
Nature Action 100	Nature action 100 (Biodiversity)					

 Land and sea use change

 Over-exploitation of resources

 Climate change

 Pollution

 Proliferation of invasive species

En 2023-2024, these commitments pertain to:

- ▶ **Land use in the production of raw materials, coordinated by CERES** to address the impact on climate change caused by deforestation and biodiversity loss in the supply chains of companies in the agricultural sector.
- ▶ **The transition of the agri-food sector, coordinated by the Farm Animal Investment Risk and Return (FAIRR)** on the basis of annual studies carried out by the foundation and structured according to the following themes:
 - **Sustainable proteins**, for a diversification and plant-based product ranges, as well as the implementation of good practices for livestock farming. In this context, LBP AM and TFSA have also become signatories of the “Cerrado Statement”²⁸ against deforestation.
 - **Sustainable aquaculture** for the improvement of aquaculture feed quality in the salmon and shrimp sectors.
 - **Animal pharmaceuticals and the use of antibiotics and antimicrobials**: as signatories of the “Statement on Antibiotics Stewardship”²⁹ in favour of the responsible use of antibiotics in animal pharmaceuticals, LBP AM and TFSA are engaging with companies that produce pharmaceutical substances for use in livestock farming.
 - **Biodiversity and soil pollution** by producers of fertilisers and agricultural chemicals and producers in the pork industry.
- ▶ **Deforestation in the automotive supply chain, as part of a group of investors coordinated by Storebrand AM in partnership with Rainforest Action Norway** to engage with different links in the value chain of the sector.
- ▶ **Improved reporting on climate, water and forest management, coordinated by the Climate Disclosure Project (CDP) based on dedicated thematic questionnaires sent to companies to report on their objectives, strategies, and achievements.** LBP AM and TFSA, who use these data in their analyses for dialogue with companies on the subject of deforestation in particular, encourage companies to fill in these questionnaires through the “Non-Disclosure Campaign” on the themes of Forests and Water.
- ▶ **Protection and restoration of biodiversity** among the top 100 companies with the greatest impact on nature. Nature Action 100³⁰ is a collaborative engagement that brings together several NGOs and hundreds of investors to engage companies on their practices concerning nature.
- ▶ **The preservation of water resources in the Valuing Water Finance Initiative by CERES**, through the signing of a declaration of intent for water³¹ and engagement with companies with high water consumption, particularly in areas exposed to significant water stress or with potential deterioration of aquifer quality near their activity sites.

28 - <https://cerradostatement.fairr.org/>

29 - <https://antibioticsstatement.fairr.org/>

30 - <https://www.natureaction100.org/>

31 - <https://valuingwaterinitiative.org/news/valuing-water-finance-initiative-signs-up-89-investors-with-16-7-trillion-aum-to-engage-with-corporates-on-becoming-better-water-stewards/>

- ▶ **The Circular Economy, coordinated by the Principles for Responsible Investment**, which seeks to promote circular practices in very resource-intensive and high-stakes sectors through an ad hoc workgroup.
- ▶ **The reduction of plastic usage through an investor coalition coordinated by VBDO** with the publication of a declaration³² ahead of the Global Plastics Treaty talks and as part of a proposal to the European Commission for Packaging and Packaging Waste Regulation (PPWR), with particular attention to companies in the consumer goods sector.
- ▶ **The initiative on biodiversity preservation in the nickel value chain launched in 2024 by an investor group coordinated by VBDO** with particular attention on combating deforestation, as nickel has been selected for the key role it plays in the energy transition and electric batteries.

4.

Voting policy on biodiversity

An increasing number of companies are defining energy and ecological transition strategies with targets for reducing their impacts on climate and biodiversity. These plans can be submitted to a consultative vote of shareholders via what are commonly referred to as “say-on-climate” or “say-on-nature” resolutions. LBP AM and TFSA support the introduction of a regular vote on the holistic environmental strategies of companies and associated objectives of, as well as a report detailing the implementation of these strategies. LBP AM and TFSA particularly encourage listed companies with high greenhouse gas emissions and a strong impact on biodiversity to submit these resolutions to a shareholder vote.

These resolutions are analysed on a case-by-case basis by LBP AM and TFSA. This analysis takes into account the characteristics of the plan submitted to a vote, the level of ambition and transparency of the plan, particularly with regard to best practices in the sector or companies with similar issues.

LBP AM and TFSA encourage companies to draw up and submit to the vote a detailed and precise strategy based as far as possible on industry benchmarks.

This strategy should apply the sequence:



and be articulated and consistent with the Group’s overall strategy, particularly its investment policy.

32 - https://www.vbdo.nl/wp-content/uploads/2023/05/EMBARGO_VBDO_Investor-statement-on-plastics_def.pdf

On the biodiversity front

In line with their commitment to the Finance for Biodiversity Pledge, LBP AM and TFSA encourage companies to:

- ▶ **identify impacts and dependencies** on biodiversity and ecosystem services;
- ▶ **implement an effective risk management policy** and set targets to protect, restore and limit the impact of their activities on nature;
- ▶ **follow the Science Based Targets for Nature approach** to contribute to the achievement of the objectives of the Convention on Biological Diversity;
- ▶ **implement plans for circularity** and reduction of single-use plastics.
- ▶ **publish report on data** on the impacts of its activity in line with the TNFD framework.³³

On the climate front

In line with their oil and gas policy and their commitment to NZAMI, LBP AM and TFSA expect this strategy to include short, medium and long-term targets for reducing greenhouse gas emissions on scopes 1, 2 and the most significant categories of scope 3. To contribute to the global objective of carbon neutrality in 2050, LBP AM/TFSA encourage companies to adopt trajectories that are compatible with the 1.5°C scenario of the Paris agreement, over a significant part of their activities. LBP AM encourages companies to base their strategy on climate or sectoral scenarios as well as third-party assessment methodologies such as the Science Based Target Initiative.

LBP AM and TFSA reserve the right to vote against environmental resolutions that do not provide these elements and to support shareholder resolutions that follow the above principles. LBP AM could also hold the board of directors accountable for a lack of environmental ambition by opposing the re-election of a director. LBP AM also recommends that the variable remuneration of company executives should include environmental criteria.

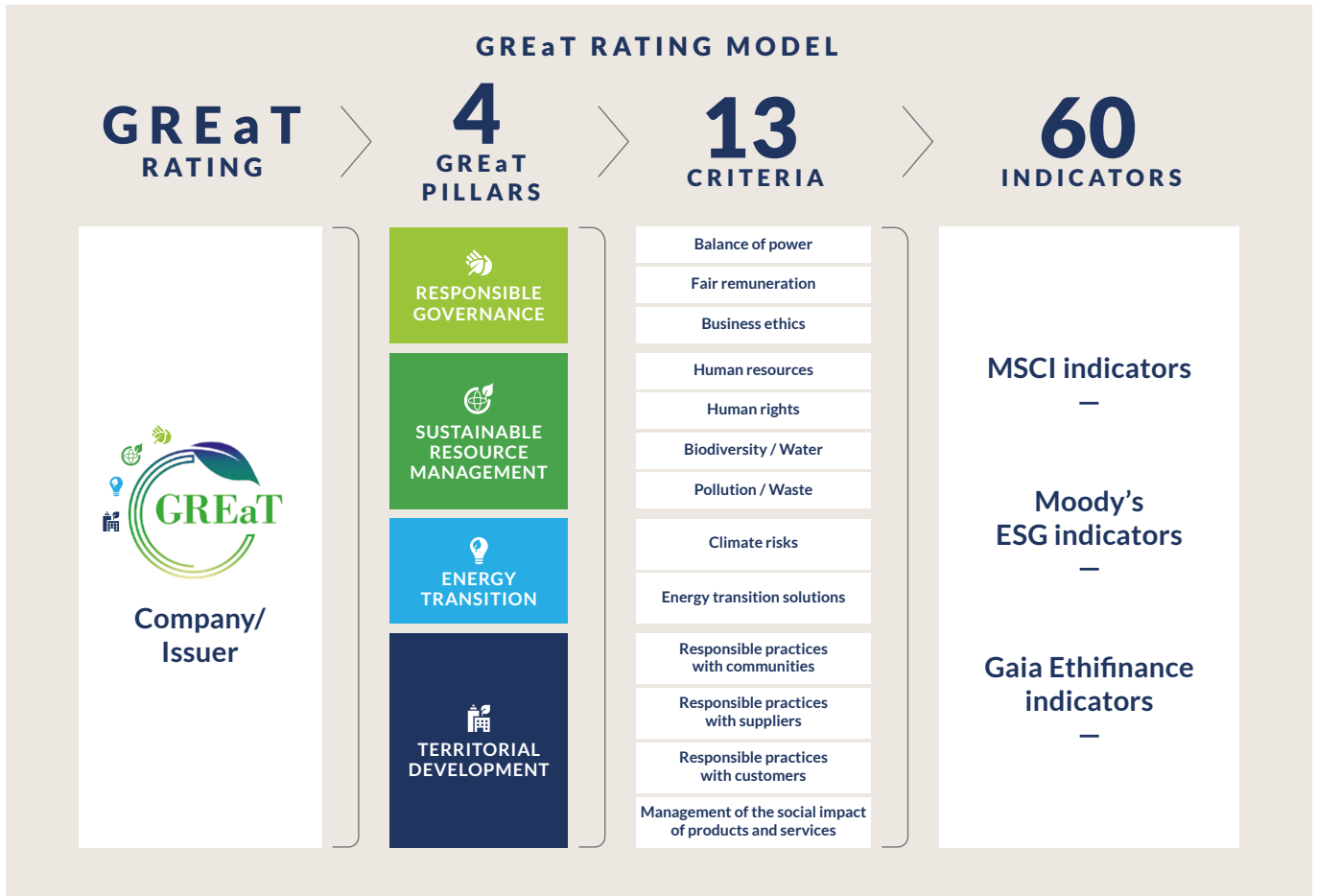
33 - <https://tnfd.global/>

OUR INTEGRATION POLICY IN INVESTMENT STRATEGIES

1.

Integrating the biodiversity theme into GREaT ratings

LBP AM and TFSA are committed to integrating the biodiversity issue systematically into the analysis and selection of assets through the GREaT proprietary non-financial rating methodology.



12 out of 60 indicators within it address biodiversity issues:

- ▶ **The “Biodiversity and Water” criterion;**
- ▶ **The “Pollution and Waste” criterion** covering related issues;
- ▶ **The Energy Transition pillar,** Climate change being one of the pressures on biodiversity.

Integrated into the management decision support tools of LBP AM and TFSA, the GREaT rating is at the heart of the stock selection process

The GREaT analysis grids dedicated to real assets (infrastructure and real estate) and private debt also incorporate points relating to biodiversity. These due diligence exercises are carried out for each investment: a minimum GREaT rating has been established that conditions the eligibility of investments.

2.

Monitoring of the Biodiversity Footprint KPI or «Global Biodiversity Score»

LBP AM and TFSA are committed to monitoring and publishing the biodiversity footprint of their investments.



The biodiversity footprint of the portfolios is assessed through the **Global Biodiversity Score** at the portfolio level. It is integrated into management tools to enable fund managers to take this factor into account during the investment process.

It is provided within the framework of Article 29 of the Energy-Climate law, at the level of the funds concerned and of LBP AM and TFSA entities.

3.

Creation of a proprietary «Biodiversity» indicator: BIRD

In 2023, the LBP AM group developed a Biodiversity scoring to assess the quality of biodiversity management holistically.

Applicable to companies in all sectors, the indicator makes it possible to assess whether the company:

- ▶ **Implements supervision** in the board of directors and/or responsibility in the executive management for issues relating to biodiversity;
- ▶ **Has undertaken public commitments** or joined an initiative relating to biodiversity;
- ▶ **Has assessed its impacts** throughout its entire value chain;
- ▶ **Has implemented actions** to achieve its objectives in the past year;
- ▶ **Uses and discloses performance indicators** to track its impacts on biodiversity;
- ▶ **Discloses information** regarding its biodiversity management in public documentation;
- ▶ **Manages specific issues** relating to the pressures it exerts on biodiversity: water, waste, deforestation, sensitive biodiversity areas, supply chain.

This indicator can be used for the selection of thematic funds and more broadly of in sustainable investment under the SFDR.

The components of the indicator can also contribute to identifying points for improvement that can feed shareholder engagement.

OUR ADVOCACY ACTIONS



LBP AM and TFSA support regulatory initiatives aimed at strengthening actions of companies, including financial companies, in favour of biodiversity conservation.

LBP AM and TFSA promote the strengthening of the global biodiversity management framework and are signatories of the position paper proposed by PRI¹ on the Global Framework for Biodiversity and the call for action by financial institutions to combat biodiversity loss.

LBP AM/TFSA also actively support the strengthening of regulatory frameworks on several key issues:

- ▶ **Reporting on biodiversity issues:** LBP AM and TFSA respond to consultations and reviews of regulatory texts concerning the reporting of companies and financial institutions on biodiversity;
- ▶ **Supporting national and international regulations** that can contribute towards the reduction of negative impacts on biodiversity;
- ▶ **Supporting local and national regulations** in line with the Kunming-Montreal Global Framework for Biodiversity.

1 - Sign the financial sector statement on biodiversity for COP15 | PRI Web Page | PRI ([unpri.org](https://www.unpri.org))

OUR INTERNAL MOBILISATION

LBP AM and TFSA undertake to deploy an CSR action plan for actions in favour of biodiversity protection in the way they operate.

1.

Our sponsorship actions

Support for the protection and restoration of ecosystems with Nature 2050

Some of the funds in the LBP AM and TFSA range donate a portion of their fees to the **Nature 2050 sponsorship programme**.¹ Operated by Caisse des Dépôts (CDC Biodiversité), this programme allows for the financing of nature-based projects that meet the challenges of adapting to climate change in the territories: the restoration of wetlands, the creation of ecological continuities, the transition of forest and agricultural areas or the improvement of biodiversity in cities; all this in metropolitan France or overseas.



2.

Our CSR policy on biodiversity

Biodiversity is integrated in our CSR policy in multiple ways:

Awareness-raising and training at the heart of our CSR

LBP AM and TFSA are deploying skills development actions to strengthen the understanding, support and action of employees in favour of biodiversity. These actions aim to raise awareness of interactions between climate and biodiversity, the materiality of the issue, and internal investment strategies and tools.

Several types of training have been put in place:

- ▶ **the Climate Fresco** offered to all employees since 2021;
- ▶ **“training” conferences** organised every 3 months, focusing on RSI / CSR themes promoted by the company, including biodiversity;
- ▶ as well as **a new biodiversity training programme** that started in 2023 for certain managers and will be rolled out to all employees in 2024.

1 - Nature 2050 website: <https://www.nature2050.com/le-programme-nature2050/presentation-du-programme-nature2050/>

Sustainable natural resource management

In April 2022, LBP AM and TFSA acquired new premises in an HQSE building in the heart of La Félicité, a multicultural complex in the centre of Paris. With a green roof, energy optimisation and materials from the circular economy, it is naturally in line with the company's global vision to reduce its environmental footprint.

Beyond the living environment, LBP AM and TFSA wish to promote the development of eco-friendly practices that help the company to reduce the impact of its direct activities on the environment, through:

- ▶ **zero-waste initiatives** with the provision of cups and water bottles for each employee, the presence of recycling bins and the elimination of coffee pods;
- ▶ **the promotion of soft mobility**, by providing bicycles for employees' daily journeys or the full reimbursement of public transport tickets;
- ▶ **carrying out a participatory carbon assessment** through a partnership with the companies **Greenly** and **Carbo**, to promote understanding of its components and develop an improvement plan.

Responsible supply chain

LBP AM and TFSA select their partners carefully, favouring suppliers who provide products and services with the most positive environmental, social, and economic impacts throughout the entire lifecycle.

The responsible purchasing charter of LBP AM and TFSA mentions three commitments to the planet:

- ▶ **Reduce** LBP AM's direct environmental footprint.
- ▶ **Control** the environmental footprint of LBP AM's products and services.
- ▶ **Promote** the emergence of a circular economy.

To that end, LBP AM and TFSA expect their suppliers to adhere to the principles of the United Nations Global Compact, particularly Principles 7, 8, and 9 concerning the environment and, by extension, biodiversity:

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

Mapping our actions in response to the objectives defined by the Kunming-Montreal Global Biodiversity Framework at the COP 15 CBD (Global Biodiversity Framework)

The Framework defines 23 target actions to be achieved by 2030.

TARGET ACTIONS

N°	TARGET	ASSOCIATED ACTION(S)
Target 1	Ensure that all areas are under participatory integrated biodiversity inclusive spatial planning and/or effective management processes addressing land and sea use change, to bring the loss of areas of high biodiversity importance , including ecosystems of high ecological integrity, close to zero by 2030, while respecting the rights of indigenous peoples and local communities.	<ul style="list-style-type: none"> • Shareholder engagement with companies in the agri-food sector: engagement to respect protected areas; Inciting companies to align with a Net Zero Artificialisation objective (V.2.a) • Exclusion of sensitive areas from the geographical investment scope in real estate or infrastructure assets (IV.5)
Target 2	Ensure that by 2030 at least 30 per cent of areas of degraded terrestrial, inland water, and coastal and marine ecosystems are under effective restoration , in order to enhance biodiversity and ecosystem functions and services, ecological integrity and connectivity.	<ul style="list-style-type: none"> • Participation in the Nature 2050 Programme (VIII.1)
Target 3	Ensure and enable that by 2030 at least 30 per cent of terrestrial, inland water, and of coastal and marine areas , especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities, including over their traditional territories.	<ul style="list-style-type: none"> • Shareholder engagement: promoting IBAT to map activities in protected areas (V.2.a) • Exclusion of sensitive areas from the geographical investment scope in real estate or infrastructure assets (IV.5)

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 4	<p>Ensure urgent management actions to halt human induced extinction of known threatened species and for the recovery and conservation of species, in particular threatened species, to significantly reduce extinction risk, as well as to maintain and restore the genetic diversity within and between populations of native, wild and domesticated species to maintain their adaptive potential, including through in situ and ex situ conservation and sustainable management practices, and effectively manage human-wildlife interactions to minimize human-wildlife conflict for coexistence.</p>	<ul style="list-style-type: none"> • Shareholder engagement with the agri-food sector and the fight against the deleterious practices of intensive farming, in particular in order to preserve genetic diversity (V.2.a; V.3) • Shareholder engagement on sustainable aquaculture with salmon and shrimp farmers and attention paid to invasive species (V.3) • Engagement with companies in the agri-food sector concerned about combating overfishing. (V.2.a)
Target 5	<p>Ensure that the use, harvesting and trade of wild species is sustainable, safe and legal, preventing overexploitation, minimizing impacts on non-target species and ecosystems, and reducing the risk of pathogen spill-over, applying the ecosystem approach, while respecting and protecting customary sustainable use by indigenous peoples and local communities.</p>	<ul style="list-style-type: none"> • In line with the LBP AM Human Rights Policy, a list of exclusions on normative controversies, which may include controversies relating to the illegal trade in wildlife contrary to CITES principles or environmental harm to indigenous populations; • Engagement with companies in the agri-food sector concerned about combating overfishing; (V.2.a)
Target 6	<p>Eliminate, minimise, reduce and or mitigate the impacts of invasive alien species on biodiversity and ecosystem services by identifying and managing pathways of the introduction of alien species, preventing the introduction and establishment of priority invasive alien species, reducing the rates of introduction and establishment of other known or potential invasive alien species by at least 50 per cent, by 2030, eradicating or controlling invasive alien species especially in priority sites, such as islands.</p>	<ul style="list-style-type: none"> • Engagements: awareness raising about potential problems in the context of transporting goods and the proliferation of invasive species particularly by ocean freight. (V.2.a)
Target 7	<p>Reduce pollution risks and the negative impact of pollution from all sources, by 2030, to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects, including:</p> <ol style="list-style-type: none"> a) reducing excess nutrients lost to the environment by at least half including through more efficient nutrient cycling and use; b) reducing the overall risk from pesticides and highly hazardous chemicals by at least half including through integrated pest management, based on science, taking into account food security and livelihoods; and also c) preventing, reducing, and working towards eliminating plastic pollution. 	<ul style="list-style-type: none"> • Pesticides exclusion policy; (IV.4.b) Engagement of pig farming companies and fertiliser producers on soil pollution and the use of agricultural chemicals; (V.3) • Shareholder engagement on sustainable aquaculture with salmon and shrimp farmers on sustainable aquaculture practices, in particular the risks of nutrient deposition relating to fish feeding; (V.3) • Engagement of companies in the agri-food sector on plastic circularity; (V.2.e; V.3) • Climate objectives alignment with net zero carbon emissions in the LBP AM Group Climate Policy.

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 8	<p>Minimise the impact of climate change and ocean acidification on biodiversity and increase its resilience through mitigation, adaptation, and disaster risk reduction actions, including through nature-based solution and/or ecosystem-based approaches, while minimizing negative and fostering positive impacts of climate action on biodiversity.</p>	<ul style="list-style-type: none"> • Climate policy based on SBTi emission mitigation recommendations integrating Gold Standard recommendations; • Voting policy encouraging companies to use nature-based solutions to reduce their carbon emissions; (V.4) • Task force on critical material (nickel) sourcing for the energy transition in the automotive sector. (V.3)
Target 9	<p>Ensure that the management and use of wild species are sustainable, thereby providing social, economic and environmental benefits for people, especially those in vulnerable situations and those most dependent on biodiversity, including through sustainable biodiversity-based activities, products and services that enhance biodiversity, and protecting and encouraging customary sustainable use by indigenous peoples and local communities.</p>	<ul style="list-style-type: none"> • Engagement of companies in the agri-food sector and the automotive sector value chain on the fight against deforestation; (V.3) • Deforestation exclusion policy; (IV.4.a) • Advocacy for regulations on the import of products stemming from deforestation (EUDR; US Forest Act); (VII) • Shareholder engagement: Encouragement for systematic inclusion of the rights of indigenous peoples in corporate responsible sourcing policies, in coordination with the LBP AM Group Human Rights Policy.
Target 10	<p>Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the application of biodiversity friendly practices, such as sustainable intensification, agroecological and other innovative approaches contributing to the resilience and long-term efficiency and productivity of these production systems and to food security, conserving and restoring biodiversity and maintaining nature's contributions to people, including ecosystem functions and services.</p>	<ul style="list-style-type: none"> • Engagements on sustainable proteins with the agri-food sector; (V.3) • Engagement on sustainable aquaculture with salmon and shrimp farmers on sustainable aquaculture practices; (V.3) • Engagement on resistance to antibiotics with companies in the animal pharmaceutical sector; (V.3) • Engagement on soil pollution with pig and sheep farmers and fertiliser producers; (V.3) • Engagement on combating deforestation with the agri-food and automotive sectors; (V.3) • Engagements with companies in the agri-food sector to encourage the implementation of responsible agricultural practices (regenerative agriculture and responsible water usage); (V.3) • Engagement on water with companies in the textile, new technology, luxury, agri-food, and beverage sectors; (V.3) • Deforestation exclusion policies. (IV.4.a)

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 11	<p>Restore, maintain and enhance nature's contributions to people, including ecosystem functions and services, such as regulation of air, water, and climate, soil health, pollination and reduction of disease risk, as well as protection from natural hazards and disasters, through nature-based solutions and/or ecosystem-based approaches for the benefit of all people and nature.</p>	<ul style="list-style-type: none"> • Participation in the Nature 2050 Programme of CDC Biodiversité; (VIII.1) • Exclusion of sensitive areas from the geographical investment scope in real assets. (IV.5)
Target 12	<p>Significantly increase the area and quality and connectivity of, access to, and benefits from green and blue spaces in urban and densely populated areas sustainably, by mainstreaming the conservation and sustainable use of biodiversity and ensure biodiversity-inclusive urban planning, enhancing native biodiversity, ecological connectivity and integrity, and improving human health and well-being and connection to nature and contributing to inclusive and sustainable urbanization and the provision of ecosystem functions and services.</p>	
Target 13	<p>Take effective legal, policy, administrative and capacity-building measures at all levels, as appropriate, to ensure the fair and equitable sharing of benefits that arise from the utilization of genetic resources and from digital sequence information on genetic resources, as well as traditional knowledge associated with genetic resources, and facilitating appropriate access to genetic resources, and by 2030 facilitating a significant increase of the benefits shared, in accordance with applicable international access and benefit-sharing instruments.</p>	
Target 14	<p>Ensure the full integration of biodiversity and its multiple values into policies, regulations, planning and development processes, poverty eradication strategies, strategic environmental assessments, environmental impact assessments and, as appropriate, national accounting, within and across all levels of government and across all sectors, in particular those with significant impacts on biodiversity, progressively aligning all relevant public and private activities, fiscal and financial flows with the goals and targets of this framework.</p>	<ul style="list-style-type: none"> • Advocacy with regulators; (VII) • Participation in workgroups to develop biodiversity data in order to integrate the value of services rendered by nature and natural capital within investment decisions; • Shareholder engagement with companies that have a significant negative impact on biodiversity so as to encourage them to integrate the issue into their strategies and to take measures to reduce these impacts (Nature Action 100); (V.3) • Implementation and monitoring of a biodiversity indicator to assess the progress of stakeholders in integrating biodiversity into their strategies, policies, and activities. (VI.3)

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 15	<p>Take legal, administrative or policy measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions:</p> <ol style="list-style-type: none"> Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity, including with requirements for all large as well as transnational companies and financial institutions along their operations, supply and value chains and portfolios; Provide information needed to consumers to promote sustainable consumption patterns; Report on compliance with access and benefit-sharing regulations and measures, as applicable; in order to progressively reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and promote actions to ensure sustainable patterns of production. 	<ul style="list-style-type: none"> • Measuring the biodiversity footprint of LBP AM and TFSA investments and implementing a biodiversity policy to reduce this impact; (VI.1-2) • Assessing the dependencies of LBP AM and TFSA and implementing shareholder engagement to address these specific challenges. (V.1)
Target 16	<p>Ensure that people are encouraged and enabled to make sustainable consumption choices including by establishing supportive policy, legislative or regulatory frameworks, improving education and access to relevant and accurate information and alternatives, and by 2030, reduce the global footprint of consumption in an equitable manner, including through halving global food waste, significantly reducing overconsumption and substantially reducing waste generation, in order for all people to live well in harmony with Mother Earth.</p>	<ul style="list-style-type: none"> • Engagement: Encouraging the implementation of consumer awareness-raising actions to control their impacts in the downstream value chain, in particular for companies that are heavily exposed to retail customers such as supermarkets or textiles, and reducing overconsumption through circularity initiatives. (V.2.a-d-e)
Target 17	<p>Establish, strengthen capacity for, and implement in all countries biosafety measures as set out in Article 8 g), of the Convention on Biological Diversity and measures for the handling of biotechnology and distribution of its benefits as set out in Article 19 of the Convention.</p>	
Target 18	<p>Identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least 500 billion United States dollars per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity.</p>	<ul style="list-style-type: none"> • Biodiversity exclusion policy; (IV.1-2-3) • Pesticides exclusion policy; (IV.4.b) • Deforestation exclusion policy; (IV.4.a) • Implementation of various “Biodiversity” indicators in investment decisions (VI.1-2-3)

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 19	<p>Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, by 2030 mobilising at least 200 billion United States dollars per year, including by:</p> <ol style="list-style-type: none"> a) Increasing total biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition, to at least US\$ 20 billion per year by 2025, and to at least US\$ 30 billion per year by 2030; b) Significantly increasing domestic resource mobilisation, facilitated by the preparation and implementation of national biodiversity finance plans or similar instruments according to national needs, priorities and circumstances; c) Leveraging private finance, promoting blended finance, implementing strategies for raising new and additional resources, and encouraging the private sector to invest in biodiversity, including through impact funds and other instruments; d) Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, benefit-sharing mechanisms, with environmental and social safeguards; e) Optimising co-benefits and synergies of finance targeting the biodiversity and climate crises; f) Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity; g) Enhancing the effectiveness, efficiency and transparency of resource provision and use. 	<ul style="list-style-type: none"> • Participation in the Nature 2050 Programme; (VIII.1) • Dedicated product management (Tocqueville Biodiversity ISR Fund); • Advocacy with regulators. (VII)

TARGET ACTIONS (CONTINUED)

N°	CIBLE	ACTION(S) ASSOCIÉES
Target 20	<p>Strengthen capacity-building and development, access to and transfer of technology, and promote development of and access to innovation and technical and scientific cooperation, including through South-South, North-South and triangular cooperation, to meet the needs for effective implementation, particularly in developing countries, fostering joint technology development and joint scientific research programmes for the conservation and sustainable use of biodiversity and strengthening scientific research and monitoring capacities, commensurate with the ambition of the goals and targets of the framework.</p>	
Target 21	<p>Ensure that the best available data, information and knowledge, are accessible to decision makers, practitioners and the public to guide effective and equitable governance, integrated and participatory management of biodiversity, and to strengthen communication, awareness-raising, education, monitoring, research and knowledge management and, also in this context, traditional knowledge, innovations, practices and technologies of indigenous peoples and local communities should only be accessed with their free, prior and informed consent, in accordance with national legislation.</p>	<ul style="list-style-type: none"> • Implementation of training sessions; external interventions to present the topic of biodiversity to diverse audiences; (VIII.2) • Participation in financial sector working groups (Finance for Biodiversity Foundation) to exchange ideas on integrating biodiversity into investment processes and to raise awareness among all stakeholders involved; • Articulation with the LBP AM group Human Rights Policy for prior informed consent.
Target 22	<p>Ensure the full, equitable, inclusive, effective and gender-responsive representation and participation in decision-making, and access to justice and information related to biodiversity by indigenous peoples and local communities, respecting their cultures and their rights over lands, territories, resources, and traditional knowledge, as well as by women and girls, children and youth, and persons with disabilities and ensure the full protection of environmental human rights defenders.</p>	<ul style="list-style-type: none"> • Articulation with the LBP AM group Human Rights Policy
Target 23	<p>Ensure gender equality in the implementation of the framework through a gender-responsive approach where all women and girls have equal opportunity and capacity to contribute to the three objectives of the Convention, including by recognizing their equal rights and access to land and natural resources and their full, equitable, meaningful and informed participation and leadership at all levels of action, engagement, policy and decision-making related to biodiversity.</p>	<ul style="list-style-type: none"> • Articulation with the LBP AM group Human Rights Policy

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<https://www.tocquevillefinance.fr>

La Banque Postale Asset Management (LBP AM as of 1 July 2023)

“Société Anonyme” [public limited company] with a management board and a supervisory board,
with a capital of € 12 138 931.20

Registered office: 36, quai Henri IV 75004 Paris

Registered with the Paris Trade and Companies Register under n° 879 553 857

Accredited as a portfolio management company by the AMF under n° GP-20000031

code APE 6630Z

Intra-EU VAT N°: FR 71 879 553 857

Tocqueville Finance

“Société Anonyme” [public limited company] with a capital of € 2 520 547,80

Registered office: 36, quai Henri IV 75004 Paris

Registered with the Paris Trade and Companies Register under n° 381 652 072

Credited as a portfolio management company by the AMF under n° GP-91012