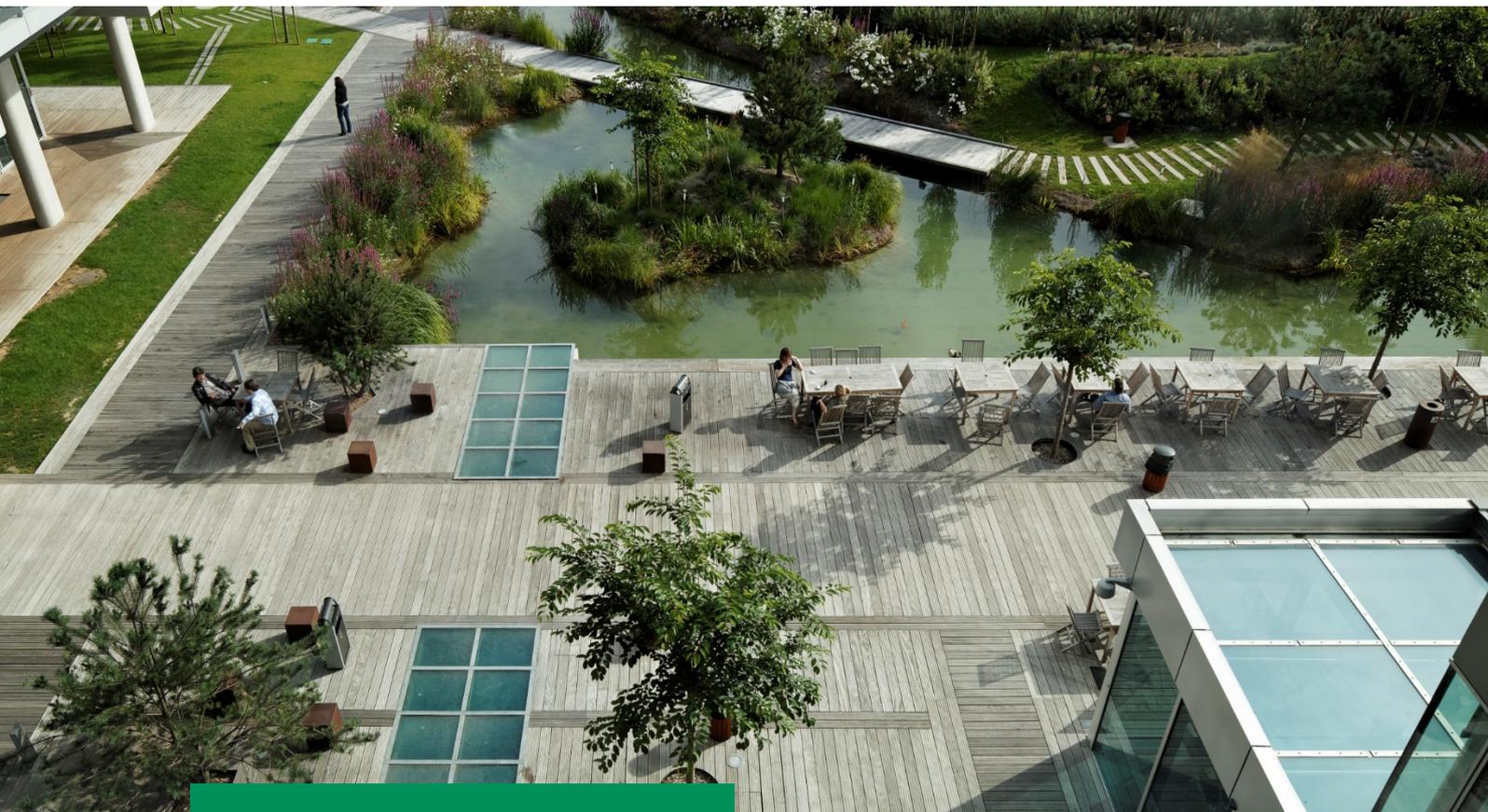


CARDIF ASSURANCE VIE: STATEMENT ON THE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS INDICATORS



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BNP PARIBAS
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L'assureur
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qui change

In compliance with the European regulation (EU) 2019/2088 “ Sustainable Finance Disclosure Regulation ” (SFDR)¹ introducing new disclosure requirements in terms of sustainability, Cardif Assurance Vie, subsidiary of BNP Paribas Cardif, publishes the following information on its own behalf and on behalf of its branches based in the European Union:

Purpose of the declaration

Entities subject to the SFDR regulation must elaborate a statement on the due-diligence policies concerning adverse impacts depending on their size, the nature and the extent of their activities as well as the financial products offered.

Adverse sustainability impacts correspond to the negative impacts of investment decisions on sustainability issues.

This is the first statement of such nature made by Cardif Assurance Vie in compliance with the European Regulation SFDR to commit to transparency with regard to sustainability².

Summary

As an institutional investor, Cardif Assurance Vie pursues a long-term investment strategy. The company’s investment policy takes into consideration financial and non-financial criteria that are closely related. Its implementation enables the protection of the investments and encourages sustainable practices.

Cardif Assurance Vie identifies the principal adverse sustainability impacts applicable to its investments and seeks to mitigate these impacts by strengthening the ESG approach applied to its investment policy.

The integration of adverse impacts applies to assets of Cardif Assurance Vie’s general fund.

Regarding unit-linked vehicles, the information relative to the respect of the principal adverse impacts are mentioned by the management companies in the flyers addressing the UCITS.

For more information, see the Responsible Investment Report 2021 on BNP Paribas Cardif’s website: [Responsible Investment Report](#)³.

¹ The European regulation SFDR is available in all languages on the EU’s official website : [link to the EU’s SFDR EU 2019/2088](#)

² Publication of Cardif Assurance Vie’s transparency engagements in terms of sustainability: [link to the page](#).

³ <https://www.bnpparibascardif.com/en/corporate-social-responsibility>

Description of the principal adverse sustainability impacts

Principal adverse impacts are captured through the application of sectoral policies and an ESG analysis and integration process. The process is complemented by a shareholder engagement policy.

Adverse impacts	Sectoral policies	ESG analysis and integration of ESG criteria	Policy of shareholder engagement	Indicators	Follow-up / Publication	Integrated
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Indicators applicable to investments in sovereigns and supranationals						
Environmental indicators						
Greenhouse gases	X	X		- Carbon emissions	Internal	
Social indicators						
Social violations	X	X		- Countries subject to social violations	Internal	X
Environmental, social and governance indicators						
ESG	X	X		- Countries' ESG ratings	Internal	X

Indicators applicable to investments in investee companies						
Environmental indicators						
Greenhouse gases	X	X	X	- Carbon emissions - Carbon footprint - Carbon intensity - Exposure to companies active in the fossil fuel sector - Share of the non-renewable energy production - Temperature	Internal RI Report Internal Internal Internal RI Report	X X X X X
Biodiversity	X	X		- Pressure on biodiversity	RI Report	
Social indicators						
Global Compact principles	X	X		- Global Compact principles	Internal	X
Controversial arms	X	X		- Companies identified in the controversial arms sector	Internal	X
Environmental, social and governance indicators						
ESG		X		- Companies' ESG ratings	Internal	X

Indicators applicable to investments in real estate assets						
Fossil fuel		X		- Exposure to fossil fuels through real estate assets	Not applicable	X
Energy efficiency		X		- Exposure to energy-inefficient real estate assets	Internal	X
Emissions		X		- Greenhouse gas emissions	Internal	

“RI Report” : means that the indicators figures in the Responsible Investment Report, available on [BNP Paribas Cardif website](https://www.bnpparibascardif.com/en/corporate-social-responsibility)⁴.

“Internal” means that the indicator is calculated and followed-up internally but is not publicly available.

⁴ <https://www.bnpparibascardif.com/en/corporate-social-responsibility>

Description of identification and prioritisation policies of principal adverse impacts

Principal adverse impacts are integrated in the entity's risk management through various processes to avoid and mitigate the effects of such impacts: **sector policies** and an ESG integration **process**. Cardif Assurance Vie regularly reviews policies and processes following best practices, issues, new investment areas and available company information.

These processes are complemented by a shareholder engagement policy.

1) Sector policies

Cardif Assurance Vie applies sector policies defined by the BNP Paribas Group. These policies provide a framework and specific criteria for investments in sectors with environmental or social challenges. They allow to identify companies or issuers to be excluded from the investment universe. The policies [are available on BNP Paribas' website](#) ⁵.

They are regularly extended or revised and reflect a firm position regarding these sectors.

BNP Paribas Group's sectoral policies applied by Cardif Assurance Vie				
Sectors	Description	Areas		
		E	S	G
Defence	While recognising the right of States to defend themselves and protect their national security, the Group acknowledges that the defence sector presents ESG risks regarding certain weapons, their potential end-use and the risk of corruption.			X
Palm oil	It is a vital source of income and livelihood for millions of people living in developing countries. However, the exploitation of palm oil plantations can have damaging effects of various kinds on local communities, climate change and ecosystems.	X	X	
Pulp	The production of pulp is an important source of income that ensures a standard of living for millions of people in both developed and emerging countries. However, demand for paper-based products will increase over the next decade and this will likely have global environmental impacts.	X	X	
Nuclear energy	The countries that have chosen to develop their nuclear industry consider that it has a positive impact on economic development, security of energy supply and reduction of greenhouse gases. By publishing this policy, BNP Paribas wishes to ensure that the projects it helps to finance comply with the principles of monitoring and mitigating environmental and social impacts for the nuclear energy sector.	X		
Coal energy production	Coal is a major source of CO ₂ emissions and plays a key role in climate change. In line with the objectives of the Paris Agreement, BNP Paribas wishes to support companies in their coal exit strategy while supporting its clients actively engaged in the transition required by the climate emergency.	X		
Agriculture	Accounting for 6% of global GDP and 30% of jobs, agriculture is a key sector of the economy. However, without proper management, its development could have many negative impacts on local communities, ecosystems and climate change.	X	X	
Mining industry	The mining sector is extracting mineral resources which are the building blocks for most sectors of the economy. It also accounts for a significant share of gross domestic product in many countries. However, these considerations need to be weighed against the environmental, social and governance risks associated with the mining industry, including as part of the Group's strategy to exit the thermal coal value chain.	X	X	X
Unconventional Oil and Gas	Following the adoption in december 2015 of the Paris Climate Agreement, BNP Paribas, a long-standing partner in the energy sector, joined the international effort to limit global warming to less than 2°C above pre-industrial levels. Since then the Group has made a strong commitment to the energy transition and has announced a new global financing policy for the exploration, production and transportation of unconventional hydrocarbons.	X		

⁵ <https://group.bnpparibas/en/group/at-the-service-of-our-clients-and-society/supporting-transitions/financing-and-investment-policies>

2) Specific commitments of Cardif Assurance Vie

In addition to the restrictions provided for by these policies, Cardif Assurance Vie has made specific commitments concerning sectors of activity that are particularly harmful to public health and the environment, in order to avoid or mitigate negative impacts:

Specific commitments from Cardif Assurance Vie				
Sectors	Description	Areas		
		E	S	G
Tobacco	Since 2017, Cardif Life Insurance has excluded from its General Fund the production, wholesale and distribution companies whose revenues are mainly derived from tobacco. Signing of the Tobacco-Free Finance Pledge in 2018 reinforced this position.		X	
To definitively exit from the value chain of thermal coal	To exit the thermal coal value chain definitively by 2030 for the European Union and OECD countries, and by 2040 at the latest for the rest of the world. A detailed schedule of criteria and thresholds is available in the Responsible Investor Report published on the BNP Paribas Cardif website: Responsible Investment Report ⁶ .	X		
Reduce the carbon footprint of its investment portfolios ⁷	To reduce by at least 23% between the end of 2020 and the end of 2024 the carbon footprint of the equities and corporate bonds portfolios held online (a reduction of 53% has already been made between 2017 and 2020)	X		
	To reduce the carbon intensity of online office buildings by at least 12% between 2020 and 2030 (32% reduction has already been made between 2011 and 2020).	X		

3) ESG Analysis and Integration Process

Cardif Assurance Vie's responsible investment policy applies to the assets held in its general fund.

Within its investment policies, Cardif Assurance Vie examines Environmental (E), Social (S) and Governance (G) issues. This analysis can be quantitative and/or qualitative. Cardif Assurance Vie collects ESG data specific to each asset class which are then analysed and integrated into investment processes.

The investment universe is thus reduced and compatible with its responsible investor approach.

3.1) Investments in sovereign and supranational securities:

Cardif Assurance Vie examines the States' ESG performance in order to exclude countries with low ESG scores. This analysis is based on data provided by a non-financial data provider.

Only countries that have an ESG rating satisfactory or better are kept in the investment universe. The analysis incorporates the following three ESG criteria:

- Environment takes into account the country's energy mix, the national carbon footprint and the ratification of treaties, including the Paris Agreement. The analysis also reflects indicators on greenhouse gas emissions, such as CO2 emissions relative to gross domestic product.
- Social measures the policies pursued by States with regard to poverty, access to employment, access to electricity and the ratification of treaties on labour and children's rights.
- Governance includes, among other things, the respect for human and labour rights.

⁶ <https://www.bnpparibascardif.com/en/corporate-social-responsability>

⁷ BNP Paribas Cardif has been a member of the Net Zero Asset Owner Alliance since 2021, and is committed to aligning its investment portfolios on a net carbon neutrality path by 2050.

This ESG filter applies to securities issued by countries (government bonds) and those of companies operating in these countries (equities and corporate bonds).

3.2) Investments in companies:

In addition to the analysis of the States, to which the companies are subject, the responsible investment process of the securities held directly by Cardif Assurance Vie follows the following steps:

- An initial analysis verifies compliance with international standards and treaties (normative and legal filters). The activity of the undertaking must not be under embargo or subject to financial sanctions.
- Sector exclusions are applied (check "Exclusion Policies" below).
- An **analysis** is performed using ESG data from a non-financial data provider. This analysis makes it possible to assess the consideration of environmental, social and governance issues. Cardif Life Insurance uses a sectoral "best-in-class" approach to select companies in the top seven deciles.
- A carbon transition filter complements sectoral exclusion policies and ESG analysis. This filter identifies companies engaged in the transition towards a low-carbon economy. Companies with the highest CO₂ emissions *and* with a low energy transition score are excluded from the investment universe.

3.3) Investments in real estate assets:

Direct investment in real estate consists in the acquisition, management and sale of real estate assets 100% owned by Cardif Assurance Vie, very often through direct vehicles (for instance "Société Civile Immobilière") without using an external manager.

Cardif Assurance Vie manages its real estate portfolio with a view to improving its environmental and social performance.

Regarding the environmental aspects the following practices are deployed:

- **Systematic certification of buildings under construction** (HQE certification, BBC Effinergie label (energy performance label), BBCA *Rénovation* label (low carbon label)).
- Buildings in a renovation phase are certified if the technical and financial feasibility is sustainable.
- For the operational phase, some buildings are certified. Regarding property management and building works, an improved environmental performance is always sought.
- Buildings energy consumption as well as carbon intensity are closely monitored. Cardif Assurance Vie encourages construction methods that emit less CO₂.

Cardif Assurance Vie also is particularly attentive to the social purpose by making housing available as part of specific schemes (for example social housing, intermediate-rent housing).

Shareholder Engagement Policy

The shareholder commitment comes to reinforce the previous analyses and processes.

Cardif Assurance Vie publishes on its website the details of its shareholder engagement policy, as well as an annual report on the implementation of this policy⁸.

This engagement policy is applied:

- Upstream of the investment, thanks to a definition of the requirements that restrict and determine the investment universe;

⁸ <https://www.bnpparibascardif.com/en/corporate-social-responsability>

- Throughout the asset holding period, by voting at general meetings, which allows for a dialogue with selected carbon emitters according to specific topics.

Cardif Assurance Vie regularly engages a dialogue with asset management companies. This process is two-fold:

- A questionnaire is sent to asset managers on their ESG practices. It makes it possible to map the asset managers' sectoral or exclusion practices and their ESG integration level.
- Cardif Assurance Vie analyses the management companies' shareholder engagement policy using PRI (Principles for Responsible Investment) information. Each year, PRI signatories must report on ESG approach and practices via a very comprehensive questionnaire. These data enable BNP Paribas Cardif teams to engage a dialogue with asset managers in order to encourage the integration of non-financial issues into their management process.

Memberships referring to international standards

Cardif Assurance Vie integrates social issues into its extra-financial process, such as the measurement of the policies pursued by States with regard to poverty, access to employment, access to electricity and the ratification by these States of treaties on labour and children's rights.

BNP Paribas Cardif is a member of the following international bodies:

- **PRI:** United Nations initiative aimed at developing a common structure for integrating ESG issues in the financial sector.
- **Montreal Carbon Pledge:** commitment to raising investors' awareness of climate issues by measuring and publishing portfolios carbon footprints.
- **Tobacco-Free Finance Pledge:** divesting from the tobacco sector.
- **Net-Zero Asset Owner Alliance:** commitment to align investment portfolios towards a carbon neutrality trajectory by 2050. The goal is to help limit global warming to 1.5°C above pre-industrial temperatures, in accordance with the Paris Agreement.
- **Climate Action 100+:** investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

BNP Paribas Cardif complies with the [BNP Paribas Group Code of Conduct](#).⁹

BNP Paribas Group adheres to the highest standards of conduct and ethics in the fight against corruption, respect for human rights and environmental protection. As a result, BNP Paribas Cardif acknowledges and abides by a number of principles and standards in its activities.

Find more information in the Responsible Investment report published on BNP Paribas Cardif website: [BNP Paribas Cardif SRI Report](#).¹⁰

⁹ https://cdn-group.bnpparibas.com/uploads/file/220131_bnpp_compliance_codeofconduct_2022_fr.pdf

¹⁰ <https://www.bnpparibascardif.com/en/corporate-social-responsability>

Glossary

- **ESG criteria ¹¹:**

This international acronym is used by the financial community to name the Environmental, Social and Governance (ESG) criteria as the three cornerstones of non-financial analysis. These criteria are used as a standard approach to Sustainable Responsible Investment. Thanks to ESG criteria, it is possible to assess the exercise of corporate responsibility towards the environment and their stakeholders (employees, partners, subcontractors and customers):

- ✓ The environmental criterion takes into account: waste management, greenhouse gas reduction and environmental risk prevention ;
- ✓ The social criterion takes into account: accident prevention, staff training, respect for employees rights, subcontracting chain and social dialogue ;
- ✓ The governance criterion takes into account: the independence of the board of directors, the management structure and the presence of an audit committee.

- **General fund (GF):**

Also known as "Euro fund", these funds are life insurance vehicles, traditionally comprising bonds, equities, and real estate assets. For General Funds, the amount of the insurer's commitment is expressed in euros.

- **Unit-linked (UL):**

Like the "euro funds", units of account are life insurance investment vehicles. For units of account, the insurer's commitment is expressed in number of units, the value of which is subject to market developments

- **Principal Adverse Sustainability Impacts (PASI):**

Principal impacts of investment decisions and advice that result in negative effects on sustainability factors (environment, social and personnel issues, respect for human rights and the fight against corruption).

- **SFDR (Sustainable Finance Disclosure Regulation):**

Sometimes also called "regulation disclosure" is a European regulation which provides disclosure requirements on the degree of sustainability. They are both entities and investments products level requirements.

- **"Article 8" Investment:**

It is a financial product promoting a combination of environmental and social characteristics, as it verifies that the companies invested in follow good governance practices.

- **"Article 9" Investment:**

A financial product has sustainable investment as its primary objective.

- **Positive impact investment:**

It is defined as an investment made with the intention of generating a positive and measurable social, societal and / or environmental impact, while generating a return on investment. Three criteria are usually used:

- Intentionality corresponds to the investor's explicit desire to contribute to generating a measurable social or environmental benefit;
- Measurability refers to impact indicators that are used and communicated in impact assessments and reports.

¹¹ Source : [Novethic.fr](https://www.novethic.fr)

- **Corporate Social Responsibility (CSR) ¹²:**
Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders.
- **Sustainability risk:**
Event or condition in the environmental, social or governance areas that, if it occurs, could cause actual or potential material impact on the value of the investment.

¹² Source: [Definition de United Nations Industrial Development Organization](#)