

Responsible Investment Report 2024 (Article 29) CARDIF RETRAITE

REPORT ON ARTICLE 29 OF LAW NO. 2019-1147 ON
ENERGY AND CLIMATE - CARDIF RETRAITE



BNP PARIBAS
CARDIF

L'assureur
d'un monde
qui change

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Introduction

Insurer BNP Paribas Cardif

BNP Paribas Cardif is the insurance company of BNP Paribas. Operating in more than 30 countries, BNP Paribas Cardif designs, develops and markets savings and protection offers to insure people, their projects and their assets.

As at 31 December 2024, the BNP Paribas Group's insurance business line managed €287 billion in assets worldwide. These assets include general funds and unit-linked funds offered to policyholders. Unit-linked products total €113 billion. Italy and Luxembourg¹ are BNP Paribas Cardif's two main European markets after France.

Responsible investment approaches are used for general funds in these countries.

Cardif Retraite "Article 29" report (scope)

This Responsible Investment report falls within the framework of Article 29 of the Energy and Climate Act no. 2019-1147. It presents the methods for managing criteria relating to compliance with environmental, social and governance objectives in the investment policy, as well as the means implemented to contribute to the energy and ecological transition.

The plan of this "Article 29" report complies with regulatory requirements. This 2025 publication covering the year 2024 includes the statement on the principal adverse impacts on the sustainability of Cardif Retraite (information taken from the provisions of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27/11/2019).

Components that could not fully meet the requirements of the Decree are explained and proposals are put forward for continuous improvement by the relevant parties.

The methodologies described in this report are common to the two BNP Paribas Cardif legal entities covered by the Article 29 Decree: Cardif Assurance Vie and Cardif Retraite. Cardif Retraite is a Supplemental Professional Pension Fund (FRPS) dedicated to individual and group pension contracts that was created at the end of 2022. A separate Article 29 report for Cardif Vie is available on [BNP Paribas Cardif's non-financial information](#) website.

It should be noted that the BNP Paribas Cardif Group has put in place ESG commitments and approaches. It will be referred to as "BNP Paribas Cardif". As a result, these broad-based commitments or initiatives automatically apply to Cardif Retraite.

¹ CSR pages for BNP Paribas Cardif in Luxembourg and Italy, respectively: <https://cardifluxvie.com/cardif-lux-vie/notre-reponsabilite>; <https://bnpparibascardif.it/responsabilita-sociale-d-impresa>

Cardif Retraite's assets under management total €17 billion (market value²) as of 31 December 2024.

✦ For this year, as part of the expansion of the calculation scope, corporate equities and bonds of collective funds included in the general fund have been looked through to be integrated in the analysis, in addition to directly held equities and bonds.

Unless stated otherwise, the figures relate to securities held directly and in mutual (looked through) funds of the euro-denominated funds, excluding unit-linked funds. For operational and materiality reasons, the analyses cover data for France and seven European branches³.

² Accrued coupons included

³ Branches in the four countries not covered in this report (Bulgaria, Romania, Switzerland and Taiwan) represent €8.0 billion in assets (market value including accrued interest) at 31/12/2024

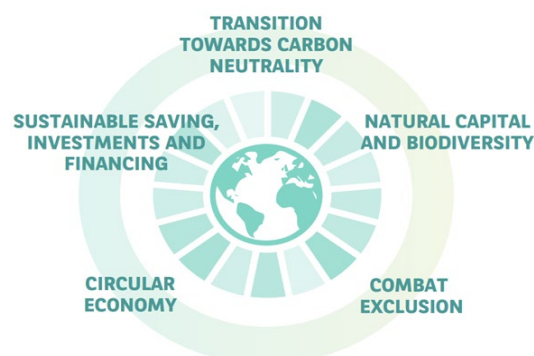
PART I – INFORMATION FROM THE PROVISIONS OF ARTICLE 29 OF THE ENERGY AND CLIMATE ACT

A. Cardif Retraite's general approach to managing environmental, social and governance criteria

As a committed and responsible player, BNP Paribas Cardif endeavours to have a positive impact on society and the environment.

This ambition is at the heart of its strategic plan, in line with that of the BNP Paribas Group and is structured around three pillars: Growth, Technology and Sustainability (GTS).

The 5 priority areas⁴ of the "Sustainability" pillar of BNP Paribas' strategic plan



The Group's social and environmental responsibility (CSR) strategy consists of supporting all customers, individuals, corporate clients and institutions in their transition to a carbon-neutral economy, that makes reasonable use of the planet's resources and enables the inclusion of the most vulnerable, while conducting business responsibly. The Group relies on all of its employees to achieve this ambition.

The CSR strategy is based around four areas (economic, social, civic and environmental) and is part of a continuous improvement process, aiming to help to build a more sustainable world while boosting the Group's stability and performance. The BNP Paribas Group's "Sustainability statements" are detailed in its [Universal Registration Document](#)⁵.

BNP Paribas Cardif's corporate social responsibility covers insurance and investment activities as well as the organisation as a whole.

BNP Paribas Cardif's mission is to **make insurance more accessible**. BNP Paribas Cardif has set up a dedicated governance to ensure a sustainable transformation and involve all of the Company's functions (key players in this transformation) in its operations (see Section B- Internal resources).

As an investor, BNP Paribas Cardif is convinced that it is essential to take a long-term perspective when managing policyholders' savings, by combining financial performance and a positive impact on society. The insurer is pursuing a responsible investment policy initiated in 2008 that takes into account environmental, social and governance criteria.

A1. Incorporating ESG criteria into the investment strategy

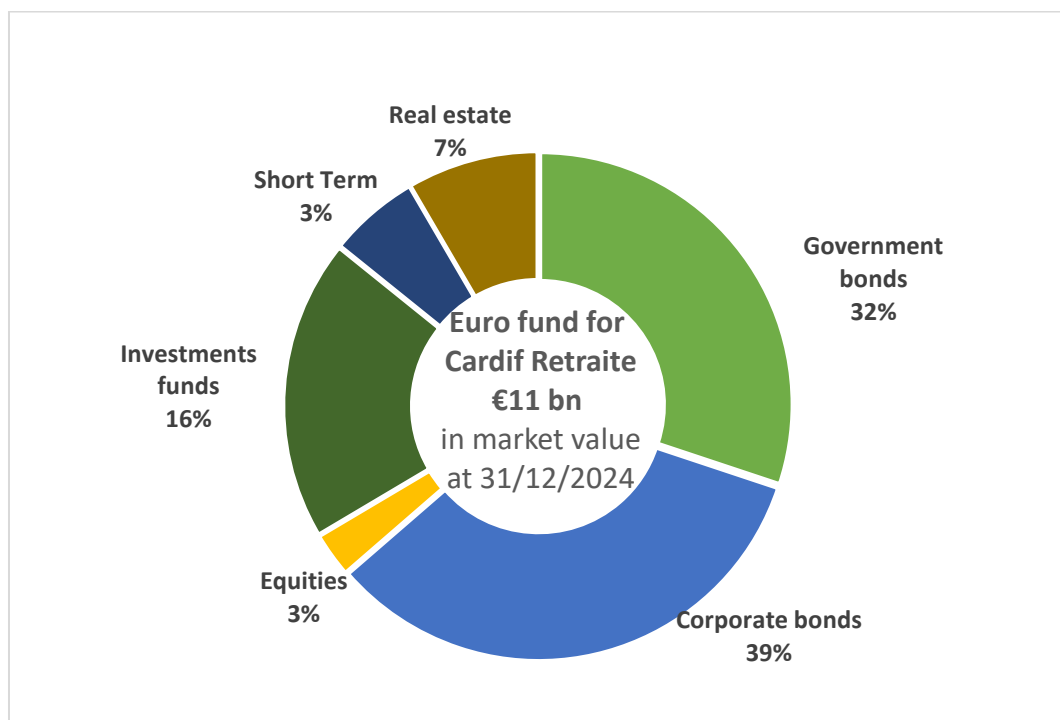
⁴ <https://group.bnpparibas/en/our-commitments/transitions/circular-economy>; <https://group.bnpparibas/en/our-commitments/transitions/natural-capital-and-biodiversity>; <https://group.bnpparibas/en/our-commitments/transitions/responsible-savings-and-investments>; <https://group.bnpparibas/en/our-commitments/inclusion/financial-and-social-inclusion>; <https://group.bnpparibas/en/our-commitments/inclusion/diversity-equality-and-inclusion>; <https://group.bnpparibas/en/our-commitments/transitions/energy-transition-and-climate-action>

⁵ universal-registration-document-annual-financial-report-2024.pdf Chapter 7, p.691-692

Overview of Cardif Retraite's assets

As of 31 December 2024, Cardif Retraite had €17 billion in assets, broken down between €11 billion in euro funds and €6 billion in unit-linked funds.⁶

The euro fund breaks down as follows:



A1.1 ESG approach within Cardif Retraite's euro fund

ESG approach within Cardif Retraite's euro fund

Cardif Retraite's ESG approach is defined by BNP Paribas Cardif. Most aspects of this ESG policy are generic to all of the fund's assets in euros (sector policies, integration of ESG criteria, commitment to positive impact investments). ESG analysis methodologies are adapted to the specificities of each asset class.

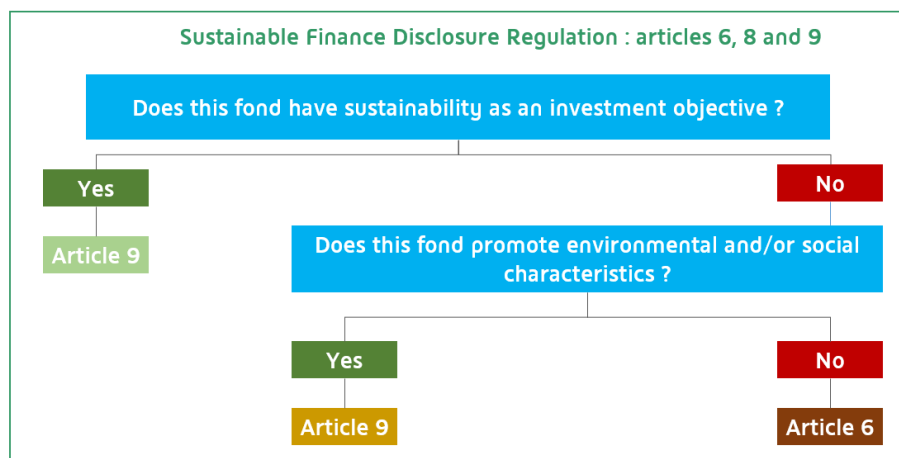
SFDR classification of the Cardif Retraite euro fund

European Regulation (EU) 2019/2088 known as the "Sustainable Finance Disclosure Regulation" (SFDR) entered into force on 10 March 2021 and requires the disclosure of sustainability information for the financial services industry. It aims to harmonise and improve the transparency of the financial products offered. The Regulation distinguishes between two types of products with non-financial characteristics:

- Products that promote environmental or social characteristics ("Article 8" products);
- Products pursuing a sustainable investment objective ("Article 9" products).

⁶ Based on a comprehensive scope for the entity Cardif Retraite (including all foreign branches)

- **Cardif Retraite's euro fund meets the definition of Article 8 of the European SFDR regulation:** It promotes a combination of environmental and social characteristics and verifies that the companies invested apply good governance practices.



Incorporating ESG into the investment strategy

When making investments, Cardif Retraite examines Environmental (E), Social (S) and Governance (G) issues. This analysis can be qualitative and/or quantitative. To do this, the insurer collects ESG data specific to each asset class, which are then analysed and integrated into the investment process. The investment universe is thus reduced and compatible with its responsible investor approach.

- **In 2024, the non-financial analysis** covered **98%** of the €11 billion in euro fund assets held by Cardif Retraite.

Sector-specific policies governing investments in sensitive sectors

The sector policies provide a framework for BNP Paribas Group's financing and investments⁷ in sectors with environmental or social issues. They cover the fields of agriculture, defence and security, nuclear energy, palm oil, mining, paper pulp, oil and gas and coal-fired power generation. These policies define the criteria which govern the Group's financing and investments in these sensitive areas. They are informed by the Group's discussions with its stakeholders, particularly investors and NGOs, and are regularly extended or revised. A brief description of each policy can be found in Part II, Section *L1 - Sector policies defined by BNP Paribas*.

Sector policies are enforced through watch and exclusion lists. Corporate clients placed on the watch list are subject to BNP Paribas Group engagement measures to make lasting changes to their practices and reduce their ESG risks.

BNP Paribas Cardif applies the investment restrictions defined by the BNP Paribas Group based on these sector policies.

The insurer applies these exclusions for directly held corporate equities and bonds in euro funds. The geographical scope includes France, Italy and Luxembourg, for mandates and all international majority-owned subsidiaries⁸. This approach therefore covers Cardif Retraite, for both existing outstandings and new investments.

⁷ <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>

⁸ Subsidiaries in which BNP Paribas Cardif holds more than 50% of the voting rights + 1 vote

The insurer also made commitments in the tobacco, coal and oil and gas sectors for directly held corporate equities and bonds in general funds.

Exclusions related to **tobacco sector**: Since 2017, BNP Paribas Cardif has applied a "tobacco-free" investment policy in its portfolios. The insurer has also been a signatory of the Tobacco Free Finance Pledge since 2018. BNP Paribas Cardif excludes manufacturers, wholesalers and distributors whose revenue is more than 10% derived from tobacco.

Exclusions related to **thermal coal**: In 2020, the insurer published a phase-out schedule for the thermal coal value chain aligned with that of the BNP Paribas Group. It provides for a definitive exit from the sector by 2030 for the countries in the European Union and the OECD and by 2040 for the rest of the world. (see section *F - Alignment strategy with the Paris Agreement*.)

Exclusions related to **oil and gas sector**: In 2024, BNP Paribas Cardif worked on investment exclusions related to the oil and gas sector. Its investment universe excludes conventional bonds issued on the primary market by oil and gas exploration and production companies. These components will be included in section *F - Alignment strategy with the Paris Agreement*.

Positive impact investment commitment

In 2019, BNP Paribas Cardif set itself the target of channelling an average of €1 billion per year into positive impact investments by the end of 2025.

Positive impact investments must comply with specific criteria such as intentionality and measurability. They cover different asset classes and can be broken down into social and/or environmental topics. They include sustainable bonds, renewable energy infrastructure and additional intermediate-rent housing.

- In 2024, BNP Paribas Cardif⁹ achieved €3 billion of positive impact investments¹⁰, which corresponds to an average of €2 billion per year since 2019.

A1.1 a. ESG approach to direct securities

Securities held directly include government and corporate securities such as equities or bonds.

Government bonds

As part of its financial security system¹¹, BNP Paribas Group has established a country-based policy that applies to all Cardif Retraite's investments.

BNP Paribas Cardif analyses the ESG performance¹² of countries and excludes the lowest performing countries on these issues. This ESG filter is applied to securities issued directly by the countries (government bonds) and securities issued by companies (corporate equities and bonds) whose registered office is in the excluded countries. Only countries with a satisfactory ESG score are retained in the investment universe:

- The Environmental criterion takes into account the country's energy mix, the national carbon footprint and which treaties it has ratified, in particular the 2015 Paris Climate Agreement. The analysis also reflects indicators on greenhouse gas emissions, such as CO₂ emissions compared to gross domestic product.
- The Social criterion measures the policies implemented by the countries with regard to poverty, access to employment, access to electricity and the ratification of treaties on labour rights and children's rights.

⁹ Including the euro funds of Cardif Assurance Vie, Cardif Retraite, Cardif Assurances Risques Divers

¹⁰ Balance sheet figures

¹¹ https://cdngroup.bnpparibas.com/uploads/file/engagement_letter_bnpp_group_financial_security_and_anti_bribery_corruption_program_oct_2021.pdf

¹² ESG rating provided by Moody's ESG: <https://esg.moodyys.io/solutions>

- The Governance criterion includes respect for human rights and labour rights.

Corporate equities and bonds

For any investment project, the ESG analysis includes three main steps: exclusions and treatment of sensitive sectors, ESG analysis and integration and the application of a carbon transition filter.

1. Exclusions and treatment of sensitive sectors

The activity of the company or the country in which it operates must not be subject to an embargo or financial sanctions.

A specific filter based on external ratings assesses the proper integration of the four pillars of the United Nations Global Compact (compliance with international labour standards, human rights, environment and anti-corruption measures). Companies excluded by this filter are excluded from the investment universe.

The BNP Paribas Group's sector-specific exclusions and BNP Paribas Cardif's specific exclusions (thermal coal, oil and gas and tobacco commitments) are also applied.

2. ESG analysis and integration

The ESG analysis applies to directly held corporate equities and bonds and is based on the Moody's ESG Solutions rating methodology. This method uses 38 criteria to assess non-financial opportunities and risks. The criteria are grouped into six categories: environment, human resources, respect for human rights at work, market behaviour, civic engagement and corporate governance.

Cardif Retraite uses a best-in-class sectoral approach. Each company is given a score according to its level of performance in each of the six categories, thus obtaining an overall ESG performance (ESG score). Companies are classified by decile according to an overall score. Within each sector, Cardif Retraite excludes any new investment in corporate clients with an ESG score in the final three deciles (except in exceptional market conditions relating to the investment or the issuer).

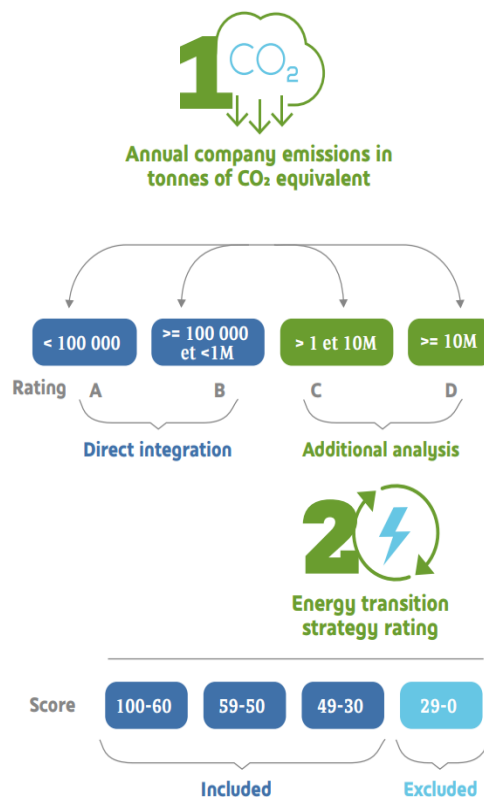
3. Carbon transition filter

The carbon transition filter is also based on Moody's ESG Solutions rating methodology and reinforces the sector exclusion policies and ESG analysis. This filter identifies companies engaged in the transition to a low-carbon economy.

This carbon transition analysis examines: **Carbon emissions of corporate clients:** A carbon rating ranks corporate clients according to their greenhouse gas emissions in tonnes of CO₂ equivalent (scopes 1 and 2¹³). Companies are rated from A to D, in ascending order of carbon emissions.

Energy transition strategy: Companies rated C and D are subject to an energy transition score that assesses:

- energy transition policies relevance;
- policies implementation consistency;
- results effectiveness.



¹³ The definition of the various scopes according to the GHG protocol can be found in Appendix

Companies that emit more than 1 million tonnes of CO₂ equivalent and whose energy transition strategy is considered low (score less than 30) are excluded from the investment universe.

A1.1 b. ESG approach for fund investments

The ESG approach used is different for listed and unlisted funds.

Listed funds

Cardif Retraite uses a due diligence questionnaire to analyse the non-financial process of the management companies and funds in which it invests.

This analysis makes it possible to identify for each fund its level of ESG integration, any environmental or social theme, and to validate whether it is a positive impact fund. The exclusions which apply to a number of identified sensitive sectors are also included.

The questionnaire includes questions on the shareholder engagement policy implemented. The Asset Management Department's SRI team sets an internal ESG rating for each fund.

Unlisted funds

Unlisted funds include private debt, private equity and infrastructure funds. The ESG approach is specific because the nature of the investment is different: the investor comes in at the start of the process and makes a long-term commitment.

Before investment: The process of integrating ESG criteria is first analysed at the level of the management company and its governance, then at the level of the projects financed by the fund. This due diligence makes it possible to establish an ESG score that is taken into account by the Asset Management Department when validating the investment.

In addition to the subscription form, a binding side letter negotiated between the parties ensures that sector-specific restrictions can be implemented.

During the investment period: An ESG questionnaire collects data that is regularly updated.

Mandates

For its proprietary management, Cardif Retraite may delegate pockets of investment *via* a mandate or *via* dedicated funds to partner management companies.

The two asset management companies appointed for Cardif Retraite¹⁴ are BNP Paribas Asset Management and OFI Invest Asset Management.

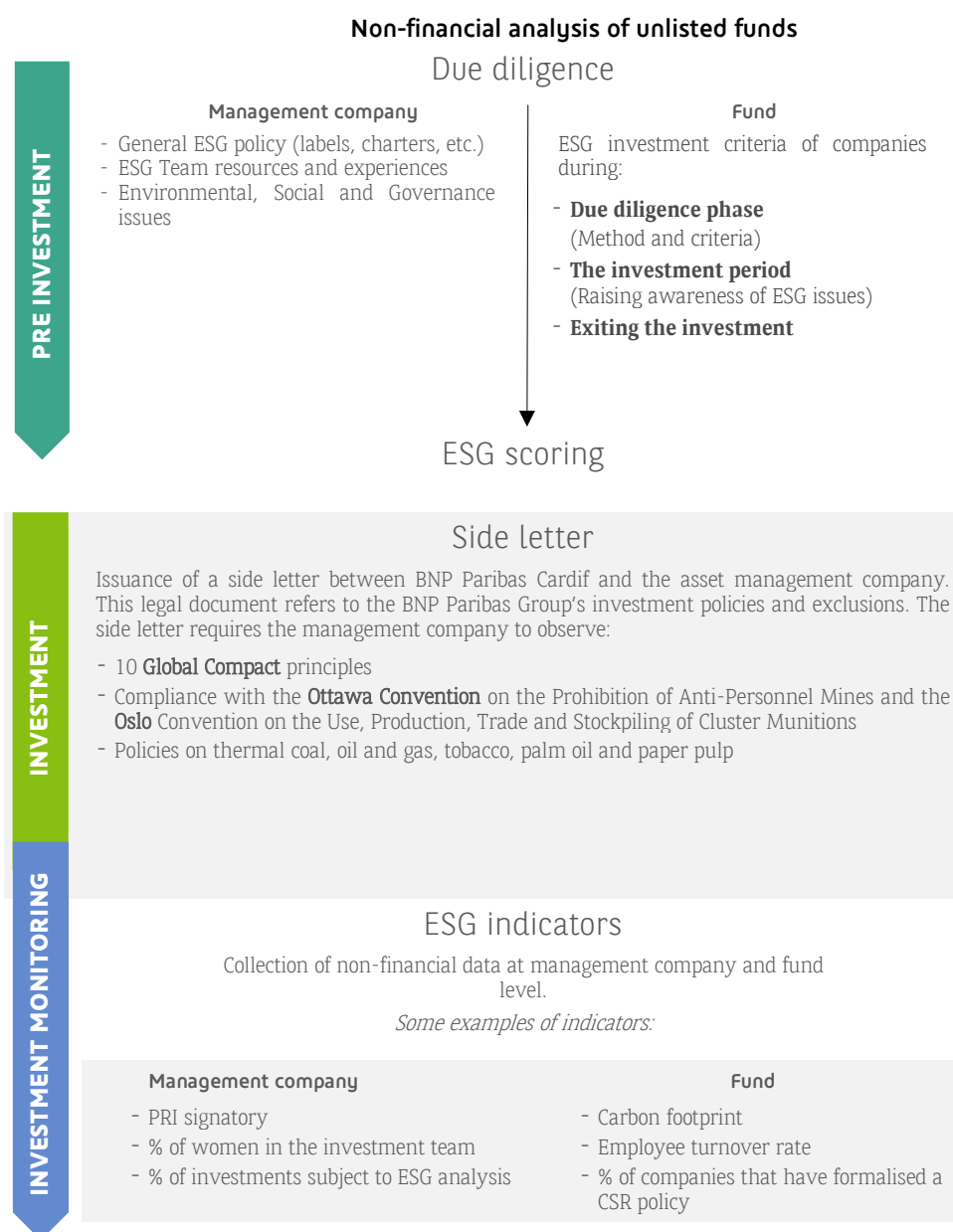
BNP Paribas Asset Management takes its share of responsibility and intends to drive this transformation by actively contributing to an energy transition, healthy ecosystems and greater equality in our societies. The management company OFI Invest Asset Management also incorporates ESG criteria into its asset management.

As part of the signing of a **mandate** with Cardif Retraite, asset management companies are subject to a "due diligence" analysis, which includes consideration of ESG criteria. As part of the execution of the mandate, asset management companies are also required to comply with the **exclusion lists prepared by BNP Paribas Group** (based on sectoral policies) and BNP Paribas Cardif's¹⁵ **specific exclusions**.

Information on shareholder engagement practices is provided in the section *D- Information on the engagement strategy*.

¹⁴ Assets delegated to management through mandates represent less than 3% of the assets of Cardif Retraite's euro fund.

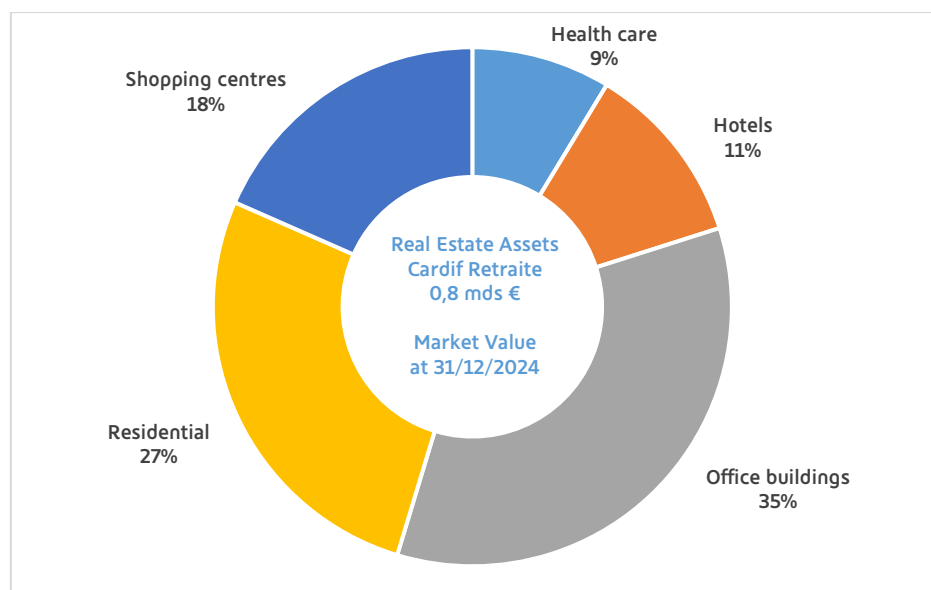
¹⁵ Based on regulatory and legal filters, ESG and carbon filters, carbon and tobacco exclusions, cf. section A1a



A1.1 c. ESG approach for real estate assets

Allocation of Cardif Retraite real estate assets (euro fund) by type

Within the Cardif Retraite France euro fund, the real estate portfolio includes the following categories:



The real estate assets of Cardif Retraite's euro-denominated fund are composed of buildings held directly (57%), and indirect investments in real estate company funds (43%) that may be listed or unlisted.

ESG approach for real estate assets

Real estate assets include an ESG approach that encompasses environmental and social and/or societal issues.

At 31 December 2024, **Cardif Retraite's real estate assets incorporated an ESG approach. 55% of them achieve at least one of the targets** mentioned below. The other buildings (45%) have not yet achieved one of these targets.

On the environmental theme, the assets or funds must meet at least one of the following criteria:

- be aligned with European Taxonomy criteria;
- have an environmental label or certification;¹⁶
- hold the French SRI label (extended to real estate assets since 2020);
- be classified as Article 9 according to the SFDR Regulation;
- have already achieved the next targets for reducing energy consumption provided for in the Tertiary Decree of 23 July 2019;
- comply with a greenhouse gas emissions reduction approach according to a defined trajectory.

Social and societal themes for which access to housing is a main criterion:

- developing affordable rental housing, particularly with capped-rent apartments;
- contributing to providing housing for vulnerable people.

¹⁶ BBCA label, BREEAM certification (minimum level "very good"), HQE certification (minimum level "very good")

ESG integration in the directly managed real estate portfolio

Direct management consists of the acquisition, management, marketing and sale of real estate assets held by Cardif Retraite, usually through vehicles such as Sociétés Civiles Immobilières (SCIs). 57% of the euro fund's real estate assets are managed directly.

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

On environmental aspects, the following practices are deployed:

- Buildings under construction are systematically certified and construction methods that emit less CO₂ are encouraged (for example buildings constructed with timber) as well as less energy-intensive designs (for example office buildings with an alternative solution to air conditioning);
- Buildings undergoing renovation are certified if the technical and financial feasibility is sustainable, and the use of virtuous, less carbon-intensive materials while promoting the circular economy is encouraged (by including specific clauses in the specifications);
- For the operating phase, some of the buildings are certified and "green energy" contracts are prioritised;
- For property management and works, an improvement in environmental performance is always sought. In the residential portfolio, actions are implemented to improve energy performance labels (DPE).

In addition, changes in the energy consumption of buildings, their carbon footprint and their exposure to various climatic hazards are monitored.

BNP Paribas Cardif also pays particular attention to affordable housing. It owns a building with 39 intermediate rent apartments. It has also established a partnership with the Habitat et Humanisme association to rent out 32 homes in Paris to vulnerable people.

Certification of Cardif Retraite's directly managed real estate assets

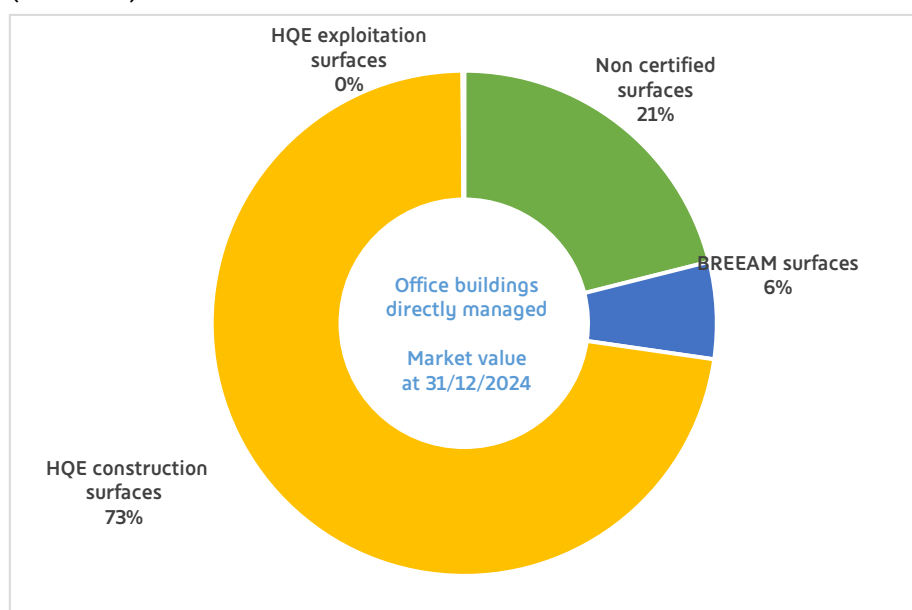
Shopping centres represent 18% of Cardif Retraite's real estate assets. 100% of shopping centre¹⁷ surface areas were certified at the end of 2024.

The following chart shows HQE or BREEAM certifications¹⁸ for Cardif Retraite's office assets (35% of euro fund real estate assets) at the end of December 2024.

¹⁷ Shopping centres are shopping malls with a variety of shops. (Paris Turenne, Castorama and Monoprix are not Shopping Centres).

¹⁸ The certifications are not cumulative: in the graph, HQE Construction and HQE Exploitation buildings are considered as HQE Construction; HQE Rénovation and Exploitation buildings as HQE Rénovation; HQE Construction and BREEAM buildings as HQE Construction; HQE Rénovation and BREEAM buildings as well as HQE Rénovation.

Monitoring of the HQE and BREEAM procedures on the surface area of Cardif Retraite's directly managed office assets (euro fund)



100% of certified assets have a minimum certification level of "very good".

ESG integration in the indirectly managed real estate portfolio

Indirect management in real estate corresponds to shares in listed or unlisted companies. 43% of the euro fund's real estate assets are managed indirectly.

A questionnaire is sent annually to asset management companies. It aims to establish consolidated reporting on the ESG integration process of the funds.

BNP Paribas Cardif is also continuing its **social investments initiated**¹⁹ ten years ago with the FLI (Intermediate Rent Housing Fund) managed by AMPERE GESTION, a subsidiary of CDC Habitat.

¹⁹ Affordable rent: at least 10% lower than market rent

A1.2 ESG approach for Cardif Retraite's unit-linked vehicles

Cardif Retraite's unit-linked vehicles represented €5.8 billion in France at the end of 2024.

BNP Paribas Cardif applies BNP Paribas Group's sector policies investment restrictions for unit-linked products covering direct securities (corporate equities and bonds).

Breakdown of Cardif Retraite unit-linked vehicles according to the SFDR classification

At 31 December 2024, of the unit-linked vehicles distributed by Cardif Retraite, 53% promote environmental or social characteristics (Article 8) and 4% have a sustainable investment objective (Article 9).

31/12/2024	Outstandings in € Bn	As a % of outstandings
Article 8 Fund	3.0	53%
Article 9 Fund	0.2	4%
Total Art. 8-9	3.2	57%
Total unit-linked products	5.8	100%

In France, for new unit-linked vehicles approved for distribution in its contracts, BNP Paribas Cardif tends to select vehicles which promote environmental or social characteristics (SFDR Article 8) or those with a sustainable investment objective (SFDR Article 9).

The list of unit-linked products declared in Article 8 or 9 of the Disclosure Regulation (SFDR) marketed by BNP Paribas Cardif is available on its website (<https://www.bnpparibascardif.com/en/corporate-social-responsability>).

A2. ESG information on subscribers, affiliates and contributors

BNP Paribas Cardif regularly publishes information on sustainable finance (press releases, social network publications, annual report, client and partner publications). Some documents are more in line with regulatory requirements, others reflect a wish for transparency and to explain the approaches and commitments made. These publications are aimed at all its stakeholders: financial market players, regulators, non-governmental organisations, partners, customers, journalists and civil society as a whole.

As part of its range of savings products, BNP Paribas Cardif markets life insurance products in France through its **distribution partners**:

- BNP Paribas' Commercial & Personal Banking in France (CPBF): BCEF Retail, BNP Paribas Private Banking and Hello Bank⁽²²⁾;
- BNP Paribas Cardif distributes life insurance, capitalisation and individual pension products through a network of brokers, wealth management advisors and private banking partners;
- The Épargne & Retraite Entreprises (Corporate Savings & Retirement) activity offers savings and retirement solutions to companies.

Distribution partners and networks regularly communicate with policyholders to inform them about ESG criteria and the sustainable investment vehicles available.

A2 a. Regulatory communications on sustainability

In accordance with French and European regulations (SFDR Regulation, Energy Climate Act, IDD²⁰), the “Our Commitments” CSR section of the BNP Paribas Cardif²¹ institutional website provides public information on sustainability for its investment policy, by legal entities and in the contracts and financial products offered to clients²².

The site contains a dedicated page²³ for the documents required by its entities, Cardif Assurance Vie and Cardif Retraite, as well as those relating to their respective financial products (which promote environmental or social characteristics, or which have a sustainable investment objective).

Contracts offered by Cardif Retraite

For Article 8 or Article 9 vehicles as defined by the SFDR Regulation, there is a link to the asset managers’ websites (<https://www.cardif.fr/priips-documents-informations-cles-dic>) which publish regulatory information.

When taking out a contract, a document attached to the documentation of the available investment vehicles is given to the customer. These “appendices” are prepared and updated monthly or quarterly by the marketing teams within the distribution channels. The annual information for 2024 included information on the share of labelled assets in the fund in euros, as well as a personalised QR code for each customer, thus meeting the SFDR **periodic information** requirement.

Cardif Retraite euro fund

Cardif Retraite's **euro fund** is **classified under Article 8** because it promotes environmental or social characteristics (Article 10 of the SFDR Regulation). The information relating to the euro fund is communicated to customers and available on the BNP Paribas Cardif website (in particular pre-contractual and periodic SFDR documentation).

A2 b. Other communications from the insurer on ESG and responsible investment approaches

At company level (BNP Paribas Cardif)

In addition to regulatory communication, BNP Paribas Cardif informs its stakeholders about the inclusion of ESG criteria in its investment policy and strategy through multiple media and communication channels, including press releases, social media and its activity report²⁴ which presents the various commitments made to the inclusion and accessibility of insurance products.

In 2024, press releases or news directly related to the CSR or ESG approach were published on the institutional website and on social media.

Communications *via* distribution networks

For all subscribing customers:

- The **Commercial & Personal Banking in France (CPBF) network** communicates on responsible savings and investments, primarily through its “Ma Banque Épargner Responsable”²⁵ webpage.

²⁰ Insurance Distribution Directive (IDD) <https://www.cardif.fr/partenaires/podcasts/dda-decryptage>

²¹ <https://www.bnpparibascardif.com/en/our-commitments/corporate-social-responsibility/non-financial-information/>

²² <https://www.cardif.fr/placement-epargne>

²³ <https://www.bnpparibascardif.com/en/our-commitments/corporate-social-responsibility/non-financial-information/>

²⁴ [BNP Paribas Cardif - Business report 2024](#)

²⁵ <https://mabanque.bnpparibas.fr/epargner/epargner-responsable>; <https://mabanqueprivee.bnpparibas.fr/investissement/coeur-de-portefeuille/investissement-socialement-responsable>

- **Brokers and wealth management advisors**

Brokers and wealth management advisors distribute BNP Paribas Cardif life insurance products. They have access to the list of unit-linked products with a French sustainability label and/or classified as Article 8 or 9 under the SFDR Regulation on a dedicated extranet ("Finagora"). In 2024, an information file on water with an explanation of three funds (Article 9 SFDR) related to this theme was made available to brokers and wealth management advisors.

Communications *via* its parent group BNP Paribas

The insurer also contributes to **publications made by the BNP Paribas Group**, in particular: the Integrated Report, the Universal Registration Document²⁶ which also contains the sustainability information on the Corporate Sustainability Reporting Directive (CSRD)²⁷, and the "Sustainable Finance and CSR" section of the strategic Growth Technology Sustainability (GTS) plan.

Preventing the risk of "greenwashing"

Following Delegated Regulation (EU) 2021/1253 of the European Commission of 21 April 2021, the BNP Paribas Group issued an internal legal notice in 2022 containing seven principles to prevent any communications or practices that could be defined as greenwashing. These principles were accompanied by illustrations and operational advice for all stakeholders.

In 2023, BNP Paribas Cardif set up a project to prevent the risk of greenwashing when promoting non-financial characteristics in advertising communications.²⁸ In consultation with the teams concerned (marketing, communication, impact, legal, compliance and asset management), the action plan included a learning period to ensure that skills were developed on this subject and that highly operational criteria was available to teams. Based on this experience in France, the compliance department issued guidelines at the end of 2023, which were distributed internationally to all countries in which it operates.

A3. Entity or product adherence to a charter, code or initiatives

BNP Paribas Cardif is involved in some key interest groups and initiatives around ESG considerations in investment decisions.

History of BNP Paribas Cardif's affiliations



²⁶ <https://invest.bnpparibas/en/document/universal-registration-document-annual-financial-report-2024-pdf>

²⁷ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 aimed at strengthening transparency and corporate responsibility in terms of sustainability. The CSRD replaces the Non-Financial Reporting Directive (NFRD)

²⁸ As part of the implementation of recommendation ACPR 2022-R-02

Sustainable Building Plan (*Plan Bâtiment Durable*²⁹ – 2013)

This is a charter for the energy efficiency of public and private tertiary buildings, initiated by the Sustainable Building Plan (*Plan Bâtiment Durable*). The initiative helps to monitor regulatory changes and market advances.

Principles for Responsible Investment (PRI)³⁰ – 2016)

The PRI, an initiative of the United Nations Environment Programme (UNEP Finance) and the Global Compact, have laid the foundations for a common structure to incorporate ESG themes in the financial sector.

This commitment by BNP Paribas Cardif forms part of a willingness to make a public commitment to its responsible investment practices. The initiative has allowed it to make use of tools and best practices, to be part of a strong network of committed actors and to position itself on ESG topics in relation to the financial market. The insurer follows the work of the PRI and prepares an annual public report ("Transparency Report" available on the association's website).

Green Building Observatory (OID)³¹ – 2017)

The OID brings together private and public professionals from the French real estate sector to promote sustainable development and innovation. BNP Paribas Cardif participates in working groups and contributes to the sharing of data on the sector through its participation in the annual surveys managed by the Observatory. These include the responsible real estate survey³² and the survey on the energy and environmental performance of buildings.³³

Tobacco-Free Finance Pledge³⁴ (2018)

In 2017, BNP Paribas Cardif confirmed a tobacco-free investment policy within its euro fund and joined the Tobacco-Free Finance Pledge in 2018 with a coalition of investors, to mark the World Health Organization's "World No Tobacco Day". The BNP Paribas Group was one of the founding members of the initiative and set up an exit from the sector for producers, wholesalers and distributors whose income comes mainly from tobacco.

In 2023, BNP Paribas Cardif signed a declaration with other investors asking governments to take into account the WHO recommendations formalised in its Framework Convention on Tobacco Control.

CDP³⁵ (formerly Carbon Disclosure Project – 2020)

CDP encourages investors, companies and cities to measure and understand their impacts on the environment. It collects information on greenhouse gas emissions, water management and the impact on forests. The organisation holds the largest environmental performance database and is included in the data available for BNP Paribas Cardif's ESG analyses.

²⁹ <https://www.planbatimentdurable.developpement-durable.gouv.fr/>

³⁰ <https://www.unpri.org/>

³¹ <https://o-immobilierdurable.fr/>

³² <https://o-immobilierdurable.fr/barometre-de-limmobilier-responsable-2023-comment-lesg-progresse-dans-un-contexte-immobilier-chahute/>

³³ https://o-immobilierdurable.fr/wp-content/uploads/2023/05/OID_BPE_Notice_2023.pdf

³⁴ <https://www.unepfi.org/insurance/insurance/projects/the-tobacco-free-finance-pledge/>

³⁵ <https://www.cdp.net/en>

Climate Action 100+³⁶ (2021)

This is a collective engagement initiative in which the signatories act together to encourage the world's largest greenhouse gases emitters to take the necessary measures to mitigate climate change.

As indicated in section *D3- Review of the 2024 engagement strategy*, BNP Paribas Cardif engages issuers defined upstream in their climate action plans and strategies, alongside other leading investors. Details of the results obtained are available in the "Report on the implementation of the shareholder engagement policy", *part 3: Dialogue with corporate clients*.

Net Zero Asset Owner Alliance – NZAOA³⁷ (2021)

In order to help limit global warming to 1.5°C above pre-industrial temperatures, in accordance with the Paris Agreement, signatories commit to aligning their investment portfolios with a net zero carbon trajectory by 2050.

BNP Paribas Cardif joined the alliance (a United Nations initiative) in 2021 to strengthen the measures already taken to incorporate climate issues into its responsible investment policy. The initiative defines a framework for setting carbon neutral trajectory targets. Commitments include the measurement and reduction of the carbon footprint of portfolios, a sector-specific approach, developing investments related to the energy transition and shareholder dialogue on climate issues (details are available in the section *F - Paris Agreement alignment strategy*).

B. Internal resources deployed by Cardif Retraite

B1. Description of the financial, human and technical resources dedicated to an ESG approach

B1 a. Dedicated ESG teams

Cardif Retraite does not employ any employees apart from those from foreign branches. In France, the GIE BNP Paribas Cardif (Economic Interest Group) is the actual employer of all employees, *i.e.* 2,892 employees (full-time equivalent at the end of 2024).

The ESG management of BNP Paribas Cardif's investments is carried out by the central teams. Human resources (full-time employees) and financial resources are those recorded for BNP Paribas Cardif in France. For the purposes of this reporting, an allocation key defined on the basis of assets under management has been applied to establish equivalent resources for each legal entity subject to the publication of the LEC29 report.

For Cardif Retraite in 2024, **1.8 full-time equivalent (FTE) positions** are dedicated to ESG issues in the investment strategy. Employees from other functions are also involved in sustainable finance.

³⁶ <https://www.climateaction100.org/>

³⁷ <https://www.unepfi.org/net-zero-alliance/>

FTE per department	2024	2023
Asset Management Department	0.7	0.6
IMPACT, RISK, Marketing	0.6	0.5
Total FTE ESG investment	1.2	1.2
Legal, Compliance, Institutional Affairs, Finance	0.5	0.3
Total FTE Sustainable finance	1.8	1.5

BNP Paribas Cardif's investor activity is mainly managed by the Asset Management Department in conjunction with the Company's other functions, mainly Impact, Risk Management, Legal and Compliance.

Organisation of the ESG teams within the Asset Management Department

The Asset Management teams are actively involved in taking non-financial issues into account throughout the investment process.

The managers monitor the evolution of ESG indicators in their position-keeping tools and through dedicated reporting. Periodic meetings organised by the SRI team with the management teams of the three main general funds in France, Italy and Luxembourg and the international supervision team enable the system to evolve and to make the managers aware of any new non-financial and regulatory issues.

The SRI team is responsible for integrating non-financial criteria into investment processes (data, indicators, exclusion lists, etc.) in collaboration with the management teams. It integrates developments in the field of sustainable finance and monitors BNP Paribas Cardif's commitments to responsible investment. Other employees in the Department are involved in the ESG management of real estate assets and the monitoring of unit-linked products.

Asset management control teams check the application and compliance with sector policies and exclusions on investments.

Organisation of teams within the Impact and Innovation Department

A BNP Paribas Cardif Impact and Innovation Department, which reports to Executive Management, coordinates and monitors the CSR policy, in line with the guidelines defined at BNP Paribas Group level. It leads cross-functional strategic initiatives, monitors and coordinates internal and regulatory reporting on sustainability.

The IMPACT team relies on a network of ambassadors within each function, and in the regions and countries where the insurer is present:

Organisation of the ESG teams within the Risk Department

Within the Risk Department (RISK), the RISK CSR Officer is responsible for implementing the Department's roadmap. This roadmap addresses five main areas: the adaptation of the risk management framework, the mapping and assessment of risks, the organisation of regulatory reporting and finally the implementation of regulatory requirements in the ORSA. Using their expertise and cross-functional positioning, the RISK CSR Officer contributes to ensuring that sustainability issues are properly examined within the RISK teams and, more broadly, in the context of the Company's risk management.

Support for cross-functional teams within the BNP Paribas Group

Lastly, the BNP Paribas Cardif teams also draw on the resources and expertise of the BNP Paribas Group (see section *B2- Strengthening internal resources*). Thus, the teams mentioned above have regular discussions with IPS (Investment and Protection Services) division teams, from the Commitment Department, responsible for sustainability issues. In addition, there are inter-entity coordination points within each department. These cross-functional resources are not quantified.

B1 b. ESG budgets

In 2024, Cardif Retraite allocated the equivalent³⁸ of €61,044 for expenses related to the consideration of ESG issues in its investment activities. The 2024 ESG budget mainly covers recurring costs such as the purchase of ESG data, memberships of organisations or international alliances related to ESG and making improvements to the indicator calculation system. The 2024 budget does not include internal staff costs.

B2. Actions carried out to strengthen internal resources

BNP Paribas Cardif uses various levers to deploy its ESG strategy. For this purpose, in 2021 it adjusted its governance to better support the deployment of its ESG strategy.

The **Impact and Innovation Department** defines and implements BNP Paribas Cardif's CSR strategy, as part of the BNP Paribas Group's Growth Technology Sustainability plan. This department interacts with various internal stakeholders, BNP Paribas Cardif functions, the BNP Paribas Group and external stakeholders. It relies on a network of ambassadors within each function, and in the regions and countries in which it operates. It leads cross-functional strategic initiatives, works with the Finance function and contributes to internal and regulatory reporting on sustainability.

In 2024, the **Risk Department (RISK)** continued its training on climate risks, together with employee awareness-raising on biodiversity issues. A dedicated online training course for risk managers was conducted in 2024 and made available in April 2025. "2-Tonnes³⁹" workshops were held for those employees who wished to attend. In addition to these training actions, RISK has strengthened sustainability risk analysis tools and methodologies.

Employees of the **Asset Management Department in France and internationally** as well as the **IMPACT** ambassadors in the countries received training on sectoral policies. This training course, consisting of seven modules, provides information on the policies and position of the BNP Paribas Group, an understanding of the associated non-financial issues and the involvement of the various business lines and functions. Each new employee in one of these functions must take this dedicated course.

ESG experts from the Asset Management Department interact on a permanent basis with the functions of BNP Paribas Cardif and the BNP Paribas Group, as well as with external stakeholders (the France Assureurs federation, financial market working groups, NGOs, etc.). In 2024, they continued their work on non-financial strategies, with a focus on climate and biodiversity indicators.

Dedicated ESG training for sales representatives and distribution networks

Information and resources on the topic of sustainable finance are available to employees on a dedicated intranet page. For example, a "responsible investment book" explains the concepts of sustainable finance, certification labels and related regulations. This document for internal use includes key elements concerning sustainable finance approaches within the BNP Paribas Group and BNP Paribas Cardif, recommendations for avoiding greenwashing as well as the internal training courses offered.

In 2024, sales and marketing teams attended an education day on sustainable finance which included a review of the context and concepts, the general regulatory framework and products, the ESG strategy of BNP Paribas Cardif's euro funds and a review of labels and regulatory documents. Some employees took part in "Climate Fresk" workshops.

³⁸ Uses an allocation key in relation to the expenses covered by BNP Paribas Cardif

³⁹ <https://www.2tonnes.org/>

CSR and ESG training for all employees

BNP Paribas Cardif, with the support of the BNP Paribas Group, has developed an ESG training programme targeting all employees.

In 2024, **employee training in sustainable development issues** focused on:

- Internal training programmes dedicated to sustainable finance and more broadly ESG issues ("Positiv'impact" and "Bivwak! Upskill"), available to all employees. More than 55% of BNP Paribas Cardif employees (worldwide) completed the "Positiv'impact" programme, which represents an average of 1.5 hours of training per person.
- External expert training courses leading to a certification, such as those offered by the Cambridge Institute for Sustainability Leadership (CISL⁽³⁶⁾).
- Climate Fresks⁴⁰, which are group workshops to acquire an overarching vision of the challenges of climate change and biodiversity. At BNP Paribas Cardif, a third of the French workforce took part in at least one Fresk.

BNP Paribas Cardif also contributes to **NEST** (Network of Experts in Sustainability Transitions), a **network of internal experts** within BNP Paribas Group on ecological and social transition. In 2024, NEST organised 19 internal webinars attended by more than 3,000 participants.

- 46 BNP Paribas Cardif employees are experts identified within the NEST network.

Finally, CSR and impact-related topics are addressed through internal communication (74 news items published on the subject in 2024) and local events organised for employees.

⁴⁰ Climate Fresk, Biodiversity, the Circular Economy, Mobility and 2-ton workshop

C. ESG approach to the governance of Cardif Retraite

Within the BNP Paribas Cardif Group, a structure has been put in place to promote the proper integration of ESG issues into the management strategy of all insurance and reinsurance entities. The Impact and Innovation, Asset Management, RISK, Compliance, Finance, Financial Actuary and Capital departments play a key role in their operational implementation.

C1. Knowledge and skills of governance bodies in ESG decision-making

C1 a. Structure and governance of Cardif Retraite



Supervision

The **Board of directors** plays a major role in controlling and supervising the management of the Company. It defines the strategic direction of the business and ensures that they are followed by Executive Management, taking into account the social and environmental challenges of the Company's business activities.⁴¹ The roles of Chairman of the Board of directors and Chief Executive Officer are separated, in accordance with the highest governance standards.

The responsible investment strategy is defined as part of the investment strategy approved by Executive Management and the Board of directors. It includes the BNP Paribas Group's sector policies and exclusion lists. The Board of directors regularly monitors the implementation of the responsible investment strategy.

The Board of directors of Cardif Retraite relies on the committees of the BNP Paribas Cardif Group when carrying out its duties.

Among the committees responsible for assisting the Board of directors, two are particularly involved in ESG matters:

⁴¹ Internal rules of the Board of directors, Article 1

The **ALM and Insurance Risk Management Committee** ("Comité ALM et Gestion des Risques Assurance" – CAGRA) ensures the effectiveness of the risk management system, including social and environmental risks. It regularly reviews the asset allocation strategy and its implementation.

The **Appointment and Compensation Committee** ("Comité de Nomination et de Rémunération" – CNR) is responsible for monitoring issues relating to the appointment of directors and corporate officers and heads of key functions. It ensures the integrity and skills of the candidates and reviews the directors' annual declarations on conflicts of interest. It ensures compliance with the parity criteria and maintains the collective expertise of the Board of directors in consideration of the strategy of Cardif Retraite and the BNP Paribas Cardif Group.

In terms of compensation, the CNR gives an opinion on the compensation policy, which incorporates sustainability criteria, and regularly monitors the progress of the "All Equal" action plan. This plan aims to reduce the pay gap between women and men and to increase the proportion of women in top management positions.

Implementation

Committees reporting to Executive Management are involved in the ESG approach, including the **Risk Committee** ("Comité des risques") and the **Financial and Non-Financial Committee** ("Comité Financier et Extra-Financier").

The other management bodies described below operate at the level of the BNP Paribas Cardif Group and cover the legal entities Cardif Assurance Vie and Cardif Retraite.

In 2022, the **Executive Committee** put sustainability at the heart of its strategic plan.⁴² This plan defined BNP Paribas Cardif's ambition to have a positive impact on the environment, society and its employees. The plan is structured around three pillars, in line with those of the BNP Paribas Group: Growth, Technology and Sustainability (GTS). Led by a diversified Executive Committee, BNP Paribas Cardif continues to accelerate its transformation, in the interests of its main mission: to make insurance even more accessible. It ensures that the Impact strategy is aligned with the overall strategic guidelines and validates the implementation of the associated action plans.

The **Risk Committee**, under the responsibility of the Risk Management Function, is responsible for ensuring that risks are identified, assessed and managed, in line with BNP Paribas Cardif's strategic objectives.

The **Financial and Non-Financial Committee** is responsible for validating the choices and key elements of regulatory reporting on sustainability.

The **Strategic Impact Committee** is responsible for validating the Impact strategic guidelines.

The **Asset Management Department** ("Direction des Gestions d'Actifs" - DGA) runs three committees in which ESG issues are discussed:

- the **Asset Management Committee** meets every month and brings together several managers and members of the Executive Committee. It regularly discusses ESG issues and those related to responsible investment;
- the **SRI List Validation Committee** whose mission is to validate BNP Paribas Cardif's SRI exclusion lists and to validate the actions taken or to be taken in the event of the occurrence of significant ESG controversies;
- the **SRI Transversal Committee**, involving the heads of the RISK, IMPACT and DGA departments and meeting quarterly. Various topics are reviewed, including responsible investment, sustainable finance regulations, and the BNP Paribas Group's ESG guidelines.

⁴² <https://www.bnpparibascardif.com/fr/article/-/article/bnp-paribas-cardif-un-plan-strategique-2025-ambitieux-porte-par-un-comite-executif-renouvele>

The Impact and Innovation Department places impact at the heart of BNP Paribas Cardif's activities and operations. Its mission is to define the impact strategy, in line with the BNP Paribas Group's CSR and commitment guidelines.

This strategy aims to make insurance products and services more accessible and pursues a responsible investment policy based on environmental, social and governance criteria. The head of this new Department is a member of BNP Paribas Cardif's Executive Committee.

A governance structure dedicated to ESG regulatory and operational issues has been set up with two committees:

- The Impact Regulatory Committee, which coordinates the proper implementation of regulatory requirements related to sustainability, led by Impact.
- The Operational Reporting Committee, led by Finance, which coordinates the production of ESG regulatory reports.

The action plans are defined with the internal functions responsible for their implementation, then rolled out in the regions in which the insurer is present.

C1 b. ESG skills and knowledge of governing bodies

The entity is bound by regulations which state that the members of the Board of directors and the executive officers shall possess the good repute, knowledge, skills, experience required to perform their duties.

The directors of Cardif Retraite all have a variety of skills and experience gained throughout their professional and personal careers.

The self-assessment of the members' skills of the Board of directors carried out at the end of 2023 confirmed that directors had a satisfactory level of knowledge regarding "Sustainable development and CSR".

Work carried out in 2024 by the Board of directors of Cardif Retraite

The **Asset Management Department** has reported to members at each Board meeting on their environmental and social contributions and on developments in ESG investment strategy.

The Board of directors of Cardif Retraite:

- took note of the report on Article 29 of the Energy and Climate Act prepared for 2023, which presents methods for integrating environmental, social and governance criteria in the investment policy as well as the means implemented to contribute to the energy and ecological transition;
- approved the investment policy update regarding the potential long-term impacts of the strategy and investment decisions on sustainability factors, as well as sustainability risks in risk management.

C2. Integration of sustainability risks in compensation policies

Since 2021, Cardif Retraite's compensation policy has included provisions relating to Article 5 of the SFDR Regulation. Cardif Retraite's compensation policies and practices do not encourage financial market participants to take excessive risks through variable compensation in terms of the sustainability of investments and financial products governed by the SFDR Regulation. The compensation policy was completed in 2022 following the update of the Solvency II Regulation:

- a CSR criterion is included when calculating **collective variable compensation**, which means that efficient management can be combined with a positive impact on society and the environment;
- the compensation policy specifies that compliance with the code of conduct⁴³ used as a basis for individual variable compensation includes CSR criteria.

In addition, BNP Paribas Cardif's key employees⁴⁴ benefit from a three-year loyalty plan in which 10 indicators from the BNP Paribas Group's CSR scorecard⁴⁵ are included and account for 20% of the payment conditions. Three of these criteria are directly related to energy and climate change issues.⁴⁶

C3. Integration of ESG criteria in the internal rules of the Board of directors

Since 2019, the Board of directors' **internal rules** have indicated that the Board takes into consideration the social and environmental issues related to the Company's activity.

In addition, the directors undertake to respect and apply the provisions of the **Directors' Charter**, which sets out their obligations in terms of loyalty, honesty and integrity, compliance, prevention of conflicts of interest and transparency.

More generally, the BNP Paribas Group is committed through its **Code of Conduct** to abiding by a number of principles and standards that underpin the way it conducts its business (including the Global Compact Principles and the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises). Therefore, the BNP Paribas Group respects the highest standards of conduct and ethics, in terms of fight against corruption, respect for human rights and protection of the environment.

⁴³ https://cdn-group.bnpparibas.com/uploads/file/250415_bnpp_compliance_codeofconduct_eng_03_accessible.pdf

⁴⁴ Key employees: senior managers, high-potential employees or key local resources

⁴⁵ The ten indicators are presented on p. 692 of the Universal Registration Document (URD).

<https://invest.bnpparibas/en/document/universal-registration-document-annual-financial-report-2024-pdf>

⁴⁶ Amount of support for our customers in the transition to a low-carbon economy, amount of financing to corporate clients contributing to the protection of land and marine biodiversity and greenhouse gas emissions in tCO2eq/FTE (kWh buildings and business travel)

D. Information on the engagement strategy

In accordance with the provisions of the PACTE law⁴⁷ and the European directive on shareholders' rights⁴⁸, Cardif Retraite publishes its shareholder engagement policy [on its corporate website](#), as well as an annual report on the implementation of this policy.

D1. Scope of corporate clients affected by the engagement strategy

The shareholder engagement strategy concerns corporate client equities held directly by Cardif Retraite.

As indicated in the section *A1.1 b- ESG approach to fund investments*, Cardif Retraite has granted delegation mandates⁴⁹ to the management companies BNP Paribas Asset Management and OFI Invest Asset Management.

The management company OFI Invest Asset Management communicates with the corporate clients in which it invests and exercises the voting rights attached to the shares it holds. Voting is an inseparable aspect of its shareholder engagement policy⁵⁰ and applies to the mandates granted by Cardif Retraite.

D2. Overview of the voting policy

As an institutional investor, Cardif Retraite follows a long-term investment strategy. To achieve the desired performance, the investment strategy considers both financial and non-financial criteria.

Cardif Retraite's responsible investment strategy applies requirements in terms of exclusion of countries and activities, as well as minimum standards in terms of Environmental, Social and Governance ("ESG") risk management. This is done:

- prior to the investment: these requirements restrict Cardif Retraite's investment universe;
- throughout the asset holding period: Cardif Retraite votes at Annual General Meetings.

Cardif Retraite's responsible investment strategy policy, is structured around four principles:

- Contributing to the development of the real economy: the financial sector is a key player in the transformation of the economy towards a more sustainable model. Insurers play an important role in financing the economy and participate in investment plans to support corporate clients and individuals in the ecological and energy transition. In this respect, Cardif Assurance Vie Retraite directs part of its investments⁵¹ towards activities that contribute to the energy and environmental transition and also to social and societal causes.
- Being an economic player with a long-term investment horizon, limiting the impact of short-term financial market fluctuations, as Cardif Retraite's investments are backed by long-term commitments.

⁴⁷ Law no. 2019-486 of 22 May 2019 on the growth and transformation of businesses: <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000038496102/>

⁴⁸ Shareholder Rights Directive

⁴⁹ Assets delegated to management through mandates represent less than 3% of the assets of Cardif Retraite's euro fund.

⁵⁰ <https://www.ofi-invest-am.com/pdf/principes-et-politiques/shareholder-engagement-and-voting-policy.pdf>

⁵¹ These are investments identified as having a positive impact. See Section A1 - Integration of ESG criteria in the investment strategy

- Being a responsible investor: Cardif Retraite incorporates ESG criteria in the selection of investment vehicles throughout the investment period.
- Being an "active" investor: Cardif Retraite votes at the Annual General Meetings of listed corporate clients for which it holds shares and engages on environmental topics with some issuers.

Good corporate governance (the quality of its management, the independence of the supervisory bodies, the protection of its shareholders, aligning the interests of the various stakeholders) is a key criterion for Cardif Retraite's investments. The implementation of this dynamic involves exercising voting rights at Annual General Meetings. The types of resolutions submitted to a vote can be grouped into six main topics:

1. climate-specific resolutions and other non-financial considerations;
2. approval of the financial statements and corporate management;
3. appointment of directors: the Board of directors and the committees of the Board of directors;
4. compensation policies;
5. shareholder rights - share issue and buyback programmes;
6. other resolutions and shareholders' resolutions.

More details on these resolution types are available in the "Shareholder commitment policy", *part 4: Exercising voting rights*⁵².

D3. Review of the 2024 engagement strategy

BNP Paribas Cardif is a joint engagement leader with three major European companies. In 2024, dialogue with these companies continued on expected areas for improvement. Details of the results obtained are available in the "Report on the implementation of the shareholder engagement policy", *part 3: Dialogue with companies*.

⁵² The shareholder engagement policy is available at <https://www.bnpparibascardif.com/en/our-commitments/corporate-social-responsibility/>

D4. Review of the 2024 voting policy

In 2024, Cardif Retraite voted to all 1,731 resolutions put to the vote, and participated in all the Annual General Meetings of directly owned listed corporate clients in the scope of application (i.e. 37).

In 33 of the 37 AGMs which Cardif Retraite participated in, the insurer voted against management or abstained from supporting it for at least one resolution, *i.e.* 89% of AGMs.

Of the 1,731 resolutions registered, 274 votes were not in favour of management (*i.e.* 16% of the resolutions registered).

These 274 votes mainly covered compensation policy, capital structure and shareholder rights, composition of the Boards of directors, and discharge to management for the past year's management. Of these votes, 15% were related to environmental or social issues.

In 2024, one corporate client (in the relevant scope) submitted their climate strategy to a vote. Cardif Retraite expressed support for the approval of the proposed plans.

Cardif Retraite did not file a resolution in 2024.

More details on the votes are available in the annual voting report⁵³ "Report on the implementation of the shareholder engagement policy", *section 2.3 Guidance and explanation of votes cast*.

D5. Decisions taken and sector divestments

In 2024, Cardif Retraite did not carry out any sectoral divestments for ESG reasons. The insurer applies the exclusions resulting from the sectoral policies and continues to comply with the timetable for the phase-out of thermal coal and the trajectory for reducing the carbon footprint of the portfolios (see Section *F- Alignment strategy with the Paris Agreement*).

⁵³ [Being a responsible investor - BNP Paribas Cardif](#)

E. European Taxonomy and fossil fuels

E1. Outstandings related to Taxonomy Regulation activities

The European Taxonomy Regulation (2020/852 of 18 June 2020) has defined harmonised criteria to determine whether an economic activity is environmentally sustainable. For an activity to be sustainable within the meaning of the Taxonomy, it must contribute substantially to at least one of the following six objectives, without causing significant harm to the other five, while respecting minimum guarantees in terms of human rights and labour law. The six environmental objectives are:

- climate change mitigation,
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control,
- the protection and restoration of biodiversity and ecosystems.

BNP Paribas Cardif analysed the share of investments eligible and those aligned with the climate change adaptation and mitigation objectives, according to the criteria of the European Taxonomy Regulation. This share is calculated by weighting investments by the percentage of economic activities which are eligible/aligned with the Taxonomy, based on revenue on the one hand, and capital expenditure on the other.

As of 31 December 2024, the analysis covers the outstandings of Cardif Retraite. It is based on the following principles:

The indicators cover the investments of the insurance businesses (equities, corporate bonds, real estate investments, derivatives, mutual funds, cash and cash equivalents);

- For general funds, equities and bonds directly held, those in collective funds included in the general fund, and “direct” real estate investments are taken into account;
- For unit-linked products, directly held equities and bonds are taken into account;
- Information relating to the Taxonomy is that published by corporate clients, without the use of estimates;
- For green or sustainable bonds, the 100% eligibility/alignment rate is considered when identified by the data provider;
- The following assets are considered eligible/aligned (or not): Equities and bonds in corporate clients that are required to publish non-financial information, up to the percentage of their revenue/capital expenditure corresponding to economic activities eligible/aligned (or not) for the Taxonomy. These percentages are provided by the external data provider Bloomberg;
- If the non-financial data published by corporate clients was missing in 2024, the data supplier was able to go back by up to two years;
- In the case of insurance and reinsurance companies, the minimum between the investment Taxonomy indicator and the underwriting Taxonomy indicator has been used when both data are available;
- Real estate investments are considered eligible for the Taxonomy. “Direct” real estate investments are 100% eligible, and the alignment rate specific to each asset was taken into account for the first time this year.

Outstandings related to activities eligible for / aligned with the technical criteria of the "Taxonomy" Regulation (EU) 2020/852

Calculation basis: Total fund outstandings (in euros⁵⁴, including unit-linked products) at coupon market value including accrued interest, at 31st December 2024, *i.e.* €16.5 billion.

At 31/12/2024	REVENUES		CAPEX	
	In € bn	As %	In € bn	As %
Exposures on economic activities eligible for the taxonomy	1.4	11.1%	1.6	12.1%
of which share of exposures on aligned eligible activities	0.5	3.7%	0.6	4.5%
of which share of exposures on non-aligned eligible activities	0.9	7.3%	1.0	7.6%
Exposures to non-eligible economic activities (revenues)	1.9	14.4%	1.7	13.3%
<i>Sub-total investments analysed</i>	3.3		3.3	
Derivatives	0.05	0.4%		
Exposures on companies not required to disclose non-financial information	2.3	18.1%		
Exposures not analysed (UCITS and others)	7.2	56.1%		
<i>Total excluding sovereigns</i>	12.8	100%		
Exposures on central governments, central banks or supranational issuers	3.7	-		
<i>Total</i>	16.5			

As of 31 December 2024, in Cardif Retraite's euro fund, **share of assets** corresponding to exposures to **eligible/aligned economic activities** is respectively 11.1% and 3.7% of assets covered, based on their revenue, and 12.1% and 4.5% of hedged assets, based on their investments (**CAPEX**).

⁵⁴ Including branches in Bulgaria, Romania, Switzerland and Taiwan

E2. Outstandings and investment restrictions in the fossil fuel sector

Outstanding amounts in the fossil fuel sector (Delegated Regulation 2022/1288)

Article 4 of the SFDR Regulation (Delegated Regulation 2022/1288) concerning the calculation of the principal adverse impact indicators, taken up by the Article 29 Energy and Climate Act Decree requires the publication of outstandings invested in companies active in the fossil fuel sector (non-renewable carbon-based energy sources such as solid fuels, natural gas and oil). This applies to companies that derive revenues from prospecting, mining, extraction, production, processing, storage, refining or distribution, including transportation, warehousing and fossil fuel trading.

This regulation stipulates that the exposure considers 100% of the market value of the companies in the portfolio that generate part of their revenue in the value chain (coal and/or oil and gas) without weighting by share of its activity related to fossil fuels. **This calculation, carried out using the BNP Paribas Asset Management (BNPP AM) methodology**, is also included in *part II - Statement of Principal Adverse Impacts*.

- Cardif Retraite's exposure to the fossil fuel sector in 2024 was 7.8% (equity and corporate bond portfolio held directly and in collective funds of the general fund).

Cardif Retraite's exposures to the thermal coal sector and to the oil and gas sector are available in *section F3. Changes in the investment strategy in line with the alignment strategy implemented*.

F. Alignment strategy with the Paris Agreement

The 2015 Paris Climate Agreement aims to contain the increase in the average global temperature to well below 2°C by 2100 compared to pre-industrial levels, and to continue the action taken to limit this rise to 1.5°C compared to pre-industrial levels. The synthesis report of the sixth Intergovernmental Panel on Climate Change (IPCC) report is a reminder of the scientific consensus on climate change. The unprecedented acceleration of greenhouse gas emissions would result in a global warming trajectory of +4°C by 2100 compared to the pre-industrial era.

Faced with these global challenges, BNP Paribas Cardif is committed as an investor and willing to contribute to the fight against global warming.

This contribution requires the assessment of the carbon footprint of the investment portfolios and their alignment with the Paris Agreement. The indicators for measuring the climate impact could be improved. They nevertheless help to guide the investment strategy.

The resulting actions include: the application of sectoral exclusions, investment restrictions in high-carbon sectors such as fossil fuels, participation in market initiatives working for carbon neutrality, engagement practices and shareholder dialogue with companies, in particular those with significant greenhouse gas emissions, and the selection of positive investments for the energy and ecological transition.

This section presents Cardif Retraite's climate indicators for its corporate equity and bond portfolios (3% and 39% respectively of the euro fund) and real estate portfolios (7%), according to the levels of coverage available.

F1. BNP Paribas Cardif's climate approach

Net Zero commitments

As part of its climate approach, BNP Paribas Cardif has made commitments to align its investments with a trajectory of carbon neutrality by 2050. To do so, BNP Paribas Cardif has made specific commitments on the following four pillars:

- measuring the alignment of investment portfolios with the Paris Agreement and reducing their carbon footprint;
- defining decarbonisation targets for the sectors that emit the most greenhouse gases;
- developing investments related to the climate transition;
- engaging in shareholder dialogue with companies and asset managers to steer them towards carbon neutrality.

BNP Paribas Cardif reports on progress made and any difficulties encountered in implementing these commitments.

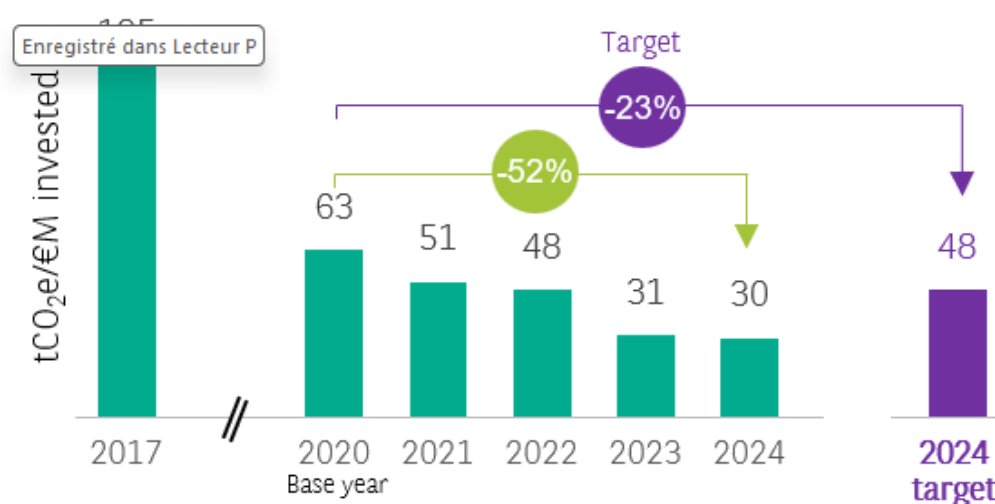
Climate alignment strategy: 2024 objectives and monitoring of results

BNP Paribas Cardif has set climate targets for its investment portfolios, which were published in September 2022. These targets, when applied to BNP Paribas Cardif Group for euro funds, apply to entities in France (including Cardif Assurance Vie and Cardif Retraite), Italy and Luxembourg, for mandates and to majority-owned international subsidiaries.⁵⁵

Greenhouse gas reduction targets

- Reducing the carbon footprint of the directly held corporate equity and bond portfolios by no less than 23% between the end of 2020 and the end of 2024 (scopes 1 and 2⁵⁶).
 - The carbon footprint was reduced by 52% at the end of 2024.

BNP Paribas Cardif's carbon footprint in tonnes of CO₂ equivalent (scopes 1 and 2) per million euros invested (directly held equities and bonds)



Data source: S&P Trucost Market Intelligence (before 2024) and BNPP AM (2024)

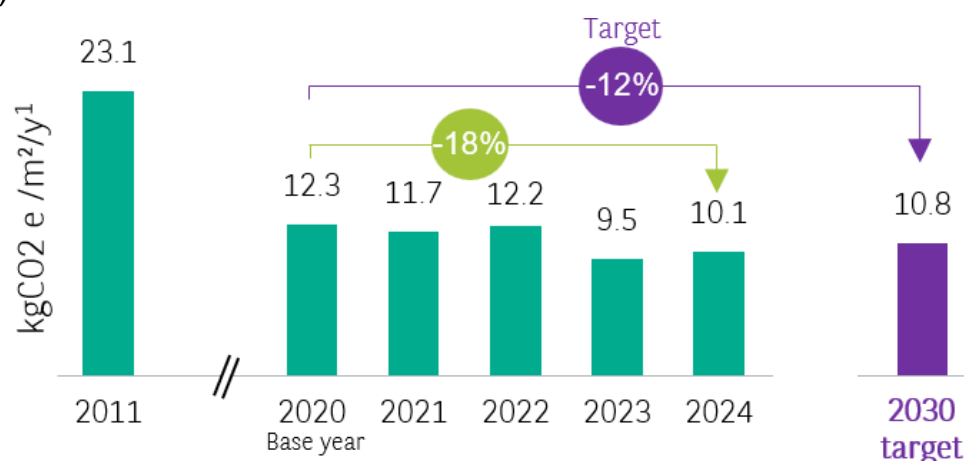
- Reduce by at least 12% the carbon intensity (scopes 1 and 2⁵⁷) of directly held office buildings between 2020 and 2030.
 - The carbon intensity of directly held office buildings was reduced by 18% at the end of 2024 (47% reduction had previously been recorded between 2011 and 2020).

⁵⁵ Subsidiaries in which BNP Paribas Cardif holds more than 50% of the voting rights + 1 vote

⁵⁶ Although the scope 3 measurement is not standardised, BNP Paribas Cardif is focusing on setting targets for scopes 1 and 2 (the definition of the scopes according to the GHG protocol is presented in the Appendix), while continuing to calculate and analyse the impact of its portfolios in all three scopes

⁵⁷ Reducing the carbon intensity of buildings also includes the consumption of electricity, heat and cooling by tenants.

BNP Paribas Cardif's carbon intensity in kg of CO₂ equivalent (scopes 1 and 2) per m² of surface area (office buildings)⁵⁸



Source: Internal data and BNP Paribas Real Estate Property Management

The carbon intensity increased between 2023 and 2024 due to:

- a methodological change for estimating missing data for office buildings;
- the continued improvement of the data reported by property managers.

Sector targets

- In order to reduce the carbon footprint, in 2024 BNP Paribas Cardif relied on closer monitoring of the electricity producer sector and a gradual phase-out of thermal coal.

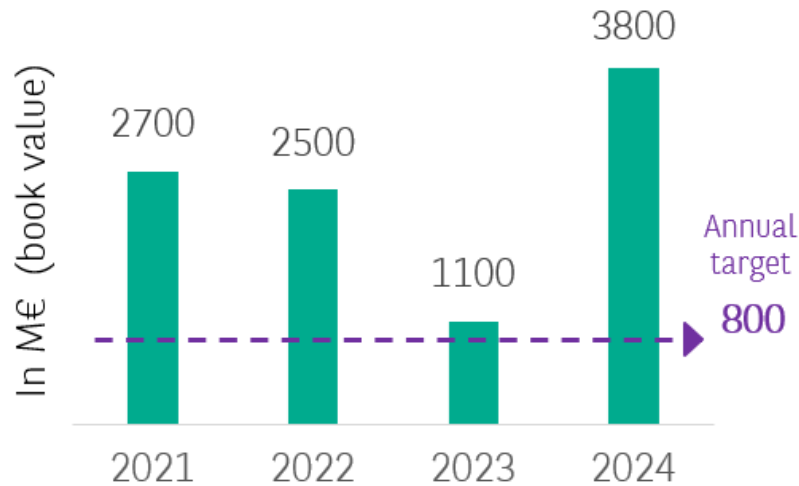
Investment target in the environmental and climate transition

- Invest at least €800 million in environmental-themed investments. These investments include **green bonds and real estate assets** presenting best market practices in terms of environmental performance⁵⁹ and **renewable energy infrastructure**.
- In 2024, €3.8 billion were allocated to **environmental-themed investments**.

⁵⁸ For 2011, the CO₂ equivalent emissions factor used for electricity is that of the Order of 8 February 2012, amending the Order of 15 September 2006 relating to the energy performance assessment for existing buildings offered for sale in mainland France. From 2020, the CO₂ equivalent emissions factor is taken from the ADEME database to reflect changes in the electricity energy mix

⁵⁹ Certified assets, having achieved the target of the 2030 Tertiary Decree, aligned with the criteria of the European Taxonomy, etc.

Changes in environmental-themed investments



Commitment target

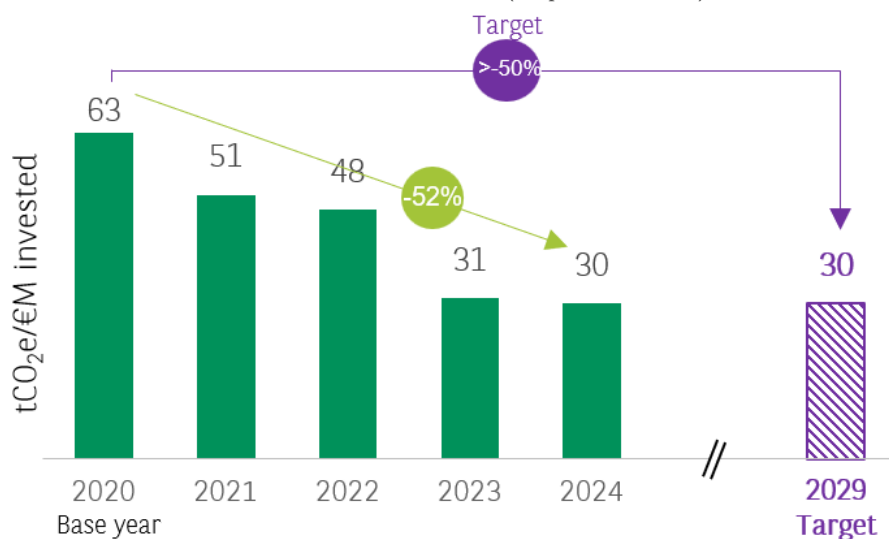
- Dialogue with companies and asset managers to encourage them to implement a climate strategy consistent with the Paris Agreement. In 2024, BNP Paribas Cardif continued the dialogue initiated with three major European companies (see Section D3 – *Review of the 2024 engagement strategy*).

Climate alignment strategy: 2030 targets

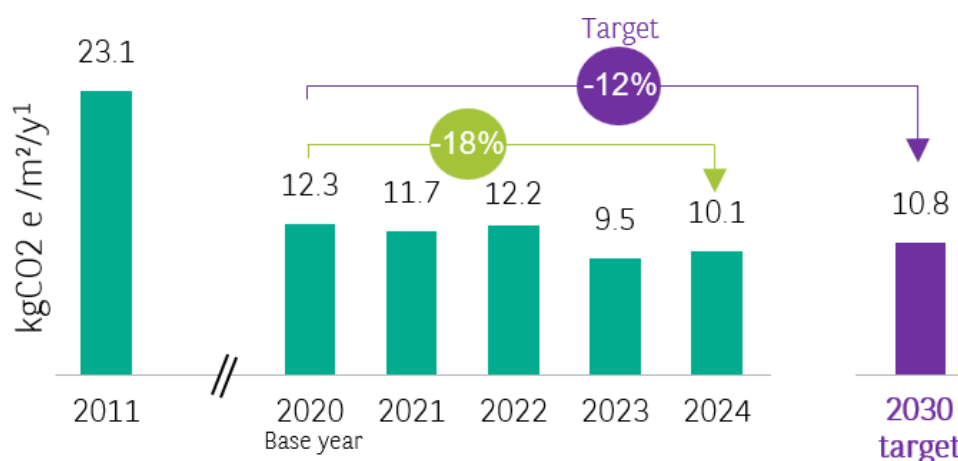
BNP Paribas Cardif is continuing its climate commitment to 2030. These new short-term commitments confirm the insurer’s long-term ambition to align its investments with a carbon neutrality by 2050 trajectory.

Greenhouse gas reduction targets

- Reducing the **carbon footprint** of the directly held corporate equity and bond portfolios by **at least 50%** between the end of 2020 and the end of 2029 (scopes 1 and 2⁶⁰).



- Reduce by at least 12% the carbon intensity (scopes 1 and 2⁶¹) of directly held office buildings between 2020 and 2030.



Sector targets

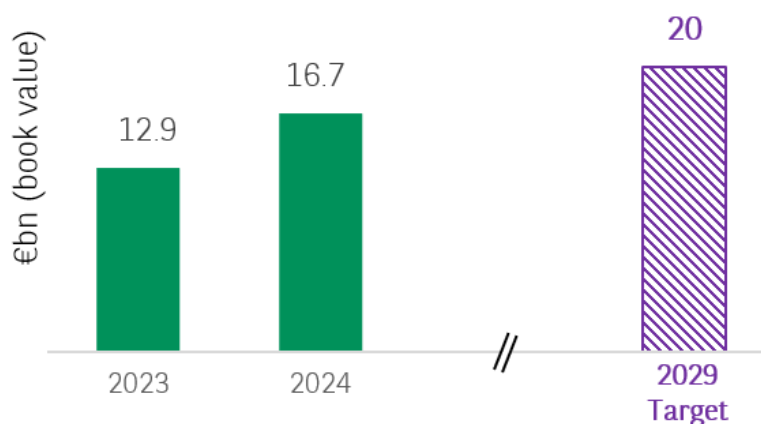
- In order to reduce its carbon footprint, BNP Paribas Cardif relies on closer monitoring of the electricity producers, on a gradual phase out of thermal coal and on excluding conventional bonds issued on the primary market by oil and gas exploration and production companies from the investment universe.

⁶⁰ Although the scope 3 measurement is not standardised, BNP Paribas Cardif is focusing on setting targets for scopes 1 and 2 (the definition of the scopes according to the GHG protocol is presented in the Appendix), while continuing to calculate and analyse the impact of its portfolios in all three scopes.

⁶¹ Reducing the carbon intensity of buildings also includes the consumption of electricity, heat and cooling by tenants.

Investment target in the environmental and climate transition

- **Reach at least €20 billion** (in balance sheet value) in environmental-themed investments by the end of 2029. These investments include green bonds, real estate assets with best market practices in terms of environmental performance⁶² and renewable energy infrastructure.



Commitment target

- **Dialogue with companies and asset managers** to encourage them to implement a climate strategy consistent with the Paris Agreement.

F2. Monitoring of climate indicators for real estate assets

The building sector accounts for a significant share of total energy consumption in France. Limiting energy expenditure and carbon footprint in the real estate portfolio is, therefore, a major challenge in the fight against global warming.

Tertiary real estate is subject to specific regulations, including the Tertiary Decree, which imposes a gradual reduction in energy consumption. This annually measured reduction approach is part of the targets set out by the Decree, which came into force in 2019, *i.e.* a reduction in energy consumption of 40% by 2030, 50% by 2040 and 60% by 2050 compared to the reference year of 2010, or achieving a threshold consumption as defined by a ministerial order.

Cardif Retraite publishes metrics based on the energy mapping of the real estate portfolio carried out since 2011 for office buildings and 2013 for shopping centres.

In 2024, the energy sobriety campaigns launched since the end of 2022 have been maintained. The increase in energy consumption and therefore greenhouse gas emissions compared to 2023 is due to:

- a methodological change for estimating missing data for office buildings;
- the continued improvement of the data reported by property managers.

⁶² Certified assets, having achieved the target of the 2030 Tertiary Decree, aligned with the criteria of the European Taxonomy

Observed trajectories of the reduction in energy consumption and carbon intensity of Cardif Retraite's directly managed real estate portfolio

	Energy consumption	Greenhouse gas emissions	Scope	Corrections applied
Office buildings ⁶³	-38% between 2011 and 2024	-57% between 2011 and 2024 ⁶⁴	Communal areas and private areas	Area occupancy ⁶⁵ Climate variations
Shopping centres	-48% between 2013 and 2024	-19% between 2019 and 2024 ⁶⁶	Communal areas and private areas with communal facilities	

F3. Changes in the investment strategy in line with the alignment strategy implemented

The investment strategy aims to align the portfolios with a carbon neutrality trajectory by 2050.

As part of its climate alignment strategy, BNP Paribas Cardif has set **sector-specific targets** (thermal coal, electricity and oil and gas producers) and **greenhouse gas reduction targets** for its directly held corporate equity and bond, and office buildings portfolios.

The insurer is continuing its investments in the **environment and energy transition**, and its commitment to encouraging corporate clients with the largest carbon emissions to reduce their footprint.

The targets cover directly held corporate equities and bonds, *i.e.* approximately 42% of the euro-denominated fund managed by Cardif Retraite (as of 31/12/24). Asset coverage will be gradually extended in the coming years. Some data is not available, and the methodologies for calculating certain indicators are still under construction or being improved. BNP Paribas Cardif teams participate in various working groups within the BNP Paribas Group and externally (France Assureurs, OID, etc.) which look at non-financial issues in investments.

⁶³ It was not possible to obtain a consumption equivalent restricted to Cardif Retraite for office building energy consumption. It was replaced by the energy consumption for BNP Paribas Cardif's real estate assets. As a reminder, the Cardif Retraite entity was isolated at the end of 2022.

⁶⁴ For office buildings, until 2019, the CO₂ equivalent emissions factor used for electricity was that of the Order of 8 February 2012, amending the Order of 15 September 2006 relating to the energy performance assessment for existing buildings offered for sale in metropolitan France. The ADEME database was used as a source from 2020, in order to reflect changes to the electricity energy mix.

⁶⁵ When a site is vacant, the surface area ratio of energy consumption takes into account the occupied area rather than the total surface area of the building.

⁶⁶ Before 2019, the breakdown of energy consumption by energy source was not available. It was therefore not possible to convert into CO₂ equivalent.

Thermal coal sector

BNP Paribas Cardif applies the sectoral restrictions defined by the BNP Paribas Group (see section L1 of this report). For thermal coal, financing and investment activities are governed by two policies: "Production of electricity from coal⁶⁷" and "Mining⁶⁸".

Since 2018, BNP Paribas Cardif has implemented a policy of reducing exposure to thermal coal in euro funds. In 2021, the exclusion criteria were then reviewed and strengthened with the exclusion of developers and logistics companies, the addition of new criteria and thresholds (absolute and relative), and changes to the geographical area.

In 2024, BNP Paribas Cardif excludes:

- **Corporate clients developing** new activities in the coal sector;
- **Corporate clients in the mining industry** with more than 10% of their revenue related to thermal coal or producing more than 10 million tonnes of thermal coal annually;
- **Logistics or power-generating corporate clients** with more than 20% of their revenue related to thermal coal;
- **Power-generating corporate clients** which produce more than 20% of the electricity in their energy mix using thermal coal, or whose installed capacity for coal-fired power generation is more than 10 GW;

BNP Paribas Cardif therefore provides for a definitive exit from the sector by 2030 for the countries in the European Union and the OECD, and by 2040 for the rest of the world.

Cardif Retraite's exposure to this sector was close to zero with 0.2% of its assets (corporate equities and bonds held directly and in collective funds of the general fund) at the end of 2024, according to the BNP Paribas Asset Management methodology.

Oil and gas sector (including unconventional oil and gas)

BNP Paribas Cardif applies the exclusions resulting from the BNP Paribas Group's sector policy on oil and gas. The policy was created in 2017 and updated in 2022 and 2023. Its investment universe excludes conventional bonds issued on the primary market by oil and gas exploration and production companies. This restriction does not cover green bonds, which finance environmental projects (renewable energy, energy efficiency, low-carbon transportation, etc.), contributing to a less carbon intensive economy.

BNP Paribas Group's sector policy covers the unconventional oil and gas sectors: players whose main activity is exploration, production, pipeline transportation, the operation of LNG export terminals or the trading of shale gas and oil and/or oil from tar sands. Specialised unconventional oil and gas players have been excluded since 2017.

The investment management criteria of the policy published in 2023 are based on the following points:

- Companies whose share of activity related to unconventional oil and gas (oil sands and shale oil and gas) is greater than or equal to 10% are excluded;
- BNP Paribas will no longer finance projects in the Arctic⁶⁹ or companies where more than 10% of the activity is derived from activities in the Arctic;

⁶⁷ https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_sector_policy_coal_fired_power_generation.pdf

⁶⁸ https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_sector_policy_mining.pdf

⁶⁹ The Arctic zone has been extended to the AMAP (Arctic Monitoring & Assessment Programme), with the exception of Norwegian territories (environmental and operational laws and regulations as well as monitoring processes adopted by Norway are among the most rigorous in the world).

- Energy companies with oil and gas reserves in the Amazon region or actively developing infrastructure related to oil activities in this region are excluded. Trading companies for which unconventional oil and gas resources represent a significant portion of their business portfolio are also excluded;
- Companies in the energy sector that directly own or operate pipelines or export terminals of Liquefied Natural Gas (LNG) supplied by a significant volume of unconventional oil and gas are excluded.

Cardif Retraite's exposure to the oil and gas sector represented 7.6% of its outstandings (corporate equities and bonds held directly and in collective funds of the general fund) at the end of 2024, according to the BNP Paribas Asset Management methodology.

✦BNP Paribas Cardif applies the exclusions resulting from the sectoral policies defined by the BNP Paribas Group. Specialised unconventional oil and gas players have been excluded since 2017. The insurer has no timetable for the phase-out of unconventional hydrocarbons.

G. Biodiversity alignment strategy

Definition and context

Biodiversity is the network of all living, terrestrial, marine and aquatic organisms, and the ecological systems to which they belong. This network produces oxygen, regulates the planet's water, temperature and air quality, as well as natural hazards. These are the ecosystem services that biodiversity provides.

In 1992, at the Earth Summit held in Rio de Janeiro, the international community adopted the Convention on Biological Diversity (CBD), which set three objectives:

1. Biodiversity conservation;
2. Sustainable use of its components;
3. The fair and equitable sharing of benefits arising from the exploitation of genetic resources and associated traditional knowledge.

In 2010, States agreed on "Aichi Targets" for the period 2011-2021. In 2020, the CBD Secretariat's fifth Global Biodiversity Outlook report found that none of the Aichi targets had been met.

In 2022, 196 countries at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) adopted a new strategic plan to guide international action, known as the "Kunming-Montreal Global Biodiversity Framework" (GBF). Its objective is to halt and reverse the decline in biodiversity to contribute to a "vision of living in harmony with nature by 2050".

The framework sets out four major long-term objectives (2050):

1. End the extinction of species threatened by humans and divide by ten the rate of extinction of all species by 2050;
2. Use and manage biodiversity sustainably;
3. Fairly share the benefits arising from the use of genetic resources;
4. Ensure that the technical and financial resources for the implementation of the Global Biodiversity Framework are accessible to all parties, in particular the least developed countries and small developing island States.

The Global Diversity Framework⁷⁰ sets out 23 2030 action targets, broken down into three areas:

1. Reducing threats to biodiversity;
2. Meeting people's needs through sustainable use and benefit-sharing;
3. Tools and solutions for implementation and mainstreaming.

G1. Meeting the objectives of the Convention on Biological Diversity

✦ Biodiversity is a priority area of action for BNP Paribas under the Sustainability axis of its strategic plan, aligned with the objectives of customers and the United Nations Sustainable Development Goals. It includes sector policies addressing deforestation in Southeast Asia and more broadly issues related to the agriculture sector, publishing a public position on biodiversity⁷¹, dialogue with customers in the most sensitive sectors

⁷⁰ <https://www.cbd.int/gbf/targets>

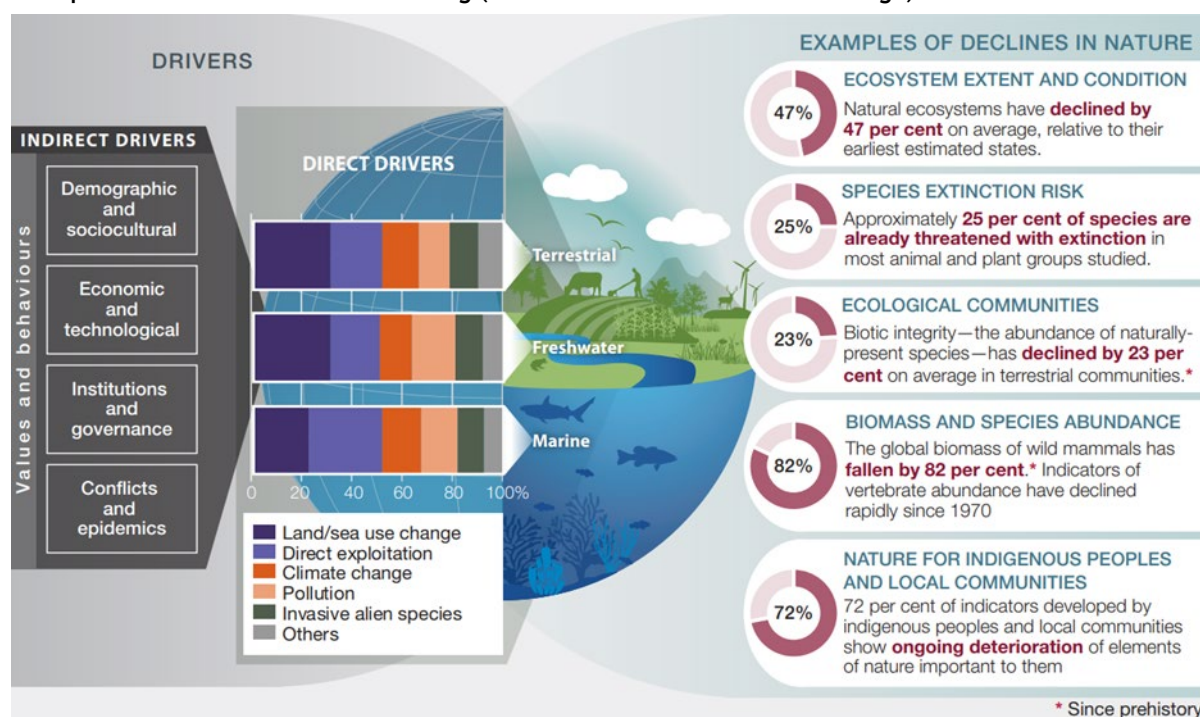
⁷¹ https://cdn-group.bnpparibas.com/uploads/file/biodiversity_position_2021.pdf

and contributing to the pilot project of the Taskforce on Nature-related Financial Disclosures (TNFD) framework on the agri-food sector, with a sample of 123 corporate clients operating worldwide.⁷²

In 2025, in conjunction with the Investment & Protection Service (IPS) division, BNP Paribas Cardif is continuing the work initiated in 2024 to develop a range of savings products on the theme of biodiversity, to incorporate this topic into the management process and to consolidate knowledge of the issues and concepts in this area. BNP Paribas Cardif uses these analyses to define quantifiable objectives contributing to targets 15, 18, 19 and 20 of the “Global Biodiversity Framework”. However, this approach is hampered by the lack of recognised and shared tools and data to measure biodiversity performance.

G2. Analysing the contribution to alleviating the main pressures and impacts on biodiversity (IPBES)

Main pressures observed on biodiversity (direct and indirect drivers of change):



Source: IPBES⁷³

For several years, scientific reports, in particular IPBES reports, have warned of the collapse of global biodiversity and raised awareness of the significant threat to the stability of societies. The work of the Taskforce on Nature-related Financial Disclosures (TNFD) is essential to creating a harmonised global reporting framework on biodiversity impacts.

⁷² <https://www.i-care-consult.com/2023/03/tnfd-pilot-on-the-agrifood-sector/>

⁷³ <https://www.ipbes.net/global-assessment>

G3. Biodiversity footprint measurement indicators

The models for assessing metrics related to biodiversity, the quality and level of detail of the data used by these models, are still being developed. They are partly based on a set of estimates, which change and are refined from one year to the next.

G3 a. The Company's corporate equity and bond portfolio biodiversity footprint

Methodological explanations

The **"Mean Species Abundance" (MSA) metric** is an indicator of the degree to which local biodiversity has been protected. It compares the average abundance of native species in an environment with their abundance in an undisturbed ecosystem. Its calculation is based on the comparison, for each individual species, between its abundance under the influence of a given pressure and its abundance in the absence of this pressure. Further principles of this metric are presented in the Appendices.

BNP Paribas Cardif uses the **Corporate Biodiversity Footprint (CBF)** model developed by Iceberg Data Lab and I Care & Consult since 2022.

This model is used by a range of market players including insurers, reinsurers and asset managers. Details on the principles of the MSA metric and the models for calculating the GBS and CBF scores are available in the appendices.

Methodological limitations and biases

Ecosystems behave in a non-linear and complex way. Numerous interactions occur among ecosystems and with natural processes and living organisms, including humans. As a result, a metric such as the MSA.km² represents a simplified view of the impacts of human activities on biodiversity. The analyses based on this metric will therefore need to be supplemented by other metrics or indicators as and when required.

In addition, the metric itself remains complex to assess, as the different scopes and different pressures contribute in various ways to its final calculation.

The main biases and limitations associated with this metric are presented below. The collection of corporate economic data and ecological inventory data is based on the financial and non-financial publications of the corporate clients that are counterparties of BNP Paribas Cardif.

Economic data is not necessarily published at a sufficient level of detail or may be published based on segmentation that does not align with the models. For example, revenue is often published by type of business activity and by region in different sections of the annual reports where reconciliation is not possible, whereas the model requires the cross-referencing of these two visions. Similarly, ecological inventory data is currently only partially published and based on estimates.

The use of Wunderpus to assess corporate clients' ecological inventories also has its limitations. Putting these databases together involves the use of methodological choices, assumptions and approximations that add complexity to the interpretation of the results.

IDL's proprietary model assesses the environmental pressures generated by the products and services involved in the activity of corporate clients over their entire lifespan.

The GLOBIO model for assessing the impacts associated with pressures, used by the IDL model, uses scenarios and assumptions based on local studies or limited to certain types of species, which are then generalised.

In addition, the transition from the MSA.km² metric to the MSA.m²/€k (or MSA.km²/€M) metric is based on the IDL model on the division of the MSA.km² metric by the value of company. This value may not be available or easily estimable for certain corporate clients, particularly those that are not listed, which therefore limits the portfolio coverage ratio for the metric in question.

In conclusion, the maturity of the models, detail and quality of the data published by corporate clients means that it is not easy to identify in the metric analysis what is based on the specific activities of the corporate client in question, and what is based on approximations and estimates made on the data or model.

Cardif Retraite's corporate equity and bond portfolio biodiversity footprint

Cardif Retraite extends its scope for calculating the biodiversity footprint to its portfolio of corporate equities and bonds held directly and in collective funds of the general fund. The MSA.km²/€M metric of the IDL model covers 62% of the corporate clients in the portfolio.

- **The footprint assessed by IDL for the portfolio is -0.0557 MSA.km²/€M.**

The IDL model identifies land use and aquatic pollution as the most significant pressures in the portfolio.

✦ The precise location of corporate client assets is required to segment the portfolio's exposure by geographical area. The segmentation allows to analyse the exposure to transition risks shown by the biodiversity footprint indicator. BNP Paribas Cardif is continuing its monitoring of data suppliers in order to establish this mapping.

G3 b. Biodiversity footprint of the sovereign bond portfolio

Cardif Retraite extended the scope of calculation of its biodiversity footprint to its portfolio of directly held sovereign bonds in collective funds of the general fund. This assessment was carried out by Iceberg Data Lab using the Carbon Biodiversity Footprint (CBF) methodology.

The sovereign biodiversity footprint makes it possible to assess the country's impact on the degradation of nature by estimating the contribution of the country's economic activities (products and services included in the Gross Domestic Product) to the factors of biodiversity loss.

As with corporate clients, this calculation is a first step in incorporating biodiversity issues into the investment strategy.

Methodological explanations

For countries, the assessment measures the impact of products and services included in the Gross Domestic Product (GDP), including imports and exports of products consumed or sold outside the national territory. This assessment is carried out according to the same sector methodology as that used to calculate the company footprint, which covers 272 level 3 economic sectors according to the European NACE classification.⁷⁴

The results of these first country-level footprint calculations show that countries' impact on biodiversity largely depends on their economic structures, mainly related to gross domestic product. For example, countries in which agriculture represents a significant portion of their GDP tend to have impacts related to land use changes; countries whose GDP comes mainly from extractive activities may have significant pollution-related impacts, and lastly, countries with a GDP linked to service activities may have impacts linked to the use of land by upstream activities (scope 3), with the import of goods.

⁷⁴ NACE is the Statistical Classification of Economic Activities in the European Community, a classification system for economic activities covering 615 four-digit codes.

Methodological limitations and biases

The sovereign biodiversity footprint has the same limitations as those exposed for companies. In addition, the assessed impact is linked to the current state of the economy and does not consider ongoing changes in government policies or future economic changes.

Biodiversity footprint of the sovereign bonds in the Cardif Retraite's portfolio

Iceberg Data Lab covers 73% of Cardif Retraite's sovereign bond portfolio.

- The estimated footprint of the sovereign bond portfolio is **-0.133 MSA.km2/€M of GDP**.

The footprint of the benchmark composite index is -0.125 MSA.km2/€M of GDP. The overweighting of China in the sovereign bond portfolio compared to the benchmark composite index contributes to a higher biodiversity footprint measurement on the portfolio than on the benchmark index.

G3 c. Risk of dependency on ecosystem services

Cardif Retraite publishes the assessment of the dependency of the corporate equity and bond portfolio held directly and in collective funds of the general fund on ecosystem services.

The dependency on ecosystem services expresses the portfolio's exposure to biodiversity loss. This dependency is assessed by CDC Biodiversité *via* a dependency score taking into account upstream scope 1 and scope 3 (in CDC Biodiversité's BIA GBS methodology, upstream scope 3 includes energy purchases and therefore includes scope 2). It is established on the business sectors of the companies involved on their upstream value chains (to include the upstream Scope 3 dependency). The industrial processes used in these sectors are associated with a dependency on the 21 ecosystem services derived from the "ENCORE" model, a database developed by the Natural Capital Financial Alliance, an alliance of financial institutions, in partnership with UNEP-WCMC (UN Environment Programme World Conservation Monitoring Centre). The database assigns levels of dependency on 21 ecosystem services (classified according to the Common International Classification of Ecosystem Services) to 86 production processes.

The analysis was carried out on approximately 83% of the equity and bond portfolio held directly and in collective funds included in the general fund.

The dependency score quantifies the dependency of portfolio companies on ecosystem services, *i.e.* services offered by nature (pollination, water purification, etc.). This score is based on the materiality tables from the ENCORE model.

The average dependency score expresses the portfolio's average dependency on all ecosystem services.

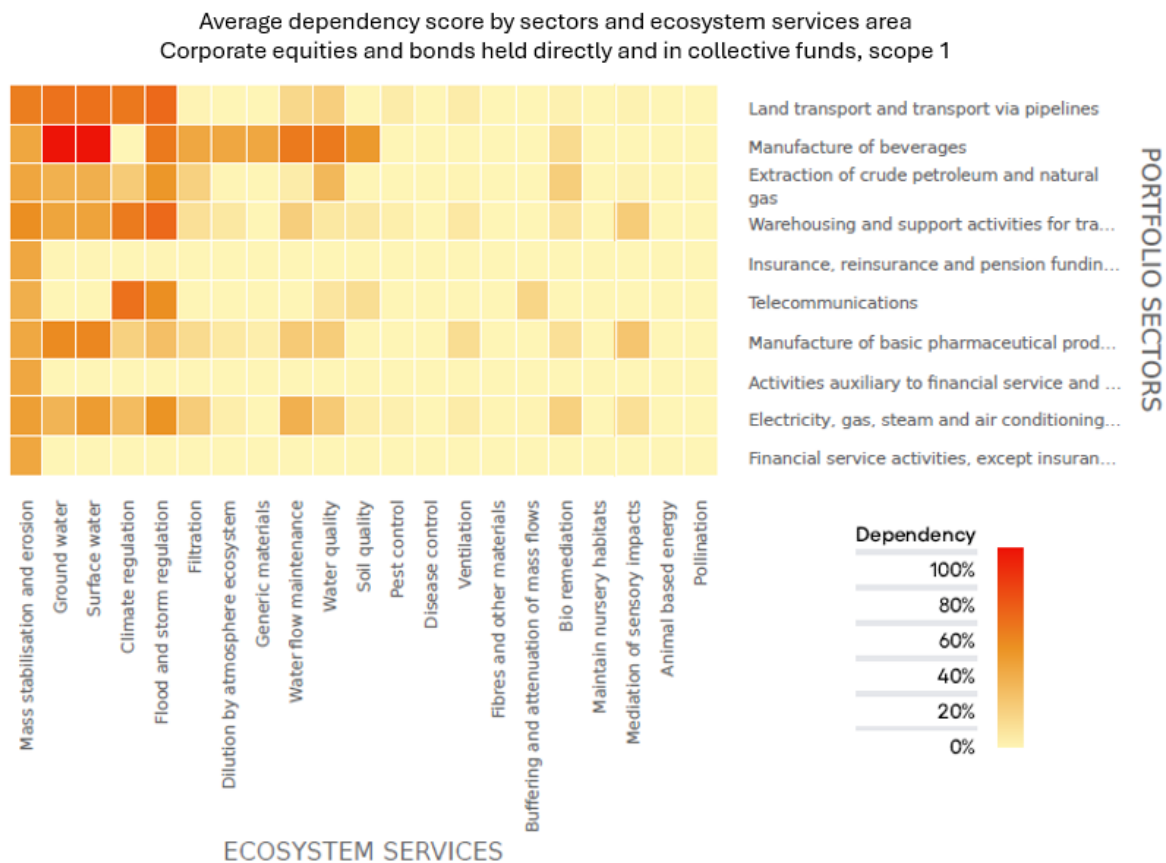
Cardif Retraite's average dependency score

Scope 1	9%
Scope 3 Upstream	10%

Source: Carbon4Finance

Therefore, the average dependency of the Cardif Retraite portfolio (corporate equities and bonds held directly and in collective funds of the general fund) for all ecosystem services can be considered very low, both for Scope 1 and upstream Scope 3.

This average vision covers disparities that can be illustrated by the following Scope 1 dependency matrix.



Source: Carbon4 Finance

This matrix shows that for the 10⁷⁵ most represented sectors in the portfolio in terms of outstandings, corporate clients have a dependency score of around 40% linked to the ecosystem service "mass stabilisation and erosion control" and are therefore sensitive to erosion and landslides.

The companies in the Cardif Retraite portfolio with a high average dependency score (greater than 50% on the matrix) on at least one ecosystem service carry out activities related to land transport, beverage manufacturing, storage activities and transport, and telecommunications activities. These companies are particularly dependent on the "groundwater", "surface water", "climate regulation" and "flood and storm protection" ecosystem services.

⁷⁵ Sectors identified on the basis of NACE codes

The average dependency score can be supplemented, for Scope 1, by a **critical dependency score** which quantifies the share of the portfolio that is critically dependent (*i.e.* with a high or very high dependency score) on at least one ecosystem service.

Cardif Retraite critical dependency score

Scope 1	42%
Scope 3 Upstream	44%

Source: Carbon4 Finance

The critical dependency of Cardif Retraite's portfolio of corporate equities and bonds held directly and in collective funds of the general fund on at least one ecosystem service is 42% for Scope 1. The main critical exposures are related to ecosystem services provided by surface water. The sectors most critically exposed to at least one ecosystem service are activities related to beverage manufacturing, storage activities, and transport and telecommunications support activities.

The dependency scores (average and critical) were relatively stable over the three consecutive years of analysis. Indeed, scores are based on business sectors, and the sectoral allocation of the portfolio remained stable over three years. The scores are also based on the ENCORE database, which was last updated in 2018.

H. Addressing ESG criteria in risk management

BNP Paribas has implemented a comprehensive approach to ESG risk management that reflects the Group's commitment at the highest level to combining performance, responsibility, ethics and transparency. BNP Paribas' approach to corporate social responsibility incorporates short-, medium- and long-term environmental and social risks.

The risk management framework enforced by BNP Paribas Cardif is derived from that of BNP Paribas, adapted to insurance specificities.

H1. Process for identifying, assessing, prioritising and managing risks related to the consideration of environmental, social and governance quality criteria

BNP Paribas Cardif is integrating ESG risk drivers into its management framework as drivers that may have a potential impact on existing financial risk categories. Given the ever-evolving nature of ESG methodologies, data and regulations, the system put in place is likely to be adapted accordingly.

The tools deployed and continuously improved cover the risk factors relating to the three pillars: "E", "S" and "G". Those relating to environmental and climate risk factors have seen greater progress.

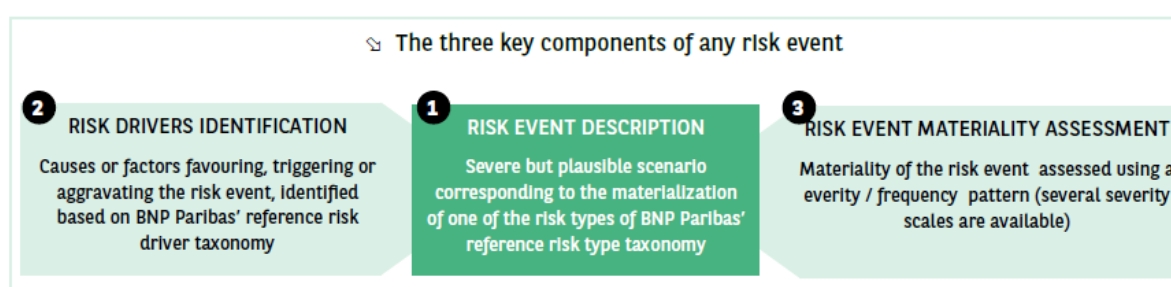
H1 a. Overall risk management framework

BNP Paribas Cardif's ESG risk management framework is consistent with the principles of the EIOPA application guide on conducting a materiality assessment of climate change risks, and on the use of climate change scenarios in the own risk and solvency assessment (ORSA).⁷⁶

Risks are identified through an annual "top-down" and "bottom-up", comprehensive forward planning approach, aimed at identifying and assessing, among other things, the ESG risk factors to which Cardif Retraite is exposed. The risk identification process was designed to promote anticipation and a forward-looking approach when updating the risk inventory.

The risk inventory (*Risk ID*) is made up of a set of basic "severe but plausible" scenarios ("risk events") that reflect the way in which the types of risks faced by the Group could materialise.

All risk events follow the same analytical framework.



For each risk event, the methodology used requires an identification of the risk drivers underlying its occurrence, *i.e.* the drivers that promote, trigger or aggravate the event. Risk drivers that need to be

⁷⁶ EIOPA, Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA, EIOPA-BoS-22/329, 02 August 2022

considered include ESG-related risk drivers, which comprise the sub-set of climate and environmental risk factors.

The materiality of these risk events is assessed according to their probability of occurrence and their severity. The time horizon generally matches the financial planning horizon of three to five years. Unlikely risk events whose impact is still difficult to understand or with a long-term horizon may also be identified.

The probability of occurrence is supplemented by the notion of imminence, which qualifies the probability of the risk event occurring over the next three years.

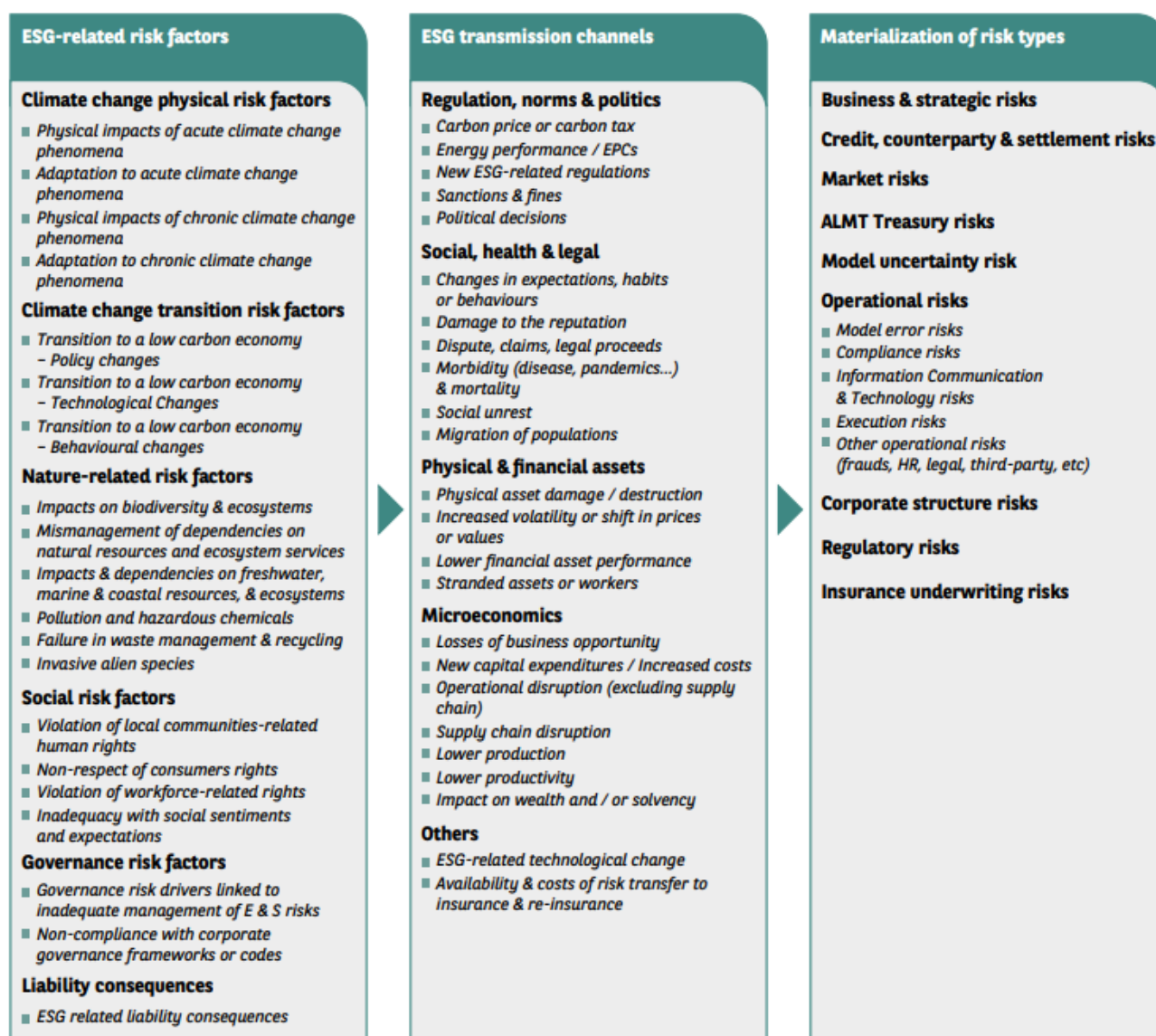
In accordance with the BNP Paribas Group's approach, BNP Paribas Cardif does not consider ESG risks, also called sustainability risks under the European Delegated Regulation (EU) 2015/2335, as types of risks as such. They are treated as risk factors likely to promote, trigger or aggravate any type of risk, and in particular the main risks arising from BNP Paribas Cardif's activity as identified in the ORSA risk mapping. Those risk events can be financial (market risk, credit risk, etc.) or non-financial (strategic and operational risks).

Given that ESG topics are constantly evolving, the integration of ESG risk factors in the risk management framework is regularly deepened and expanded. More specifically, in 2024, the following actions, implemented as part of the continuous improvement of the BNP Paribas Group's risk identification process, were applied by BNP Paribas Cardif to better meet regulatory expectations:

- including definitions of short-, medium- and long-term horizons in the *Risk ID* methodology in 2024;
- enhancing granularity in the ESG risk taxonomy, based on the contributions of BNP Paribas Group experts (20 ESG risk factors in 2024, compared to 13 in 2023);
- climate and environmental physical and transition risks have been included in the assessment of sovereign risks, based on a methodology internal to the BNP Paribas Group that uses data from recognised external sources (international organisations such as UN agencies, NGFS – Network for Greening the Financial System, Transparency International, and others that are updated annually).

In the *Risk ID* approach, the 20 ESG risk factors are combined with 24 possible ESG transmission channels. Each time an ESG risk factor is considered to favour, trigger and/or aggravate a risk event, one to three transmission channels must be identified. They must be selected from the BNP Paribas reference taxonomy of ESG transmission channels.

The following chart illustrates how the Group accounts for the fact that ESG risk factors are likely to contribute to the potential occurrence of any type of risk *via* pre-identified transmission channels.



H1b. Monitoring and assessment of ESG risks in the investment process

Since 2008, BNP Paribas Cardif has gradually enhanced and widened its framework to manage ESG risks through:

- business activity restriction lists grouping together companies that do not comply with the Group's CSR requirements;
- setting a timeframe for a thermal coal exit;
- setting targets in line with the energy transition towards a neutral carbon economy;
- the engagement policy.

Roles and responsibilities

The operational entities and the RISK Function are responsible for managing risks, including ESG-related risks.

Following the internal organisation of the permanent control framework, **the operational entities are the first line of defence**. They regroup the front-line in permanent control and are responsible for managing their risks including those linked to environmental and social factors.

The RISK entity is an independent control function which is responsible for organising and supervising the overall risk management system covering BNP Paribas Cardif's risk exposures, including those linked to ESG risk factors. To that end, RISK is tasked with defining, developing, implementing and maintaining the ESG risk management framework, in close collaboration with the IMPACT Department and the Asset Management Department.

RISK is a member of the **SRI Cross-functional Committee** and the **BNP Paribas Cardif Strategic Impact Committee** (see Section *C1.a Structure and governance of Cardif Retraite*).

The framework is strengthened by periodic reviews conducted by the third line of defence (audit of the Banking Group or BNP Paribas Cardif).

Risk management tools

The monitoring of ESG risks linked to investments is framed by dedicated risk management tools.

BNP Paribas Cardif defines and applies its investment policies while managing the **restriction lists according to the observed level of ESG risk**. BNP Paribas Cardif can thus ban any investment relationship or apply a dedicated monitoring process. Controls are put in place during the pre-investment and post-investment phases.

Controls

The ESG risk management framework also relies on dedicated controls.

In order to ensure that the ESG risk management tools are applied, BNP Paribas Cardif implements the CSR operational control plan from the BNP Paribas Group. **This control plan drives towards the continuous improvement that is necessary for an adequate management of ESG risks**. It incorporates the ESG risk management systems defined by the Group and has been adjusted to take into account the specific nature of BNP Paribas Cardif's activities.

Stress tests

Regulatory climate stress tests complete the ESG risk management framework. These may be tests requested by the French Prudential Control and Resolution Authority (ACPR), or internally.

Due to the nature of its business activity, BNP Paribas Cardif has the tools and the expertise necessary to measure the consequences of a crisis scenario on its solvency situation. This scenario analysis system is being gradually enhanced for use in analysing the consequences of global warming and the energy transition on asset portfolios. They will make it possible to deal with longer horizons, differentiated scenarios according to a detailed sectoral segmentation and specific factors such as the cost of carbon emissions, technological innovation and physical risks in the long term.

H2. Description of the main environmental, social and governance risks

H2 a. Explaining and categorising risks

ESG risks include all environmental, social or governance events or situations whose occurrence could have a potential or proven adverse impact on the value of the investment (asset) or commitment (liability).

They are incorporated into the risk inventory exercise, as presented in section *H1 a. Overall risk management framework*. The risk inventory carried out in 2024 identifies five types of risks impacted by ESG risk factors. These are strategic, operational, market, credit and insurance risks. The materiality of the impact of these factors remains limited in the short term but is expected to increase in the medium and long term. This analysis is carried out comprehensively for the BNP Paribas Cardif scope. It applies to Cardif Retraite.

More specifically, BNP Paribas Cardif is exposed to risk factors related to climate change and biodiversity loss, directly through its own operations or indirectly through its investment and insurance activities.

The two main risk factors related to climate change and biodiversity loss are:

- **Transition risks:** Possible events or situations with a lasting impact on the behaviour of economic and financial stakeholders in response to the implementation of regulatory changes, energy policies or technological changes.
- **Physical risks:** Possible events or situations that have a lasting impact on the probability of damage to the integrity of property or people. For example, the physical risks related to climate change are the potential increases in the frequency and cost of climate hazards such as drought and flooding. They also include new areas affected by malaria or episodes of pollution related to heat waves, and their consequences on the morbidity and mortality of natural persons.

In addition, in line with international regulators, the Network of Supervisors and Central Banks for Greening the Financial System (NGFS) and the BNP Paribas Group, BNP Paribas Cardif considers the risks associated with the emergence of legal proceedings related to climate change or biodiversity loss for corporate clients and investors, including **liability risks**, as a subset of physical and transition risks.

BNP Paribas Cardif monitors the potential impact of these risks on Cardif Retraite's investments. It gradually strengthens these assessments, in line with advances in methodologies for measuring and analysing these factors and their impact on traditional risks.

The indicators measuring exposure to transition risks and physical risks are presented in section *H5. Quantitative estimate of the financial impact of the main environmental, social and governance quality identified risks* and in section *G3 Biodiversity footprint measurement indicators*.

H2b. Indication of economic sectors and geographical areas concerned

Despite developments in recent years in terms of standardising methodologies for quantitative analysis of ESG factors and their impact on traditional financial risks, they must be interpreted with caution, taking into account their limitations. As a result, the tables presented in this section can only be assessed on the date of publication of this document and the interpretation must take into account the uncertainties related to the methodologies, projections and data used.

BNP Paribas Cardif segments its portfolio by sector to analyse its main exposures to physical and transition risks.

The following table presents this segmentation by sector on the basis of the outstanding amount of corporate equities and bonds held directly and in collective funds of the general fund:

Sectors	Weight in the portfolio at 31/12/24
Financials	42.2%
Industrials	19.6%

Services to local authorities (energy, water, etc.)	9.8%
Health Care	7.0%
Communication Services	4.2%
Consumer staples	4.2%
Information Technology	3.9%
Energy	3.0%
Consumer Discretionary	2.7%
Real estate	2.1%
Construction and materials	1.4%

Source: S&P Trucost Market Intelligence

H3. Review frequency of the risk management framework

Given the ever-evolving nature of ESG methodologies, data and regulations, the risk management framework is adapted accordingly.

H4. Action plan to reduce the entity's exposure to the main environmental, social and governance quality managed risks

BNP Paribas Cardif is implementing an action plan to reduce its exposure to ESG managed risks.

With regard to risks related to climate change, BNP Paribas Cardif has made a commitment to reduce the carbon footprint of its directly held corporate equities and bonds. In addition to implementing sector-specific exclusions, the following measures were applied:

- BNP Paribas Cardif has implemented a timetable for the exit of thermal coal across the entire value chain (developers, mining companies, logistics companies and electricity producers) with a commitment to phase out thermal coal by 2030 at the latest for countries in the European Union and the OECD, and no later than 2040 for the rest of the world.
- A carbon transition filter also makes it possible to exclude companies that emit more than 1 million tonnes of CO₂ equivalent per year and whose energy transition strategy is deemed low (rating below 30, provided by Moody's ESG).
- Throughout the period during which the securities are held in the portfolio, Cardif Retraite exercises its voting rights at the Annual General Meetings of the corporate clients in which it is a shareholder, thus contributing to the proper direction of their governance.

BNP Paribas Cardif is also continuing to develop the ESG risk management system, finalising the choice of its risk measurement metrics, gaining a better understanding of the associated methodologies and defining a biodiversity strategy, while ensuring the consistency of its choices with the BNP Paribas Group.

H5. Quantitative estimate of the financial impact of the main environmental, social and governance quality identified risks

To analyse the exposure to climate risks, Cardif Retraite relies on the forward-looking analyses of S&P Trucost Market Intelligence for its portfolio of corporate equities and bonds held directly and in collective funds in the general fund. The insurer also relies on the analyses of the "R4RE" Resilience for Real Estate tool, which is a platform developed by the Sustainability Real Estate Observatory (*Observatoire de l'Immobilier Durable*) to carry out building resilience analyses for the directly held real estate portfolio.

H5 a. Physical risks

Methodological explanations

S&P Trucost Market Intelligence measures the financial impact of physical risks on the value of corporate client assets. This indicator describes **the financial consequences of changing the exposure to climate risks compared to a baseline** for more than 250 unique asset types. "Assets" represent any structure or real property owned or leased by a corporate client. S&P Trucost Market Intelligence also takes the location of physical assets into account in its analysis.

For physical risks, the analysis covers seven major physical risks related to climate change: **coastal flooding, river flooding, extreme heat, tropical cyclones, forest fires, water stress and drought.**

Three factors determine the measurement of financial impact at the corporate level:

- **exposure** to physical risks depending on the location of the company's assets;
- **sensitivity** of each asset type to climatic hazards;
- **asset values.**

The assessment of physical risks financial impacts depends on the type of asset (among the 250 possible assets) and the climate risk in question. The impact assessments by asset and by risk are then aggregated at the level of a company by weighting its assets on its balance sheet, then at the portfolio level by weighting the portfolio investments in the company.

The impacts assessment also involves choosing a climate change scenario. BNP Paribas Cardif chooses to analyse the Cardif Retraite portfolio using a **high climate change scenario** (SSP5-8.5) to **2050 horizon**. The **high climate change scenario** corresponds to a scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures increase by 3.3 to 5.7°C by 2100. This **scenario therefore makes it possible to identify the companies within the portfolio most exposed to physical risks** by choosing a warming scenario significant enough to highlight the highest risk exposures and by choosing a sufficiently long timescale to allow the increase in risks to occur.

The physical risk analysis coverage ratio of Cardif Retraite's corporate equity and bond portfolio is 97%, measured as a proportion of outstandings.

Methodological limitations and biases

The physical risk impact model used has several biases and limits:

The quality of the estimate depends on the quality of the database showing the physical location of the assets of the corporate clients in the portfolio. The asset data must be available and the number of assets identified must be sufficient. In addition, the connection of each asset to one of the 250 types of assets modelled must be as close as possible to its function, as otherwise the model will not work properly. In the absence of detailed data, the model is based solely on the location of the company's head office (this approach is far less precise). Approximately 93% of the corporate clients covered are processed using the detailed approach.

✦ The physical risk impact model used assesses the impact of physical risks on the value of corporate clients' assets but does not estimate the impact of these risks on the valuation of securities in the portfolio. BNP Paribas Cardif is continuing to study the modelling solutions available and suited to its portfolio, but this remains dependent on the progress of suppliers in this area.

Measuring the potential financial impact of Cardif Retraite's physical risks

Corporate equity and bond portfolio (Coverage ratio: 97%)

Potential impact expressed as a percentage of corporate client value at 31/12/2024

5.1%

Source: S&P Trucost Market Intelligence - IPCC high climate change scenario: SSP 5 - 8.5 by 2050

This figure indicates that, during the 2050s, the corporate clients in the portfolio would suffer annual financial losses (additional costs of CapEx or OpEx, interruption of activities) estimated at **5.1% on average of the value of their assets** (analysed by S&P Trucost Market Intelligence). These potential losses are related to the exposure of the analysed assets to physical risks in a high climate change scenario (SSP5-8.5).

This measurement of the financial impact of the physical risks of corporate clients in Cardif Retraite's equity and bond portfolio is broken down below by business sector and geographical area.

Measurement of the potential financial impact of physical risks by Cardif Retraite sector (corporate equities and bonds portfolio held directly and in collective funds of the general fund at 31/12/2024)

Economic sector	Potential impact expressed as a percentage of company value
<i>Services to local authorities (production and distribution of electricity, water and gas, etc.)</i>	7.8%
<i>Industrials</i>	7%
<i>Communication Services</i>	6.5%
<i>Health Care</i>	4.6%
<i>Financials</i>	4.4%
<i>Information Technology</i>	4.1%
<i>Consumer Staples</i>	3.5%
<i>Consumer Discretionary</i>	3.3%
<i>Construction and materials</i>	3.3%
<i>Real estate</i>	2.9%
<i>Energy</i>	2.6%

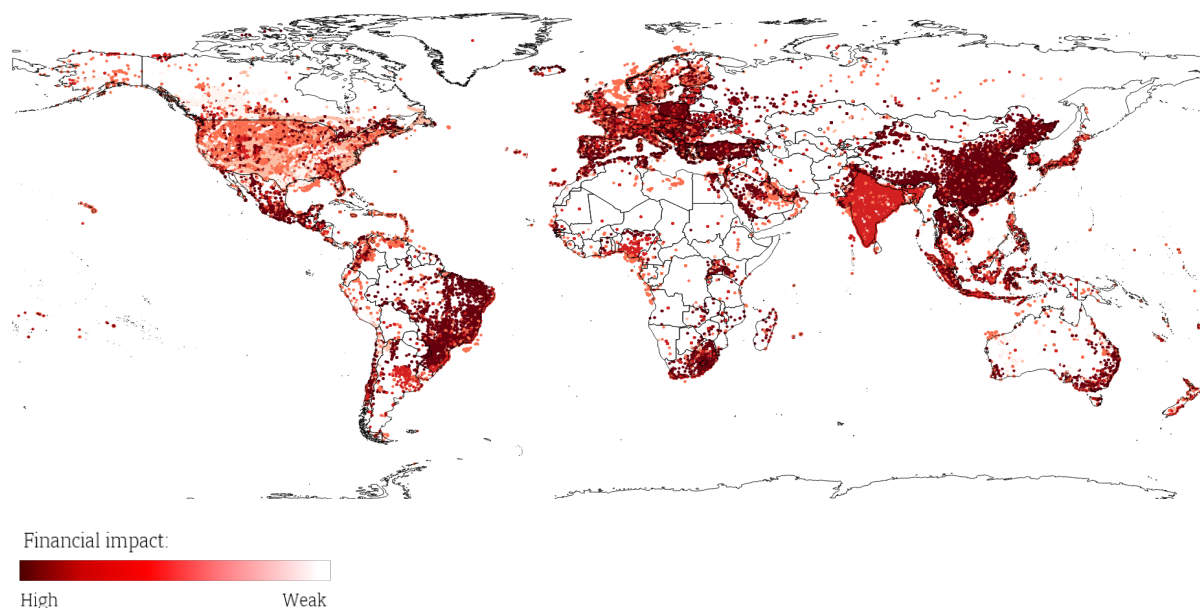
Source: S&P Trucost Market Intelligence - IPCC high climate change scenario: SSP 5 - 8.5 by 2050

For the year 2024, the analysis shows that the main sectors whose assets are the most financially exposed to physical risks are services to local authorities, industrials and communication services companies due to heat waves.

The assets in the portfolio are mainly exposed to two types of physical risk: heat waves with a significant impact, and water stress with a moderate impact.

A geographical segmentation of the portfolio was carried out to assess the sensitivity of corporate clients to these two risks. They are represented in the map below.

Mapping of the potential financial impact due to heat waves on the assets of corporate clients in Cardif Retraite's equity and bond portfolio held directly and in collective funds included in the general fund at 31/12/24

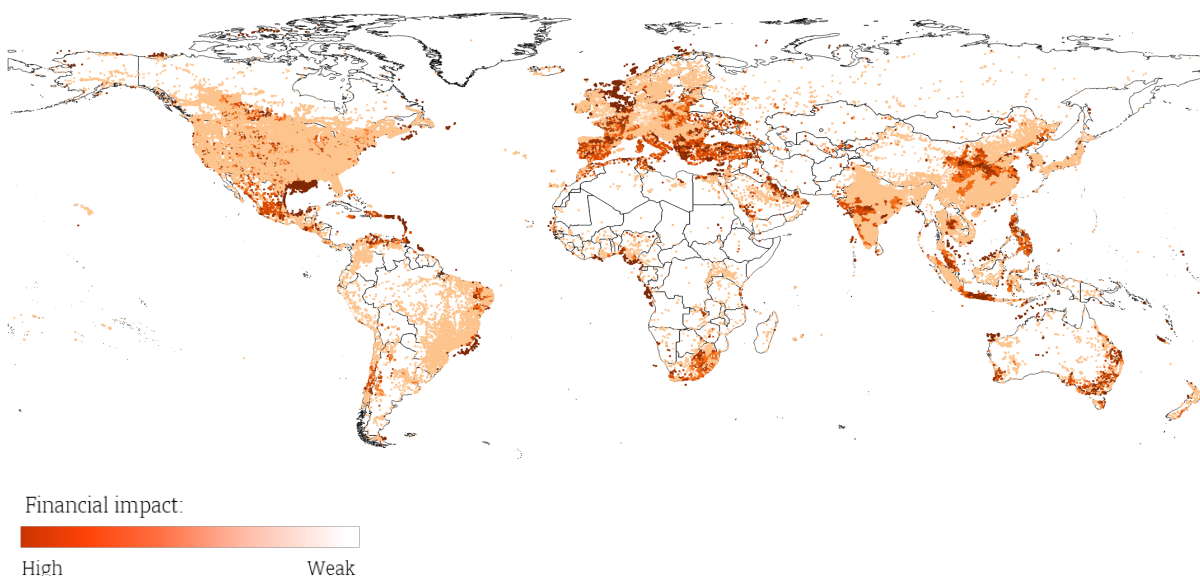


Source: S&P Trucost Market Intelligence – *IPCC high climate change scenario: SSP 5 - 8.5 by 2050*

The assets of corporate clients in the portfolio have a high exposure to significant heat waves.

The geographical areas in which corporate client assets in the equity and bond portfolio held directly and in collective funds of the general fund are particularly exposed are concentrated in South America, Europe and Asia.

Mapping of the potential financial impact due to water stress on corporate client assets in the equity and bond portfolio held directly and in collective funds of the general fund of Cardif Retraite at 31/12/24



Source: S&P Trucost Market Intelligence – *IPCC high climate change scenario: SSP 5 - 8.5 by 2050*

Overall, the exposure to water stress of the corporate client assets in the portfolio is moderate.

The geographical areas in which corporate client assets in the equity and bond portfolio held directly and in collective funds of the general fund are most exposed are concentrated in North America, Europe and Asia.

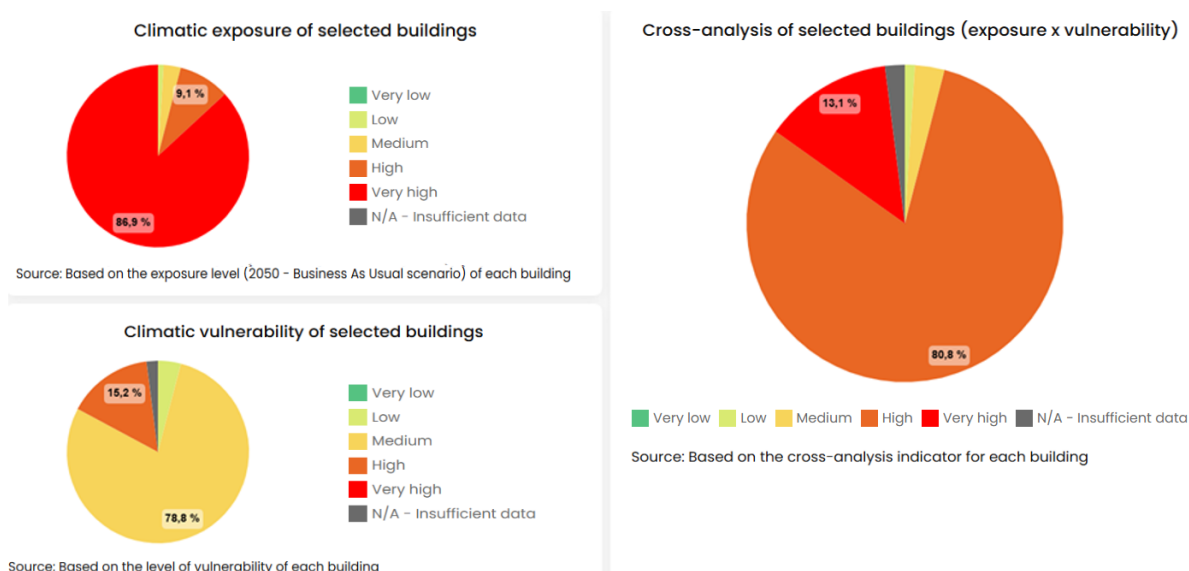
Directly held real estate portfolio

The analysis of the real estate portfolio is carried out on all buildings directly owned by both Cardif Assurance Vie and Cardif Retraite. Through the R4RE platform operated by the OID, it appears that the main risks identified are related to the following climate hazards:

- Firstly, extreme heat
- Secondly, intense rainfall and flooding

The analysis method is based on the high climate change scenario (SSP5-8.5) by 2050, as applied for the corporate equity and bond portfolio held directly and in collective funds of the general fund.

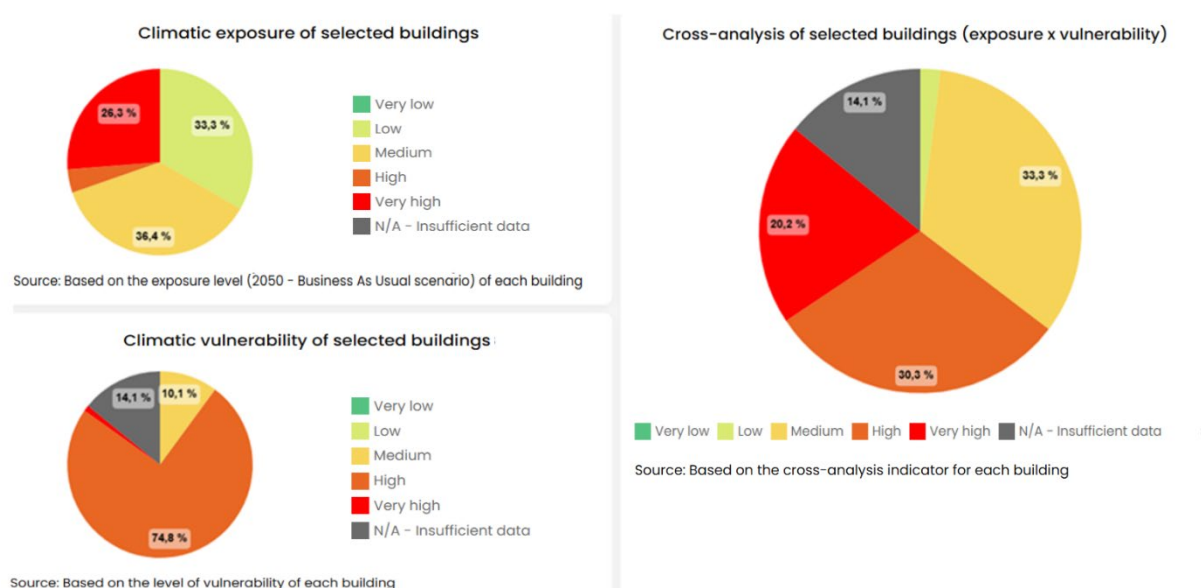
The following graphs show the results of the analysis for the "heatwave" hazard:



Source: R4RE - As a percentage of surface area at 31/12/2024

The directly managed real estate portfolio is mainly located in the Paris region. In fact, it is exposed to heat islands with a "high" level of vulnerability, which could cause significant levels of discomfort for the occupants during periods of extreme heat, and lead to overconsumption of energy related to air conditioning equipment, which is contrary to BNP Paribas Cardif's climate change mitigation approach.

The following graphs show the results of the analysis for the “precipitation and flooding” hazard:



Source: R4RE - As a percentage of surface area at 31/12/2024

The level of exposure to the “precipitation and flooding” hazard is assessed mainly from low to medium, with a high sensitivity in the event of high vulnerability.

On the basis of this assessment, BNP Paribas Cardif will continue its analysis of the climate change adaptation of its portfolio in 2025. This will focus on setting out and implementing an adaptation plan to reduce the risks. It also provides for a periodic reassessment.

H5 b. Transition risks

Methodological explanations:

Cardif Retraite focuses its transition risk analysis on: the **portfolio's exposure to the “unpriced carbon cost” via a future carbon price** provided by S&P Trucost Market Intelligence.

Unpriced Carbon Cost (UCC) is the additional financial cost generated per tonne of greenhouse gas emissions in a given future year. Specifically, it is the difference between potential future and current carbon prices for a given sector, geographic region and year.

The increase in the price of carbon could have **direct financial consequences for corporate clients when regulations impose a higher price on greenhouse gas emissions from their direct activities**. Corporate clients also face indirect financial risks related to the impact of higher carbon prices on the emissions of suppliers who, in turn, seek to absorb these additional costs, in part or in full, through an increase in their own prices. Factors have therefore been developed to estimate the proportion of additional costs that would be passed on from suppliers to corporate clients.

The risk premium linked to the carbon price varies according to three factors:

- **geographies** due to differences in government policies;
- **sectors** due to the different treatment of economic sectors in many climate change policies;
- **scenarii** selected.

The S&P Trucost Market Intelligence model converts this risk premium into the at-risk EBITDA⁷⁷ of the corporate clients in the portfolio. This metric describes the share of portfolio corporate client profits exposed to an increase in the carbon price; it is expressed as a percentage of the EBITDA of the company in question. By assessing the share of corporate clients in the portfolio whose at-risk EBITDA is greater than 10%, it is possible to identify the share of the portfolio most exposed to transition risks.

Methodological limitations and biases

The model used for the impact of transition risks has a number of biases and limits:

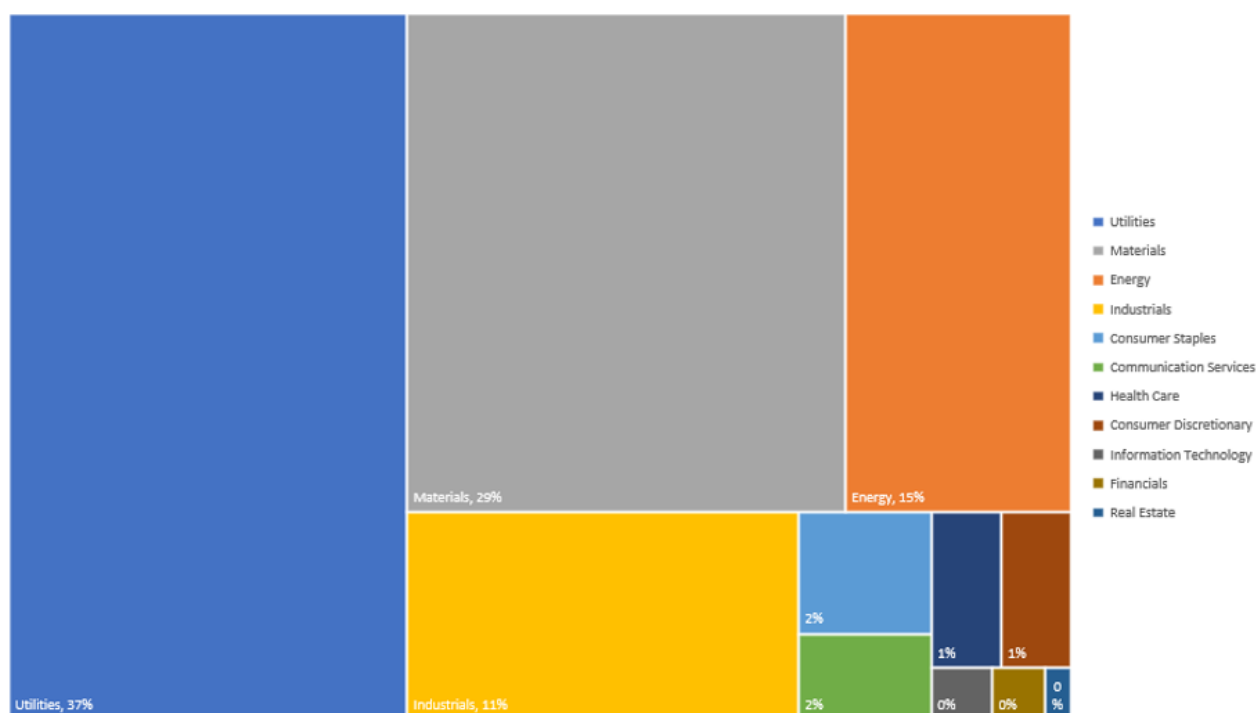
- future carbon prices are estimated using projection models starting in 2020. Projected prices do not necessarily reflect current or future prices. For example, the carbon price projected for 2030 in the OECD, under the high carbon price increase scenario, is close to the prices observed at the end of 2022 in this same region;
- whether the financial data is up to date is also an important factor, although for a large company, the assets may be fairly stable from one year to the next;
- corporate clients are classified by primary business sector for the model's projections and, if the regional breakdown of their emissions is not available, it is replaced by the regional breakdown of their revenue. These components can generate bias if a significant part of a company's business activities are not linked to its primary sector, or if a company generates a significant portion of its revenue in a region other than the one in which the majority of its emissions are concentrated.

The analysis of the Cardif Retraite portfolio was carried out using a **scenario with a high increase in the carbon price** for a timescale set at 2030, with the starting year of the S&P Trucost Market Intelligence model projections being in 2020. One **scenario with a high increase in the carbon price** assumes the implementation of policies considered sufficient to reduce greenhouse gas emissions in line with the target of limiting climate change to below 2°C by 2100 (Paris Agreement) (RCP 2.6). This scenario is based on research by the OECD and the International Energy Agency (IEA).

✦ Moreover, the transition risk impact model used assesses the impact of transition risks on corporate clients' EBITDA, but does not estimate the impact of transition risks on the valuation of the securities in the portfolio. BNP Paribas Cardif is continuing to study the modelling solutions available and suited to its portfolio, but this remains dependent on the progress of suppliers in this area.

⁷⁷ EBITDA: "Earnings Before Interest, Taxes, Depreciation and Amortisation".

Breakdown by sector of the cost in millions of euros of the “allocated” future carbon as at 31/12/2024 (high carbon price scenario, timescale 2030), Cardif Retraite, corporate equities and bonds held directly and in collective funds



Source: S&P Trucost Market Intelligence – High carbon price scenario by 2030

The coverage ratio of Cardif Retraite’s corporate equity and bond portfolio is 87%, measured as a proportion of outstandings.

As is the case for the previous year, the sectors most exposed to an increase in the price of carbon, and therefore to transition risks, are the sectors emitting the most greenhouse gases:

- **services to local authorities** and more specifically electricity producers within the sector;
- **energy**, *i.e.* oil and gas corporate clients;
- **construction and materials**.

At-risk EBITDA

Cardif Retraite’s at-risk EBITDA (corporate equity and bond portfolio) at 31/12/24

Medium-risk Ebitda (%)	3.9%
Share of corporate clients (% of market value) whose at-risk EBITDA is > 10%	5.3%

Source: S&P Trucost Market Intelligence

On average, 3.9% of the EBITDA of the corporate clients in Cardif Retraite’s equity and bond portfolio is exposed to the increase in the carbon price.

The share of corporate clients whose at-risk EBITDA is greater than 10% represents 5.3% of Cardif Retraite's corporate equity and bond portfolio.

Directly held real estate portfolio

✦ A directly held real estate portfolio is primarily exposed to the physical risks of climate change. BNP Paribas Cardif will study an approach to assess the exposure of its portfolio to transition risk, in order to implement the associated valuation.

H6. Changes in methodological choices and results

BNP Paribas Cardif could not measure the impact on the valuation of its physical and transition risk portfolios, because such a measurement is not provided by S&P Trucost Market Intelligence.

In 2024, BNP Paribas Cardif is once again publishing the physical risk measurement of impact on corporate client asset value, and the at-risk EBITDA metric, which can be used as a first step towards an assessment model to measure the impact of transition risk on the valuation of portfolios.

In addition, the methodologies of BNP Paribas Cardif's data suppliers for physical and transition risks have not changed significantly since 2022.

I. List of financial products mentioned under Articles 8 and 9 of the Disclosure Regulation (SFDR)

Cardif Retraite's euro fund meets the definition of Article 8 of the European SFDR regulation, see Section *A1.1 ESG approach within the Cardif Retraite's euro fund*.

At 31 December 2024, based on outstandings, 53% of unit-linked vehicles distributed by Cardif Retraite promote environmental or social characteristics (Article 8), and 4% of unit-linked products have a sustainable investment objective (Article 9), see *Section A1.2 ESG approach for Cardif Retraite's unit-linked vehicles*.

The list of unit-linked vehicles declared in Article 8 or 9 of the Disclosure Regulation (SFDR) which Cardif Retraite sells is available on BNP Paribas Cardif's website⁷⁸.

⁷⁸ <https://www.bnpparibascardif.com/en/our-commitments/corporate-social-responsibility/non-financial-information/>

PART II – PRINCIPAL ADVERSE SUSTAINABILITY IMPACT STATEMENT CARDIF RETRAITE

INFORMATION FROM THE PROVISIONS OF ARTICLE 4 OF REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019

Entities subject to SFDR shall make a statement on due diligence policies regarding the principal adverse impacts, taking into account their size, the nature and extent of their activities and the types of financial products they offer. Sustainability impacts refer to the adverse impacts of investment decisions on sustainability factors.

J. Description of the principal adverse impacts on sustainability factors

Cardif Retraite (Legal Entity Identifier (LEI) Code: 969500G544G7SX1R1Z44) considers the principal adverse impacts of its investment decisions on sustainability factors (Principal Adverse Sustainability Impacts).

This 2024 statement includes the adverse impact indicators for 2024, 2023 and 2022 covering a reference period from 1 January to 31 December.

Consideration of adverse sustainability impacts applies to the assets of the Cardif Retraite euro fund. For unit-linked products offered in life insurance contracts, information relating to the consideration of the principal adverse impacts is mentioned by the management companies in the prospectuses of the investment vehicles.

Cardif Retraite has identified the principal adverse impacts of its investment management activities and is seeking to mitigate these impacts by continuing to strengthen the extra-financial approach of its investment policy. The principal adverse impacts are considered through the application of sector-specific exclusions, and through an ESG analysis and integration process. This system is complemented by a shareholder engagement policy.

The purpose of this statement is to assess the Principal Adverse Impacts (PAIs) generated by the corporate clients or countries in which Cardif Retraite invests.

PAIs are quantitative indicators which facilitate such an assessment. They require a large amount of data for their calculation, the reliability of which may vary depending on their source (either the statements of issuers corporate clients, states, etc., or estimates made by data providers).

K. Description of the principal adverse impacts on sustainability factors and historical comparison

This statement presents the values of the Principal Adverse Impact (PAI) indicators for 2022, 2023 and 2024.

Two notable changes were made between 2023 and 2024:

1. **Asset scope:** In 2024, BNP Paribas Cardif now includes in its calculations the equities and bonds present in the listed funds belonging to the euro funds, representing an amount of €1.2bn. The scope for 2024 is therefore defined as follows:
 - For corporate clients: Equities and bonds held directly and in collective funds of the general fund
 - For sovereigns: Bonds held directly and in collective funds of the general fund
 - For real estate: Directly managed buildings

As of 31/12/24, these assets represented: 90% of investments in the Cardif Retraite euro funds and 59% of Cardif Retraite total investments (euro funds and unit-linked funds).

This change is particularly noticeable for PAI 16.

2. **Service provider:** This year, BNP Paribas Cardif has entrusted the production of PAI indicators to BNP Paribas Asset Management (BNPP AM) and therefore displays PAIs calculated according to the BNPP AM methodology in order to strengthen the consistency of indicators within the BNP Paribas Group.

Three notable methodological differences should be taken into consideration between this year and last year:

- For each instrument, each service provider approaches the data differently. Therefore, the proportion of reported and estimated data varies and can lead to differences in the value of the indicators and coverage rates. This change is particularly noticeable for PAIs 1, 2 and 3.
- The calculation basis (denominator) of certain PAIs is different, resulting in a dilution of the indicator and therefore making it difficult to compare with last year. This change has a particular impact on PAIs 2, 3, 7 and 15.
 - For PAIs 2, 3 and 15, the denominator is extended to all assets (sovereigns and corporates).
 - For PAI 7 (Activities with an adverse impact on biodiversity-sensitive areas), the analysis was previously only carried out on corporate clients in high-impact sectors (NACE1 sectors used: A, B, C, D, E, F, G, H & L). This year, the service provider carried out the analysis on all corporate clients in all sectors. Therefore, there was a higher share of corporate clients with no impact on biodiversity in the 2024 calculation.
- In accordance with the regulations, the coverage ratios representing the share of assets with data are now calculated on a broader basis (denominator), represented by corporate and government equities and bonds held directly and in collective funds included in the general fund. In 2023, however, the calculations were only carried out on the pool of assets eligible for the PAI. For example, for PAI 1 in 2023, the pool of eligible assets included directly held corporate equities and bonds, and the coverage rate was 93%. In 2024, the coverage rate for PAI 1 was only 48% due to a higher denominator (addition of sovereign bonds).

Formula	Example PAI 1
$\text{Coverage Rate 2023} = \frac{\text{Covered Assets (with data for a PAI X)}}{\text{Eligible Assets (for the PAI X calculation)}}$	$\text{Coverage Rate 2023 PAI 1} = \frac{\text{Equities and corporate bonds with available GHG emissions data}}{\text{Equities and corporate bonds}}$
$\text{Coverage Rate 2024} = \frac{\text{Covered Assets (with data for a PAI X)}}{\text{All Assets (Equities, corporate bonds and government bonds)}}$	$\text{Coverage Rate 2024 PAI 1} = \frac{\text{Equities and corporate bonds with available GHG emission data}}{\text{Equities, corporate bonds and government bonds}}$

Within the corporate scope (equities and bonds held directly and in collective funds of the general fund), 2% of issuers (in market value) are not recognised by the service provider. Therefore, they are not analysed or included in the calculations of the impact indicators and in the coverage ratios.

In accordance with EU delegated regulation 2022/1288, Cardif Retraite presents the 18 mandatory PAI indicators (Table 1) on environmental and social issues applicable to investments in corporate clients, sovereign or supranational issuers and in real estate assets, as well as two optional indicators: one indicator

related to climate and environmental issues (Table 2) and one indicator related to social and staffing issues, human rights compliance or the fight against corruption (Table 3).

For 2024, as part of the optional PAI related to social and employee issues, human rights and the fight against corruption, BNP Paribas Cardif has chosen to publish PAI 9S (exposure to companies without a human rights policy) instead of PAI 20S (human rights performance of states).

Prioritisation of principal adverse impacts:

The prioritisation of the principal adverse impacts is analysed by a combination of:

- the perception of major environmental, social and societal, and governance issues;
- the nature of the investments;
- the availability and reliability of the data necessary for their follow-up.

Cardif Retraite manages and ranks the adverse impacts as follows:

<i>ESG policies/Adverse impacts</i>	Exclusions by standard and sector	ESG analysis and integration	Shareholder engagement	Indicators
<i>Social Violations</i>	x	x		- Countries subject to social violations (PAI 16)
<i>Greenhouse gases</i>	x	x	x	- Carbon emissions (PAI 1) - Carbon footprint (PAI 2) - Carbon intensity (PAI 3) - Exposure to companies active in fossil fuels (PAI 4) - Share of non-renewable energy production (PAI 5)
<i>Global Compact principles</i>	x	x	x	- Specific filter assessing the proper integration of the Global Compact pillars (PAI 11)
<i>Controversial weapons</i>	x	x		- Companies identified in the controversial arms sector (PAI 14)
<i>Energy efficiency</i>		x		- Exposure to energy-inefficient real estate assets (PAI 18)

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators							
Adverse sustainability indicators		Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
Greenhouse gas emissions	1. GHG Emissions	Scope 1 GHG emissions in tonnes of CO2 equivalent	185,757 tCO2eq	108,516 tCO2eq	119,931 tCO2eq	New calculation service provider for 2024: BNPP AM Coverage of scopes 1 and 2: 46% Coverage of scope 3: 8% The indicators relating to emissions, carbon footprint and GHG intensity only include data reported by corporate clients in scope 3.	<u>Actions taken:</u> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement - ESG process and carbon transition filter - Sector policies: Coal-, oil- and gas-fired power generation. - Shareholder engagement policy <u>Targets set:</u> - Reduce the carbon footprint (scopes 1 and 2) of the directly held corporate equity and bond portfolios by at least 50% between the end of 2020 and the end of 2029. - Reduce greenhouse gas emissions in high-stakes sectors. (Electricity producers and oil & gas sector) at the end of 2029. - Continue the exit from thermal coal in directly held equity and corporate bond portfolios with an exit from the thermal coal value chain no later than 2030 for European Union and OECD countries, and no later than 2040 in the rest of the world - Engage in dialogue with the corporate clients that emit the most greenhouse gases.
		Scope 2 GHG emissions in tonnes of CO2 equivalent	46,005 tCO2eq	23,036 tCO2eq	21,155 tCO2eq		
		Scope 3 GHG emissions in tonnes of CO2 equivalent	104,981 tCO2eq ⁸¹	983,322 tCO2eq	872,710 tCO2eq		
		Total GHG emissions in tonnes of CO2 equivalent	336,743 tCO2eq	1,114,874 tCO2eq	1,013,769 tCO2eq		
	2. Carbon footprint	Carbon footprint in tonnes of CO2 equivalent per million euros invested	37 tCO2eq/MEUR invested	264 tCO2eq/MEUR invested	274 tCO2eq/MEUR invested	In 2024, the enlargement of the scope of around €1.2bn particularly impacted PAI 1. In addition, for PAIs 2 and 3, a change in methodology for the denominator has a downward effect on the 2024 impacts. The AuM in the denominator are enhanced by sovereign bonds (+€3.6bn), resulting in a dilution of the 2024 impact.	
	3. GHG intensity of investee corporate clients	GHG intensity of investee companies in tonnes of CO2 equivalent per million euro of revenue of investee corporate clients	65 tCO2eq/MEUR of revenue	878 tCO2eq/MEUR of revenue	1,017 tCO2eq/MEUR of revenue		
	4. Exposure to companies active in the fossil fuel sector	Share of investment in companies active in the fossil fuel sector (%)	7.8%	10.9%	13.3%		This exposure is calculated according to the SFDR Regulation. It takes the full value of investments made in corporate clients when part of their

⁷⁹ Data published in the LEC29 2023 report⁸⁰ Data published in the LEC29 2022 report⁸¹ Taking into account BNPP AM's estimation method for issuers without data reported in scope 3, the amount is 7,399,388 tCO2eq.

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators						
Adverse sustainability indicators	Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
					activities are related to the fossil fuel sector. This exposure therefore includes companies - of especially electricity producers - with activities in fossil fuels and other energies including renewable energies. It should be noted that in 2024, the gas distribution activity is no longer included, due to the change of service provider. Coverage: 63% New calculation service provider for 2024: BNPP AM	generation. - Shareholder engagement policy <u>Targets set:</u> - Continue the exit from thermal coal value chain for the directly held corporate equity and bond portfolios, with a definitive exit from the thermal coal value chain no later than 2030 for European Union and OECD countries, and no later than 2040 in the rest of the world. - Reduce greenhouse gas emissions in high-stakes sectors (electricity and oil & gas producers) by the end of 2029.
5. Share of non-renewable energy consumption and production	Share of energy consumption and production of investee companies stemming from non-renewable energy sources, compared to those from renewable energy sources, expressed as a percentage of total energy sources (%)	Share of consumption: 59.6% Share of production: 74.8%	Share of consumption: 59.6% Share of production: 46.5%	Share of consumption: 62.7% Share of production: 45.7%	Consumption coverage: 45% Production coverage: 4% New calculation service provider for 2024: BNPP AM	<u>Actions taken:</u> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement - ESG process and carbon transition filter - Sector policies: Coal-, oil- and gas-fired power generation - Shareholder engagement policy <u>Targets set:</u> - Continue the exit from thermal coal with a definitive exit from the thermal coal value chain for the directly held corporate equity and bond portfolios, no later than 2030 for European Union and OECD countries, and no later than 2040 in the rest of the world. - Sector-specific target for electricity producers - Invest at least €20 billion in environmental investments (including renewable energy projects) by the end of 2029.
6. Energy consumption intensity by high climate impact sector	Energy consumption in GWh per million euros of revenue of investee companies, per high impact climate sector	Sector NACE A: 0.48 Sector NACE B: 0.45 Sector NACE C: 0.30 Sector NACE D: 0.85 Sector NACE E: 1.76 Sector NACE F: 0.11 Sector NACE G: 0.22	Sector NACE A: / Sector NACE B: / Sector NACE C: 0.29 Sector NACE D: 2.27 Sector NACE E: 14.8 Sector NACE F: 0.17 Sector NACE G: 0.12	Sector NACE A: / Sector NACE B: / Sector NACE C: 0.35 Sector NACE D: 2.27 Sector NACE E: 3.14 Sector NACE F: 0.78	NACE coverage A, B, D, E, F, G, H, L: <1% NACE C coverage: 6.7% NACE D coverage: 3.6% NACE H coverage: 2.0% New calculation service provider for 2024: BNPP AM	<u>Actions taken:</u> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement - ESG process and carbon transition filter - Sector policies: Coal-, oil- and gas-fired power generation - Shareholder engagement policy

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators						
Adverse sustainability indicators	Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
		Sector NACE H: 0.28 Sector NACE L: 0.63 Unit: GWh/MEUR of revenue	Sector NACE H: 0.12 Sector NACE L: 0.48 Unit: GWh/MEUR of revenue	Sector NACE G: 0.25 Sector NACE H: 0.07 Sector NACE L: 0.09 Unit: GWh/MEUR of revenue		<u>Targets:</u> - Continue the exit from thermal coal for the directly held corporate equity and bond portfolios, with a definitive exit from the thermal coal value chain no later than 2030 for European Union and OECD countries, and no later than 2040 in the rest of the world. -Sector-specific target for electricity producers - Invest at least €20 billion in environmental investments (including renewable energy projects) by the end of 2029. - Engage in dialogue with the corporate clients that emit the most greenhouse gases.
Biodiversity	7. Activities with an adverse impact on biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas, where activities of those investee companies negatively affect those areas (expressed in %)	7.3%	93.2%	48.8%	The data is not published directly by the corporate clients. The analysis is carried out by geolocating the activities of corporate clients that have an adverse impact on sensitive areas (such as Natura 2000 protected areas, UNESCO World Heritage sites, etc.). Coverage: 54% New calculation service provider for 2024: BNPP AM In 2023, only corporate clients that belonged to sectors with a high climate impact (NACE1 sectors used: A, B, C, D, E, F, G, H & L) were analysed, representing 21% of the pool of directly held corporate equities and bonds. In 2024, the service provider carried out the analysis on all corporate clients in all sectors. Hence a larger share of corporate clients with no impact on

Actions taken:

- ESG process
- Sector policies: Coal-, oil- and gas- fired power generation, mining, agriculture, palm oil, paper pulp
- Measurement of the biodiversity footprint of portfolios
- Continue to invest in biodiversity-themed funds: BNP Paribas Cardif is participating in biodiversity market funds in 2025

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators							
Adverse sustainability indicators		Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
						biodiversity in the 2024 calculation, leading to a significant decrease in the 2024 impact.	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies, per million euros invested, expressed as a weighted average	0.00t ⁸² /MEUR invested	0.06 t/MEUR invested	0.04 t/MEUR invested	<p>Few corporate clients publish this data. The coverage rate is therefore particularly low and the result should be interpreted with caution. Coverage: <1%</p> <p>New calculation service provider for 2024: BNPP AM</p> <p>In the numerator:</p> <p>-In 2023, the service provider only used estimated data.</p> <p>-In 2024, the methodology used by the service provider only took into account data published by corporate clients, resulting in a decrease in the numerator.</p> <p>In the denominator:</p> <p>In 2024, the denominator used for the calculation was extended to corporate clients that had not been covered.</p> <p>This resulted in a lower coverage ratio and a lower impact in 2024.</p>	<p><u>Sector policies:</u></p> <p>-ESG process</p> <p>-Sector policies: Agriculture, paper pulp, mining</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous and radioactive waste generated by investee companies, per million	0.23 t/MEUR invested	1.10 t/MEUR invested	0.66 t/MEUR invested	<p>Coverage: 40%</p>	<p><u>Actions taken:</u></p> <p>- ESG process</p> <p>- Sector policies: Nuclear energy, mining industry</p>

⁸² The value displayed at 0 is not "zero", but is rounded to the nearest decimal.

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators

Adverse sustainability indicators	Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
	euros invested, expressed as a weighted average				New calculation service provider for 2024: BNPP AM In 2024, the denominator used for the calculation was extended to corporate clients that had not been covered. Hence a lower impact in 2024.	

Indicators related to social, staff, human rights, anti-corruption and corruption actions issues

Social and staff issues	10. Violations of the principles of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in corporate clients that have been involved in violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises (expressed in %)	0.02%	2.7%	7%	Coverage: 57% New calculation service provider for 2024: BNPP AM In 2023, the service provider used estimated data and a denominator reduced to the corporate clients covered. In 2024, the service provider used internal and reported data resulting in a lower numerator result. In addition, the denominator used for the calculation was extended to corporate clients that had not been covered. Hence a lower impact in 2024.	<u>Actions taken:</u> - ESG process and exclusion filter related to non-compliance with the Global Compact principles - Shareholder engagement policy
	11. Lack of compliance processes and mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for	Share of investment in companies without policies to monitor compliance with the principles of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises, or grievance/complaints handling mechanisms to address such violations (expressed in %)	33.1%	0.02%	0.81%	Coverage: 53% New calculation service provider for 2024: BNPP AM In 2024, the methodology used by the new provider was different to the old provider, and identified more corporate clients. The 2024 calculation, based solely on directly held equities and	<u>Action taken:</u> - ESG process and exclusion filter related to non-compliance with the Global Compact principles

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators							
Adverse sustainability indicators		Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
	Multinational Enterprises					bonds (excluding collective funds from the general fund), is 32%.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (expressed as monetary amount converted into euro)	13.1%	17%	18.3%	<p>Few companies publish this data according to the exact definition of this PAI, and the coverage rate is therefore low.</p> <p>Coverage : 5%</p> <p>Impact must be interpreted with caution.</p> <p>New calculation service provider for 2024: BNPP AM</p> <p>In 2023, the service provider used estimated data.</p> <p>In 2024, the service provider used reported data. As a result, the coverage ratio and the impact decreased.</p>	<p><u>Action taken:</u></p> <ul style="list-style-type: none"> - ESG Process
	13. Gender diversity in governance bodies	Average ratio of female to male in the governance bodies of investee companies, expressed as a percentage of the total number of members	40.6%	39.2%	39.7%	<p>Coverage: 41%</p> <p>New calculation service provider for 2024: BNPP AM</p>	<p><u>Actions taken:</u></p> <ul style="list-style-type: none"> - ESG Process - Shareholder engagement policy
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)	Share of investment in companies involved in the manufacture or sale of controversial arms (expressed in %)	0.0%	0.0%	0.0%	<p>Coverage: 58%</p> <p>New calculation service provider for 2024: BNPP AM</p>	<p><u>Actions taken:</u></p> <ul style="list-style-type: none"> - ESG Process - Sector policy: Defence and Security
Indicators applicable to investments in sovereign or supranational issuers							

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators							
Adverse sustainability indicators		Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
Environm ental	15. GHG intensity	GHG intensity of investee countries in tonnes of CO2 equivalent per million euros of gross domestic product	99 tCO2eq/MEUR of GDP	370 tCO2eq/MEUR of GDP	370 tCO2eq/MEUR of GDP	Coverage: 19% New calculation service provider for 2024: BNPP AM A change in methodology for the denominator has a downward impact on the 2024 impacts. The AuM in the denominator are enhanced by corporate equities and bonds (+€5.5bn), resulting in a dilution of the impact.	<u>Action taken:</u> - ESG Process
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles or, where applicable, national law (numerical value)	2	0	0	Coverage: 21% New calculation service provider for 2024: BNPP AM In 2023, the impact was zero in the directly held equities and bonds scope. Similarly, in 2024, the impact was zero on the directly held equities and bonds scope. The 2 countries cover the expanded scope with the collective funds of the general fund.	<u>Actions taken:</u> - ESG Process - Embargo and financial sanctions policy
		Proportion of the total investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles or, where applicable, national law (expressed in %)	2.6%	0.0%	0.0%	Coverage: 21% New calculation service provider for 2024: BNPP AM In 2023, the impact was zero in the directly held equities and bonds scope. Similarly, in 2024, the impact was zero in the directly held equities and bonds scope, while the 2.6% covers the expanded scope	<u>Actions taken:</u> - ESG process - Embargo and financial sanctions policy

Table 1 - Indicators for investment in corporate							
Climate indicators and other environment related indicators							
Adverse sustainability indicators		Metric	2024 impact	2023 impact ⁷⁹	2022 impact ⁸⁰	Explanatory note for 2024	Actions taken, planned actions and targets set for the next reporting period
						including collective funds from the general fund.	
Indicators applicable to investments in real estate assets							
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investment in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels (expressed in %)	0.0%	0.0%	0.0%	The entity does not invest in such assets	The entity does not invest directly in this asset type
Energy efficiency	18. Exposures to energy-inefficient real estate assets	Share of investment in energy-inefficient real estate assets (expressed in %)	30%	36%	45.3%	<p>This exposure represents the portion of real estate assets under direct management* for which the EPAs are classified D, E, F, G or are missing.</p> <p>Coverage: 100% of assets under direct management Data provider: BNP Paribas internal data</p>	<p><u>Actions taken:</u></p> <ul style="list-style-type: none"> - Establishment of energy audits and action plans to improve the energy performance of buildings - During major renovation work, search for improvements in environmental performance and EPA labels <p><u>Target set:</u></p> <ul style="list-style-type: none"> - Tertiary buildings: Comply with the Tertiary Decree by reducing energy consumption by 40% between 2011 and 2030. The EPAs of existing tertiary buildings are based on the sites' energy consumption

100% of assets under direct management + 5 SCIs (real estate companies) more than 45% held by BNP PARIBAS CARDIF

Table 2 - Additional climate and other environment-related indicators

Adverse sustainability indicators		Metric	2024 impact	2023 impact	2022 impact	Explanation	Actions taken, planned actions and targets set for the next reporting period
Greenhouse gas emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investment in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	45%	58.2%	44.5%	Coverage: 58% The expression "to reduce their carbon emissions for the purposes of compliance with the Paris Agreement" may be subject to interpretation. BNPP AM has adopted a conservative approach by considering all corporate clients that do not have goals aligned with the Paris Agreement (below 2°C) as falling within the scope of this PAI.	Action taken: - Shareholder engagement policy Targets set: - Engage in dialogue with the corporate clients that emit the most greenhouse gases.

Table 3 - Additional indicators related to social and staff issues, respect for human rights and anti-corruption and corruption actions

Social and staff issues	9. Exposure to corporate clients without a human rights policy	Percentage of investments in companies that do not have a human rights policy	3.5%	-	-	New optional indicator in 2024 - First measurement Coverage: 53% Provider: BNPP AM	Actions taken: - ESG processes applied to assets - Embargo and financial sanctions policy
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Historical comparison, calculation methodologies and margins of error

For corporate clients and sovereigns:

- The increase in the scope of calculation of the PAIs and the change of service provider do not allow for an interpretation of the change in the PAIs between 2023 and 2024.
- The indicators are based on **financial data** ("EVIC"⁸³, Revenues, GDP) and non-financial data whose availability, quality or volatility do not allow a comparison of the PAIs between 2023 and 2024.
- With regard to **non-financial data**:
 - The variability of the **data quality is due to the following factors**: Some data reported by corporate clients is not yet standardised and is heterogeneous. Other data not reported by the corporate clients is estimated by the data providers with models that may change from one year to the next.
 - The **coverage ratio** has not yet stabilised and varies from one year to the next. Therefore, the data for some PAIs is not available, because it is not yet reported or modelled by corporate clients. Indicators with a low coverage ratio should be interpreted with caution, as they are not representative of the portfolio as a whole.

For real estate investments:

- Cardif Retraite does not invest in real estate assets related to fossil fuels (PAI 17).
- PAI 18 remains stable compared to the end of 2023 (the EPAs for buildings are valid for 10 years and do not need to be updated annually).

L. Description of policies identifying and prioritising principal adverse impacts on sustainability factors

Cardif Retraite integrates adverse sustainability impacts in its investment strategy, in line with its risk management policy. Its investment policy is broken down by asset class. Distinct approaches and methodologies are applied to the different asset classes according to their specificities. To analyse investments from an extra-financial perspective, Cardif Retraite collects ESG data from external providers for each asset class.

The investment process, which includes non-financial criteria as well as the consideration of the principal adverse impacts, is described in the investment policy. It is submitted at least once a year to Cardif Retraite's Board of directors. The investment strategy is also reviewed annually by the Board of directors.

Cardif Retraite integrates the Principal Adverse Impacts by:

- the application of exclusions of certain assets or activities (sector-specific exclusions) defined by BNP Paribas Group due to the environmental or social risks they present;
- specific sectoral commitments (tobacco, thermal coal, electricity production, oil and gas);
- ESG analysis and integration process;
- commitments to reducing the carbon footprint of its portfolios;
- its shareholder engagement policy.

⁸³ EVIC: "Enterprise Value Including Cash", as defined in the glossary

Cardif Retraite regularly strengthens its non-financial approach by considering new topics and information available from data providers.

L1. Sector policies defined by BNP Paribas

Cardif Retraite applies investment restrictions resulting from the BNP Paribas Group's sector policies.⁸⁴ These policies provide a framework for investments in sectors with environmental or social issues, as they identify companies or issuers to be excluded from the investment universe. They get regularly extended or revised and reflect a committed position with regard to these sectors.

Sector policy exclusions apply to equities and bonds held directly in euro-denominated funds and unit-linked funds.

BNP Paribas Group sector policies governing exclusions applied by BNP Paribas Cardif

<i>Defence and security</i>	The defence and security sector is essential to the protection of democracies and their citizens. In March 2025, BNP Paribas reaffirmed its commitment to supporting the financing of defence companies, primarily within NATO countries in Europe. The Group has developed a policy to govern all of its activities in connection with the defence and security industry. Published in 2010 and most recently updated in 2025, BNP Paribas' defence policy precludes the financing of arms governed by major international conventions, such as anti-personnel mines or cluster munitions. In addition, it excludes any transaction related to the export of defence and security equipment to a country with which the transaction would pose a major human rights risk.
<i>Palm oil</i>	Since 2017, the palm oil policy has included an assessment of new palm oil plantations, based on the HCS (High Carbon Stock) approach. The policy aims to protect forests possessing a high stock of carbon and is one of the financial sector's most advanced policies.
<i>Wood pulp</i>	As an important source of revenues for thousands of people, wood pulp production can also have environmental impacts, in particular on deforestation. BNP Paribas' wood pulp policy is based mainly on the standards of FSC (Forest Stewardship Council) and PEFC (Program for Endorsement of Forest Certification Schemes) to ensure sustainable management of forests.
<i>Nuclear energy</i>	According to the International Atomic Energy Agency, nuclear power accounted for 10% of global electricity production in 2020. Moreover, all IPCC net-zero scenarios incorporate nuclear power into the projected energy mix. Through its policy, BNP Paribas wants to ensure that the projects it helps finance, are in compliance with global principles of monitoring and attenuating environmental and social impacts for the nuclear energy sector.
<i>Coal-fired power generation</i>	Released for the first time in 2011, this sector policy has been updated regularly over the years to incorporate criteria that are more binding. Its latest commitment, made in May 2020, announced a full exit from thermal coal by 2030 in European Union and OECD countries and by 2040 in the rest of the world.
<i>Agriculture</i>	In February 2021, BNP Paribas incorporated new criteria into its agricultural policy to combat deforestation in the Amazonia and the Cerrado. BNP Paribas expects its customers producing or buying beef or soy from the Amazon and the Cerrado in Brazil to have a "zero deforestation" strategy in place by 2025, and to demonstrate their progress in a transparent fashion.
<i>Mining industry</i>	Mining is a source of GDP for many countries and also supplies basic elements to most economic sectors. Many ores are also key for the energy transition, for example in playing a predominant role in the production of electric vehicles or wind and solar energy. BNP Paribas' activities in the mining industry are governed by its financing and investment policy.
<i>Oil & Gas</i>	In 2017, BNP Paribas defined a first financing and investment policy for the sector, focusing primarily on unconventional oil and gas. The following year, BNP Paribas strengthened its restrictions and financing criteria in particularly sensitive ecosystems such as the Amazon and the Arctic, a region for which the Group adopted the Arctic Council's definition of a monitoring and assessment programme in 2022.

⁸⁴ <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>

L2. Specific sector commitments

BNP Paribas Cardif has made commitments concerning business sectors that are particularly harmful in terms of public health and the environment, hence avoiding or mitigating adverse impacts.

Tobacco exclusions: Since 2017, BNP Paribas Cardif has applied a "tobacco-free" investment policy in its portfolios. The insurer has also been a signatory of the Tobacco Free Finance Pledge since 2018. BNP Paribas Cardif excludes manufacturers, wholesalers and distributors whose revenue is more than 10% derived from tobacco.

Thermal coal exclusions: In 2020, the insurer published a timetable for phasing out thermal coal. It provides for a definitive exit from the sector by 2030 for the countries in the European Union and the OECD, and by 2040 for the rest of the world for the directly held corporate equity and bond portfolios. (These components will be included in part I of section *F - Alignment strategy with the Paris Agreement*.)

In addition, as part of its climate alignment strategy, BNP Paribas Cardif relies on increased monitoring of the two sectors in its portfolios that emit the most greenhouse gases (power generation and oil and gas).

L3. An ESG analysis and integration process

When making investments, Cardif Retraite examines Environmental (E), Social (S) and Governance (G) issues. This analysis can be quantitative and/or qualitative. To do this, Cardif Retraite collects ESG data specific to each asset class, which is then analysed and integrated into investment process. The investment universe is thus reduced and compatible with its responsible investor approach.

This ESG analysis and integration process is part of a continuous improvement process based on regulations, marketplace practices and data availability (ability of data providers to collect and analyse data).

Specific factors for ESG analysis and integration for the different asset classes are briefly summarised here. More details are available in section *A.1. Incorporating ESG into the investment strategy*

Investments in sovereign and supranational securities are subject to a financial security system (country policy) defined by BNP Paribas Group. States are then analysed in terms of their ESG performance⁸⁵ (for example, the energy mix, social policies implemented, respect for human and labour rights) and may be excluded from the investment scope.

This ESG filter is applied to securities issued directly by countries (government bonds) and securities issued by corporate clients (equities and corporate bonds).

Investments in corporate clients

For investments in corporate clients (equities and bonds) the ESG analysis includes three main steps: the application of exclusions and treatment of sensitive sectors, ESG analysis and integration and the application of a carbon transition filter.

Real estate investments

These are direct investments (buildings, retail, etc.) and indirect investments (through investments in real estate companies).

At 31 December 2024, 55% of Cardif Retraite's real estate assets incorporated an ESG approach. These criteria are characterised by the achievement of one or more predefined ESG objectives: for example, for environmental aspects, environmental labelling or certification, SFDR classification, alignment with the European Taxonomy or an approach to reducing greenhouse gas emissions; on social and societal aspects, a range of affordable housing for people in difficulty.

⁸⁵ ESG rating provided by Moody's ESG: <https://esg.moody's.io/solutions>

L4. Commitments to reduce the carbon footprint of its portfolios

In order to strengthen its commitment to the fight against global warming, since 2021, BNP Paribas Cardif has committed to aligning its investment portfolio with a carbon neutrality by 2050 trajectory.

More information is available in part I section *F2. BNP Paribas Cardif's climate approach*.

M. Shareholder engagement policy

In accordance with the provisions of the PACTE law and the European directive on shareholders' rights, Cardif Retraite's shareholder engagement policy is available on the BNP Paribas Cardif website, as well as an annual report on the implementation of this policy.⁸⁶

The shareholder engagement strategy concerns corporate client equities held directly by Cardif Retraite.

As an institutional investor, Cardif Retraite follows a long-term investment strategy. To achieve the desired performance, the investment strategy takes into account financial and non-financial criteria, which are closely linked.

Throughout the asset holding period, Cardif Retraite votes at the Annual General Meetings of listed corporate clients in which it is a shareholder (More details are available in section D2 of this report and in the "shareholder engagement policy", *part 4 Exercising voting rights*.)

In addition to the shareholder lever, Cardif Retraite engages in a dialogue with management companies.

Cardif Retraite analyses the shareholder engagement policy through a due diligence questionnaire sent to the asset management company to measure the incorporation of ESG criteria at fund level. For example, the fund's exclusions to several identified sensitive sectors are checked.

⁸⁶ <https://www.bnpparibascardif.com/en/our-commitments/corporate-social-responsibility/non-financial-information/>

N. References to international standards

Cardif Retraite incorporates social issues into its non-financial process, such as the measurement of the State policies with regards to poverty, access to employment, access to electricity as well as the ratification by these States of treaties on labour rights and children's rights.

Through the commitments made by BNP Paribas Cardif (see history below), Cardif Retraite relies on international standards and treaties to qualitatively select its investments, helping to integrate the principal adverse impacts in its investment decisions.

History:

	Date	Description	Principal Adverse Impacts		
			Table 1	Table 2	Table 3
<i>Net-Zero Asset Owner Alliance</i> ⁸⁷	2021	Alignment of investment portfolios on a carbon neutrality trajectory by 2050.	PAI n° 1, 2, 3, 4, 5, 6, 15, 17, 18	PAI n° 4	
<i>Initiative Climate Action 100+</i> ⁸⁸	2021	Collective commitment to the world's largest emitters of greenhouse gases.	PAI n° 1, 2, 3, 4, 5, 6	PAI n° 4	
<i>CDP (formerly Carbon Disclosure Pledge)</i> ⁸⁹	2019	Environmental database on companies (greenhouse gas emissions, water management and the impact on forests).	PAI n° 1, 2, 3, 4, 5, 6, 7, 8, 17	PAI n° 4	
<i>Tobacco-Free Finance Pledge</i> ⁹⁰	2018	Initiative supporting the WHO to address the issue of tobacco in the financial sector.	The nature of this international initiative does not allow any linkage to a specific PAI.		
<i>Green Building Observatory (OID)</i> ⁹¹	2017	Promotion of sustainable development and innovation in the French real estate sector.	PAI n° 17, 18		
<i>Principles for Responsible Investment</i> ⁹²	2016	United Nations initiative to promote the incorporation of ESG criteria in the financial sector.	The nature of this international initiative does not allow any linkage to a specific PAI (holistic vision of adverse impacts).		
<i>Sustainable Building Plan</i> ⁹³	2013	Charter for the energy efficiency of public and private tertiary buildings, initiated by the Sustainable Building Plan.	PAI n° 17, 18		

BNP Paribas Cardif also complies with the internal Code of conduct⁹⁴ governing its activities. The Code states that the BNP Paribas Group respects the highest standards of conduct and ethics, in terms of the fight against corruption, respect for human rights and protection of the environment.

⁸⁷ <https://www.unepfi.org/net-zero-alliance/>

⁸⁸ <https://www.climateaction100.org/>

⁸⁹ <https://www.cdp.net/en>

⁹⁰ <https://www.unepfi.org/insurance/insurance/projects/the-tobacco-free-finance-pledge/>

⁹¹ <https://o-immobilierdurable.fr/>

⁹² <https://www.unpri.org/>

⁹³ Sustainable Building Plan

⁹⁴ https://group.bnpparibas/uploads/file/220204_bnpp_compliance_codeofconduct_2022_eng.pdf

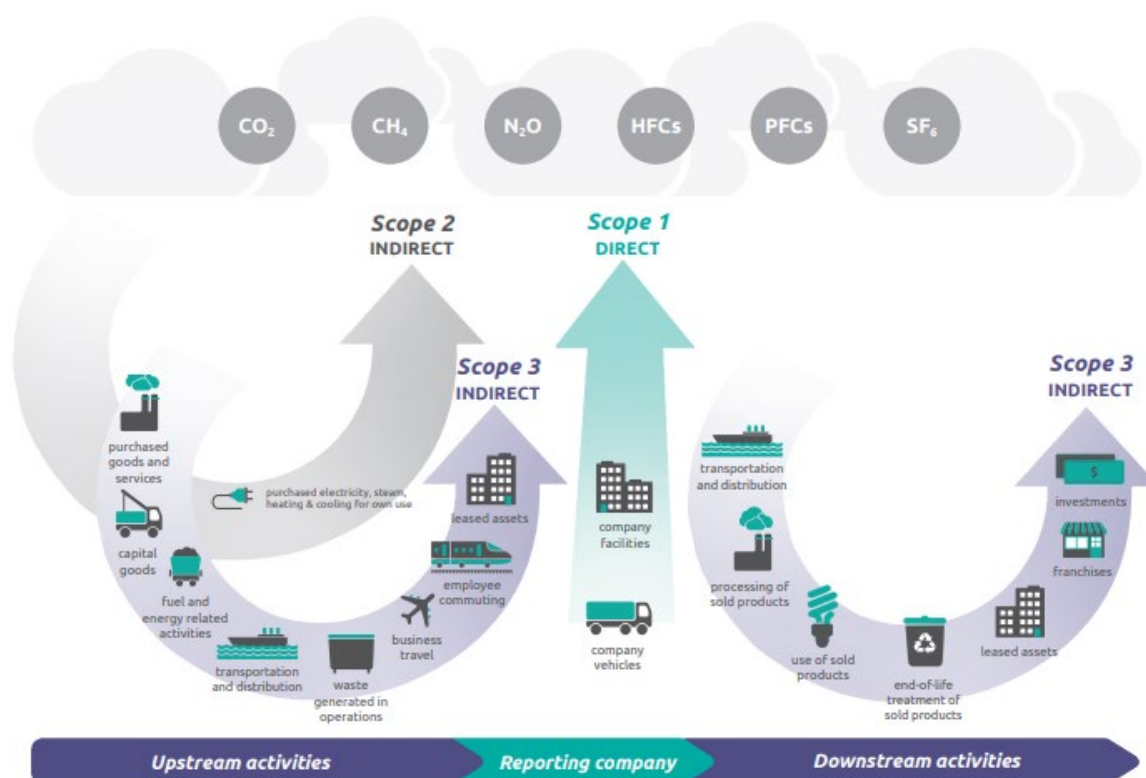
Appendix 1: The three carbon emission scopes and climate indicator methodology

The three scopes 1, 2, 3 (GHG Protocol, <https://ghgprotocol.org>):

Scope 1: Direct greenhouse gas emissions. This includes all emissions generated directly by the company and its activities, including factories, facilities, warehouses, offices, vehicle fleets owned by the company;

Scope 2: Indirect emissions linked to energy (consumption of electricity, cooling and heat);

Scope 3: All other indirect emissions, upstream and downstream of the corporate client's value chain.



Portfolio carbon footprint

The carbon footprint (for financial products) represents the amount of emissions financed by the portfolio. This indicator makes it possible to identify the amount of greenhouse gas emissions that can be attributed to an investment. For investments in companies, greenhouse gas (GHG) emissions are weighted according to the share of the investment in the enterprise value.⁹⁵ This indicator is used by the insurer to estimate the carbon footprint of corporate equities and bonds held directly.

The carbon footprint measures the emissions generated for each euro invested. Thus, if the investor owns 1% of the value of a company then the investor will be allocated 1% of the greenhouse gas emissions of that company.⁹⁶

⁹⁵ The enterprise value is the market value of the market capitalisation and financial debt (in the SFDR formula, cash is not deducted).

⁹⁶

$$\sum_n^i \left(\frac{\text{Market value of the investment}_i (\text{€m})}{\text{Enterprise value}_i (\text{€m})} \times \text{Carbon emissions of the corporate client}_i (\text{teq CO}_2) \right) / \text{Market value of portfolio investments (€m)}$$

Carbon intensity of real estate assets

The carbon intensity of real estate assets is calculated based on the greenhouse gas (GHG) emissions of each building, divided by the corresponding gross leasable area, taking into account the occupancy rate as well as climate variations. It is used as a climate indicator for the portfolio of directly managed office buildings.

Greenhouse gas (GHG) emissions come from energy consumption (final energy⁹⁷) using conversion factors specific to each type of energy.

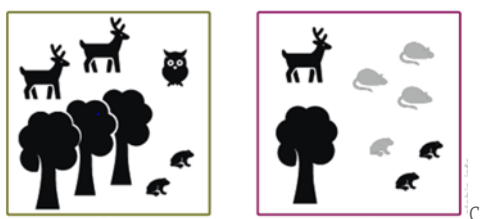
Appendix 2: Biodiversity indicator methodology

Biodiversity footprint of corporate clients - Methodological explanations

Principles of the MSA (Mean Species Abundance) metric

Only species native to an environment are considered, as the presence of other species may result from environmental disturbances. The MSA metric is based on a scale from 0% (total extinction of native species) to 100% (complete preservation of the biodiversity of native species). The MSA is recognised by IPBES as a means of assessing ecosystem integrity.

The diagram below illustrates the principles for calculating the MSA. Pressure on biodiversity will reduce an undisturbed population of native tree and animal species (left-hand diagram) in proportions which result in a population disturbed by this pressure (right-hand diagram).



In this example, populations of native species evolved as follows:

- the deer population decreased from 2 to 1 individual(s) once disturbed;
- the owl population decreased from 1 to 0 individual(s);
- the tree population decreased from 3 to 1 specimen(s);
- the frog population is maintained at 2 individuals (after an intermediate growth of 3 individuals).

This change is reflected in the following calculation of the MSA:

$$MSA = (1/2 + 0/1 + 1/3 + 2/2) / 4 = 0.46$$

Source: GLOBIO

The MSA.m²/€k metric relates this metric to an area of one square metre and the value of the corporate clients in an investment portfolio expressed in thousands of euros. This metric may, alternatively, be expressed in MSA.km²/€M to relate the MSA to an area of one square kilometre, with the value of corporate clients expressed in millions of euros. The models calculate the MSA.km² for each pressure on biodiversity, and then aggregate them by company. This metric is then compared to the value of the company to determine the MSA.m²/€k or the MSA.km²/€M. The portfolio footprint is obtained by cumulating these footprints by company, weighted by the weight of investments in the portfolio.

⁹⁷ Final energy is the energy actually delivered, consumed and billed to the user.

Modelling principles of the CBF method for assessing the biodiversity footprint

- collecting corporate clients' economic data (revenue and sales volumes) from their financial reports;
- estimating their ecological inventories (consumption of commodities, greenhouse gas emissions and polluting substances) from this data, or collating them from corporate clients' financial reports if they include these inventories (WUNDERPUS);
- converting the ecological inventory data into pressures on biodiversity (IDL proprietary model);
- assessing the impacts associated with these pressures (GLOBIO);
- aggregating these impacts by company and then at the investment portfolio level.

The modelling states that a company's impacts on biodiversity are based on its activity: to generate revenue (step 1), a company must consume commodities and is responsible for greenhouse gas emissions or pollution (step 2). These emissions generate pressure on biodiversity (step 3) which translates into impacts on ecosystems (step 4). The impact on biodiversity of an investment portfolio is the cumulative impact of the corporate clients in which the portfolio has invested (step 5).

The estimating ecological inventories step is based on trade models (purchases and sales) between the various business sectors, taking into account the region as well as the consumption of commodities by sector and greenhouse gas emissions volumes.

The conversion of ecological inventory data into biodiversity pressures is based on an IDL proprietary model, modelling the life cycle of products, which converts ecological inventories into pressure data. For example, the consumption of a given volume of wheat can be translated into land occupancy pressure by modelling the transformed surface area necessary for its production, and into nitrogen pollution pressure by modelling the nitrogen emissions associated with its production.

The assessment of the impacts related to pressures is based on GLOBIO, a modelling tool developed by the PBL Netherlands Environmental Assessment Agency. This tool is based on a set of research articles and academic studies on the impacts of various biodiversity pressures.

IDL - Corporate Biodiversity Footprint (CBF) - uses a time-based integration approach that assesses the biodiversity impacts of corporate clients' activities over a 100-year period.

Glossary

ARTICLE 8: Refers to, according to the SFDR Regulation, products that promote sustainable characteristics, incorporating environmental and/or social criteria.

ARTICLE 9: Refers to, under the SFDR Regulation, products with a sustainable investment objective, contributing to an economic activity with an environmental and/or social objective.

BEST-IN-CLASS: The Best-in-Class approach aims to select companies with the best ESG practices, within the same business sector. Thus, the best-in-class principle does not exclude any sector or industry.

BREEAM (BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD) AND HQE (HIGH ENVIRONMENTAL QUALITY): These two environmental assessment methods cover the construction, renovation and operation of buildings. The first is British and the second French.

THERMAL COAL: This is the coal used to generate electricity.

DUE DILIGENCE: This is the procedure whereby an investor reviews the documents of a target company before investing.

EBITDA: "Earnings Before Interest, Taxes, Depreciation and Amortisation". This measure is used to calculate the share of portfolio corporate client profits exposed to an increase in the carbon price.

CARBON FOOTPRINT: This is the measurement at a given moment of “the quantity of greenhouse gases (expressed in terms of CO2 equivalent), released into the atmosphere by an individual, process, organisation, event, or product from within a specified boundary”. (Authors: Pandey, Agrawal and Pandey, 2011; Source: ScienceDirect)

EVIC (Enterprise Value Including Cash): The enterprise value including cash is defined as the sum of the market capitalisation of the ordinary shares at the end of the year, the market capitalisation of the preferred shares at the end of the year and the carrying amount of the total debt and non-controlling interests. There is no deduction of cash or cash equivalents to avoid the possibility of negative enterprise values.

GENERAL FUNDS: Also known as “euro funds”, 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.

DEDICATED FUNDS: Funds reserved for a maximum of 20 holders enabling customised management to be set up.

POSITIVE IMPACT INVESTMENTS: These are investments made with the intention of generating a positive and measurable social, societal and/or environmental impact, while generating a return on investment. Intentionality is the desire to achieve one or more sustainable development goals (for example, contributing to the energy transition through the installation of renewable energy infrastructure). Measurability corresponds to the evaluation of the implementation of this intention through environmental and/or social indicators (e.g. GWh produced by these renewable energies).

ENVIRONMENTAL-THEMED INVESTMENT: These investments include green bonds, real estate assets with best market practices in terms of environmental performance (certified assets, having achieved the target of the 2030 Tertiary Decree and aligned with the criteria of the European Taxonomy) and renewable energy infrastructure.

RESPONSIBLE INVESTMENT: This is a generic term which refers to the various approaches considering Environmental, Social and Governance aspects in financial management. Responsible investment can take a structured and systematic approach in terms of stock-picking for a given fund and, moreover, support the players in an inclusive, low-carbon economy. This is known as Socially Responsible Investment (SRI) fund. (Source: Novethic).

GREEN OR SUSTAINABLE BOND: A green or sustainable bond is a debt security issued by the financial markets to finance a specific project with high environmental and/or social added value. They may be issued by companies, entities or governments.

OECD: The mission of the Organization for Economic Co-operation and Development (OECD) is to promote policies that will improve economic and social well-being around the world.

PAI (Principal Adverse Impacts): Constitute a set of indicators detailed in the report of the technical review criteria associated with the SFDR Regulation, which provide a framework to assess the adverse impacts of the sustainability of investments.

PRI: Principles for Responsible Investment. More information can be found at www.unpri.org.

CSR: Corporate Social Responsibility.

SFDR: Sustainable Finance Disclosure Regulation.

DIRECTLY HELD SECURITIES: These securities are held directly by BNP Paribas Cardif. They may be equities or bonds.

UN CONVENTION OF BIODIVERSITY (UNCBD): Multilateral treaty ratified by 196 nations at the 1992 Earth Summit in Rio de Janeiro. Its objective was to develop national strategies for the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing resulting from resource use.

UNIT-LINKED FUNDS: Like general funds, unit-linked funds are life insurance investment vehicles. For unit-linked contracts, the insurer's commitment is expressed in units, the value of which varies according to market fluctuations.

MARKET VALUE: This metric is representative of the total capital employed. It includes stock market capitalisation, net financial debt, and minority interests, plus other assets and minus other liabilities.

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It aims to meet the publication requirements under Article 29 of the Energy and Climate Act (*via* Article L. 533-22-1 of the French Monetary and Financial Code), which requires financial market participants to provide a publicly available document setting out their policy for taking into account, in their investment strategy for their management activities under mandate, environmental, social and governance criteria and the means implemented to contribute to the energy and environmental transition, as well as the strategy for implementing this policy.

The data included in this document is not audited. It is based either on information provided by corporate clients where available, on information from third-party sources, or on methodologies developed in good faith on the basis of reasonable internal definitions, assumptions and estimates. When the data contained in this document comes from third-party sources, Cardif Retraite declines all responsibility for this information and makes no representations or warranties as to its accuracy, precision or completeness.

Regarding greenhouse gas (GHG) emissions, there is a lack of standardisation and comparability of estimation and calculation methods due to the range of frameworks and methodologies available. Due to this lack of harmonisation, there remains a risk of overestimation or underestimation of the indicators. Scope 3 emissions specifically, which cover the emissions associated with the activities of the invested corporate clients, are subject to a high degree of measurement uncertainty. By definition, these emissions result from the activities of the invested corporate clients and, unlike Cardif Retraite's direct emissions, depend on external factors over which Cardif Retraite has no control.

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