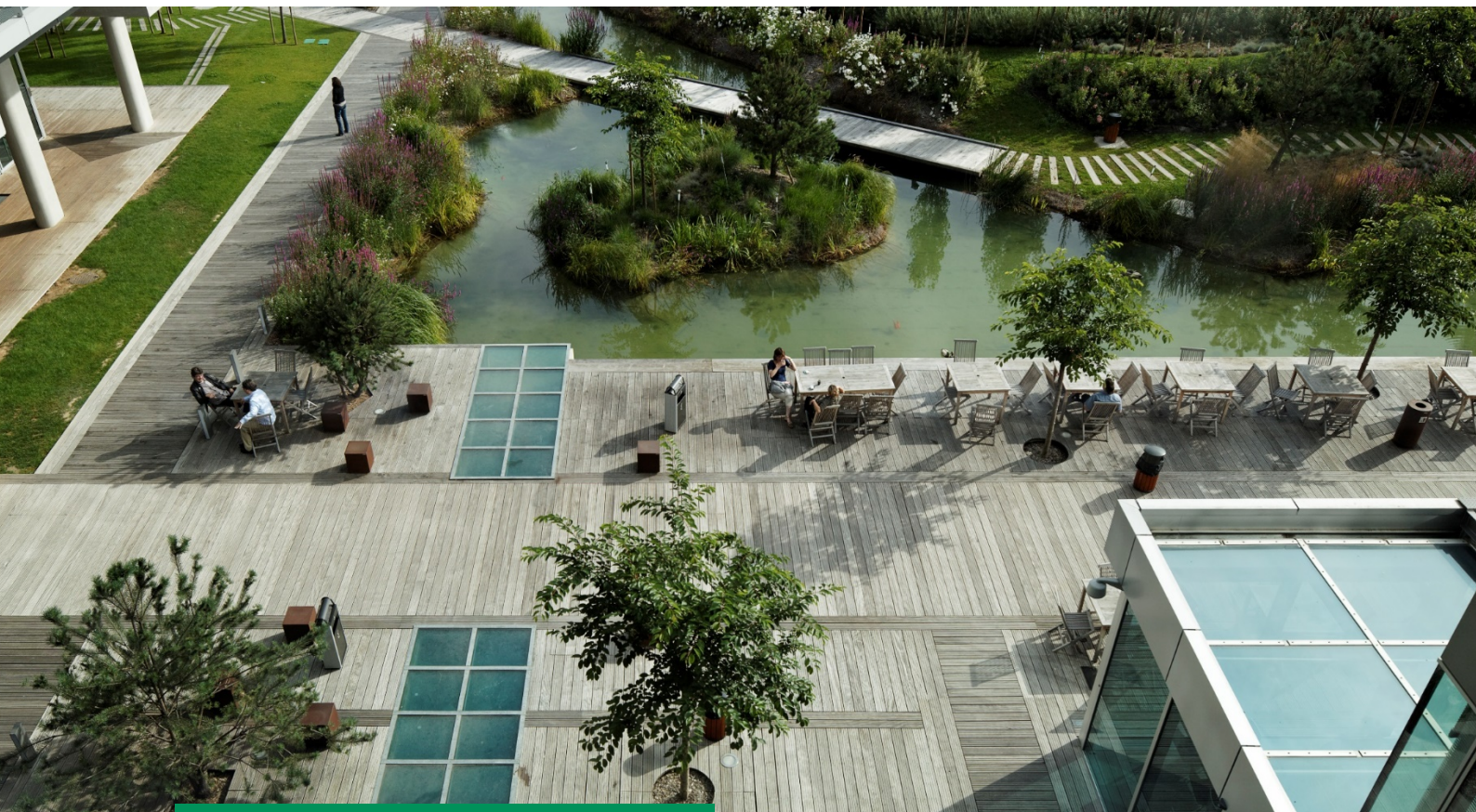


PRINCIPAL ADVERSE SUSTAINABILITY IMPACT STATEMENT CARDIF ASSURANCE VIE



Publication Date: June, 30th 2023



**BNP PARIBAS
CARDIF**

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Cardif Assurance Vie, a subsidiary of BNP Paribas Cardif, publishes the following information in compliance with the Article 4 of the European Regulation (UE) 2019/2088 « Sustainable Finance Disclosure Regulation » (SFDR)¹ and its technical standards² that introduces new transparency requirements on adverse sustainability impacts at entities³ level:

Purpose of the declaration

Entities subject to SFDR shall make a statement on due diligence policies regarding those 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.

This is Cardif Assurance Vie second declaration of its kind in compliance with the application of the European SFDR Regulation that is subject to sustainability transparency commitments⁴. For the first time, this statement includes the calculation of adverse impact indicators.

Summary

Cardif Assurance Vie (LEI Legal Entity Identifier Code: 969500G544G7SX1R1Z44) considers the principal adverse impacts of its investment decisions on sustainability factors. This document is the consolidated statement on the principal adverse impacts regarding Cardif Assurance Vie sustainability factors.

This principal adverse sustainability impacts statements covers a reference period from January 1st 2022 to December 31 2022.

The consideration of adverse sustainability impacts applies to the assets of Cardif Assurance Vie euro fund.

The purpose of this statement is to assess the Principal Adverse Impacts (PAI) generated by the companies, states or buildings in which Cardif Assurance Vie invests.

PAI are quantitative indicators enabling this evaluation. They require a large amount of data for their calculation, the reliability of which may vary depending on whether they are based either (i) on the declarations of issuers (companies, states, etc.) or (ii) on estimates made by data providers.

The ESG data market is in complete evolution, particularly on PAI Data.

As an institutional investor, Cardif Assurance Vie follows a long-term investment strategy. In order to achieve the desired performance, its investment policy takes into account financial and extra-financial criteria that are closely related. Its application protects the value of investments and supports sustainable practices.

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

² The technical standards of the European SFDR Regulation are available in the languages displayed on the official EU website: [link to technical standards of SFDR April 6th 2022](#)

³ Cardif publishes the requested information on its behalf and on behalf of its European subsidiaries

⁴ Publication of Cardif Assurance Vie sustainability transparency commitments: [link to the publication page](#)

Cardif Assurance Vie 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.

You can also find more information on Cardif Assurance Vie extra-financial approach in its Responsible Investor Report Article 29 of the Energy and Climate Law published on BNP Paribas Cardif website: [Responsible Investor Report](https://www.bnpparibascardif.com/en/corporate-social-responsability)⁵.

⁵ <https://www.bnpparibascardif.com/en/corporate-social-responsability>

The consideration of the principal adverse impacts is based on **two main elements**: BNP Paribas Group **sector exclusion policies** based on lists of issuer exclusions and an **ESG analysis and integration process**. These are complemented by a **shareholder engagement policy**.

Summary of principal adverse impacts at end 2022:

Adverse Impacts	Exclusion policies (sector and regulatory)	Analysis and integration of extra-financial criteria	Shareholder engagement policy	Indicators	Taken Into account
Indicators on investments in sovereign and supranational values					
Social violations	x	x		- Countries subject to social violations	x
Indicators on investments in companies					
Greenhouse gases	x	x	x	- Carbon emissions - Carbon footprint - Carbon intensity - Exposure to companies active in fossil fuels - Share of non-renewable energy production	x x x x x
Global Compact Principles	x	x	x	- Specific filter assessing the proper integration of the Global Compact pillars	x
Controversial weapons	x	x		- Companies identified in the controversial weapon industry	x
Indicators on investments in real estate assets					
Fossil fuel		x		- Fossil fuel exposure of real estate assets	x
Energy efficiency		x		- Exposure to energy-inefficient real estate assets	x

Description of the principal adverse impacts on sustainability factors

The indicators were calculated on securities held directly in Cardif Assurance Vie euro fund (including equity), excluding unit-linked funds.

- For Corporate assets: Equities and bonds
- For Sovereign assets: Bonds
- For Real Estate assets: Buildings held directly

Ratios are calculated on each relevant sub-scope.

As of 31 December 2022, these assets represented: 73% of investments in the Cardif Assurance Vie euro fund and 52% of Cardif Assurance Vie investments.

Indicators are not available for the 2021 reporting period. As a matter of fact, the technical standards of the SFDR Regulation describing the format and content of this report, the mandatory and optional indicators to be published together with their calculation methodologies, are only applicable since January 1st 2023. Indicators calculated for the year 2022 are disclosed in this statement for the first time.

Table 1 - Indicators for investment in corporate

Climate indicators and other environment related indicators						
Adverse sustainability indicators		Metric	2022 Impact	2021 Impact	Explanation	Actions taken, actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG Emissions	Scope 1 GHG emissions in tons of CO ₂ equivalent	1,018,121 tCO ₂ eq	Not available	Coverage : 93% Data Provider : S&P Trucost Ltd	<u>Taken and planned actions:</u> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement (member of the Net Zero Asset Owner Alliance) - ESG Process and carbon transition filter - Sector policies: Thermal coal, oil and gas - Shareholder engagement Policy <u>Targets set:</u> - Reduce the carbon footprint of directly held equity and corporate bond portfolios by at least 23% between end 2020 and end 2024 (53% reduction has already been achieved between 2017 and 2020). - Achieve a carbon intensity below 125 gCO ₂ /kWh by end 2024 on power producers in directly held equity and corporate bond portfolios. - Continue phasing out thermal coal 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. - Engage in dialogue with companies that emit the most greenhouse gases through the Climate Action 100+ initiative.
		Scope 2 GHG emissions in tons of CO ₂ equivalent	176,380 tCO ₂ eq	Not available	Coverage : 93% Data Provider: S&P Trucost Ltd	
		Scope 3 GHG emissions in tons of CO ₂ equivalent	11,128,022 tCO ₂ eq	Not available	Coverage (level 3 upstream) : 93% Coverage (level 3 downstream) : 80% Data Provider: S&P Trucost Ltd	
		Total GHG emissions de GES in tons of CO ₂ equivalent	12,322,523 tCO ₂ eq	Not available	Coverage : 93% Data Provider: S&P Trucost Ltd	
	2. Carbon footprint	Carbon footprint in tons of CO ₂ equivalent per million euros invested	326 tCO ₂ eq/MEUR invested	Not available	Coverage : 93% Data Provider: S&P Trucost Ltd	
	3. GHG intensity of investee companies	GHG intensity of investee companies in tons of CO ₂ equivalent per million euro of turnover of investment recipient companies	1,460 tCO ₂ eq/MEUR of turnover	Not available	Coverage : 93% Data Provider: S&P Trucost Ltd	
	4. Exposure to active companies in fossil fuel sector	Share of investment in companies active in the fossil fuel sector (%)	8.4%	Not available	This exposure is calculated according to SFDR regulations. It takes into account the full value of investments made in companies when part of their 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. Coverage : 93% Data Provider: S&P Trucost Ltd	

	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: 57.9% Share of production: 52.1%	Not available	These indicators only take into account electricity production and consumption Coverage : 93% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> <ul style="list-style-type: none"> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement (member of the Net Zero Asset Owner Alliance) - ESG Process and carbon transition filter - Sectoral policies: Thermal coal, oil and gas. - Shareholder engagement Policy <u>Targets set:</u> <ul style="list-style-type: none"> - Continue phasing out thermal coal 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. - Achieve a carbon intensity below 125 gCO₂/kWh by end 2024 on power producers in directly held equity and corporate bond portfolios. - Allocate at least €800 million per year to environmental investments including renewable energies.
	6. Energy consumption intensity by high climate impact sector	Energy consumption in GWh per million euros of turnover of investee companies, per high impact climate sector	Total : 1.04 Sector NACE A: 0.18 Sector NACE B: 2.10 Sector NACE C: 0.57 Sector NACE D: 2.88 Sector NACE E: 3.14 Sector NACE F: 0.48 Sector NACE G: 0.20 Sector NACE H: 0.82 Sector NACE L: 0.27 Unit : GWh/MEUR of turnover	Not available	Coverage : 75% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> <ul style="list-style-type: none"> - Target of aligning investment portfolios with a trajectory in line with the Paris Agreement (member of the Net Zero Asset Owner Alliance) - ESG Process and carbon transition filter - Sector policies: Thermal coal, oil and gas. - Shareholder engagement Policy <u>Targets set:</u> <ul style="list-style-type: none"> - Continue phasing out thermal coal 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. - Achieve a carbon intensity below 125 gCO₂/kWh by end 2024 on power producers in directly held equity and corporate bond portfolios. - Allocate at least €800 million per year to environmental investments including renewable energies. - Engage in dialogue with companies that emit the most greenhouse gases through the Climate Action 100+ initiative
Biodiversity	7. Activities negatively affecting 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 %)	84.6%	Not available	The coverage rate on this indicator being particularly low, the result may not be representative. Coverage : 6% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> <ul style="list-style-type: none"> - ESG process - Sector policies: Thermal coal, oil and gas, mining industry, agriculture, palm oil, wood pulp - Measuring the biodiversity footprint of portfolios - From 2024, BNP Paribas Cardif will work on an alignment strategy with biodiversity-related objectives

						<u>Targets set:</u> - No target set on this indicator to date.
Water	8. Emissions to water	Tons of emissions to water generated by investee companies, per million euros invested, expressed as a weighted average	0.05 t/MEUR invested	Not available	The coverage rate on this indicator being relatively low, the result should be interpreted with caution. Coverage: 16% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Sector policies: Agriculture, wood pulp, mining industry <u>Targets set:</u> - No target set on this indicator to date.
Wastes	9. Hazardous waste and radioactive waste ratio	Tons of hazardous and radioactive waste generated by investee companies, per million euros invested, expressed as a weighted average	2.54 t/MEUR invested	Not available	The coverage rate on this indicator being relatively low, the result should be interpreted with caution. Coverage: 45% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Sector policies: Nuclear energy, mining industry <u>Targets set:</u> - No target set on this indicator to date.
Indicators related to social, staff, human rights, anti-corruption and corruption actions issues						
Social and staff matters	10. Violations of the principles of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in companies that have been involved in violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises (expressed in %)	8.3%	Not available	Coverage: 79% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG process and exclusion filter related to non-compliance with the Global Compact principles - Shareholder engagement policy <u>Targets set:</u> - No target set on this indicator to date.
	11. Lack of compliance processes and mechanisms to monitor compliance with the UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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 %)	0.3%	Not available	Coverage: 77% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG process and exclusion filter related to non-compliance with the Global Compact principles <u>Targets set:</u> - No target set on this indicator to date.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (expressed as monetary amount converted into euro)	19.9%	Not available	Coverage: 88% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process <u>Targets set:</u> - No target set on this indicator to date.
	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	39.2%	Not available	Coverage: 92% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Shareholder engagement policy

						<u>Targets set:</u> - No target set on this indicator to date.
	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%	Not available	Coverage: 78% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Sector policy: Defense and security <u>Targets set:</u> - No target set on this indicator to date.
Indicators applicable to investments in sovereign or supranational issuers						
Environmental	15. GHG intensity	GHG intensity of investee countries in tons of CO ₂ equivalent per million euros of gross domestic product	356 tCO ₂ eq/MEUR of GDP	Not available	Coverage: 100% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process <u>Targets set:</u> - No target set on this indicator to date.
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)	0	Not available	Coverage: 100% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Embargo policy and financial sanctions <u>Targets set:</u> - No target set on this indicator to date.
		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 %)	0.0%	Not available	Coverage: 100% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Embargo and financial sanctions policy <u>Targets set:</u> - No target set on this indicator to date.
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%	Not available	The entity does not invest in such assets.	The entity does not invest in such assets.
Energy efficiency	18. Exposures to energy-inefficient real estate assets	Share of investment in energy-inefficient real estate assets (expressed in %)	60.3%	Not available	This exposure represents the share of directly managed real estate assets who's DPEs are classified D, E, F, G or missing. Coverage : 100% of directly held assets	<u>Taken and planned actions:</u> - Performance of energy audits and action plans to improve the energy performance of buildings - During heavy renovation work, drive to improve environmental performance and DPE labels Targets set:

					Data Provider: Internal data	- Tertiary buildings: comply with the tertiary decree by reducing energy consumption by 40% between 2011 and 2030
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Table 2 - Additional climate and other environment-related indicators

Adverse sustainability indicators		Metric	2022 impact	2021 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	34.9%	Not available	Coverage: 90% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - Shareholder engagement Policy <u>Targets set:</u> - Engage in dialogue with companies that emit the most greenhouse gases through the Climate Action 100+ initiative

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

Social and staff issues	20. Average human rights performance	Average human rights performance of investee countries, measured by a quantitative indicator as explained in the dedicated column	87.0	Not available	This indicator is measured using a score ranging from 0 to 100 (100 representing excellent human rights performance) Coverage: 100% Data Provider: S&P Trucost Ltd	<u>Taken and planned actions:</u> - ESG Process - Embargo and financial sanctions policy <u>Targets set:</u> - No target set on this indicator to date.
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Description of policies identifying and prioritizing principal adverse impacts on sustainability factors

Cardif Assurance Vie relies on its Board of Directors and uses the governance committees of BNP Paribas Cardif: specialized committees and those of the General Management. This governance involves management and operational teams (Asset Management, Impact and Innovation, RISK, Compliance, Finance, Actuarial and Capital).

The management bodies of BNP Paribas Cardif define the responsible investment strategy. They also ensure the application of BNP Paribas Group policies.

The **Board of Directors** plays a major role in controlling and supervising the management of the Company. In accordance with its internal rules, it defines the strategic axes of the company's activity and ensures that they are followed by the Executive Management, taking into account the social and environmental challenges of the company's activities.

The Board of Directors of Cardif Assurance Vie relies on the specialized committees of BNP Paribas Cardif, two of which are particularly involved in ESG issues. :

- The **ALM and Insurance Risk Management Committee (AIRMC)** ensures the effectiveness of the risk management system, including social and environmental risks, and reviews the asset allocation strategy;
- The **Appointment and Compensation Committee (ACC)** is responsible for monitoring issues relating to the appointment of directors, senior corporate officers and heads of key functions. It ensures the integrity and skills of prospective candidates and ensures that directors have the necessary skills to understand the risks, challenges and strategy of the Company. It reviews the directors' annual declarations with regard to conflicts of interest.

Other committees under the authority of the General Management are associated to the ESG approach, including the **Risk Committee** - in charge of identifying, supervising and monitoring sustainability risks - and the **Financial Committee**.

Cardif Assurance Vie takes into account the adverse sustainability impacts in its investment strategy. Its investment policy is broken down by asset class. Distinct approaches and methodologies are applied to the different asset classes in order to take into account their specificities. In order to analyze investments from an extra-financial perspective, Cardif Assurance Vie 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 to the Board of Directors of Cardif Assurance Vie at least once a year.

The investment strategy is also reviewed annually by the Board of Directors.

Taking into account the principal adverse impacts is part of the risk management framework of Cardif Assurance vie. It seeks to prevent and reduce adverse impacts: **sector policies** and an **ESG analysis and integration process**.

Cardif Assurance Vie regularly strengthens its extra-financial approach, taking into account new topics and information available from data providers.

These approaches are complemented by a **shareholder engagement policy**.

1) Sector Policies

Cardif Assurance Vie applies restriction lists resulting from the **BNP Paribas Group's sector policies**.

These policies provide a framework for investments in sectors with environmental or social issues as they allow to identify companies or issuers to be excluded from the investment universe. These policies [are available on its internet website](#)⁶.

They get regularly extended or revised, and reflect a committed position with regard to these sectors.

BNP Paribas Group sector policies applied by Cardif Assurance Vie				
Sectors	Description	Thematic		
		E	S	G
Defense	Published in 2010 and updated in 2017, BNP Paribas' defense policy provides for strict exclusion criteria, notably regarding weapons regulated by major international conventions, such as anti-personnel mines and cluster munitions. It also provides specific human rights protection mechanisms by excluding the financing of arms exports to countries where the United Nations have found serious violations of children's rights in armed conflict.			x
Palm oil	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.	x	x	
Wood pulp	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.	x	x	
Nuclear energy	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.	x		
Coal-fired power generation	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.	x		
Agriculture	In February 2021, BNP Paribas incorporated new criteria into its agricultural policy to combat deforestation in the Amazonia and the Cerrado. BNP Paribas now pledges to encourage its customers producing or buying beef or soy from Amazonia and the Cerrado in Brazil to have a "zero deforestation" strategy in place by 2025 and to demonstrate their progress in a transparent fashion.	x	x	
Mining industry	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. The Financing and Investment policy governs BNP Paribas' activities in the mining industry, including within its strategy for exiting the thermal coal value chain.	x	x	x
Oil & Gas	As part of its policy, BNP Paribas has stopped financing dedicated to oil projects since 2016. The Group has also discontinued its commercial relations with unconventional hydrocarbon specialists (shale gas, oil from tar sands) and no longer provides dedicated funding for projects to develop new oil or gas fields, regardless of financing methods. Moreover, BNP Paribas has stepped up its restrictions on financing ecosystems that are especially sensitive in Amazonia and the Arctic. In May 2022, for example, BNP Paribas extended its definition of the Arctic by adopting the definition of the Arctic Monitoring and Assessment Programme. This policy was reviewed in May 2023.	x		

⁶ [Financing and investment policies - BNP Paribas \(group.bnpparibas\)](#)

2) Cardif Assurance Vie's commitments

In addition to the restrictions provided by these policies, BNP Paribas Cardif regularly makes **commitments** concerning sectors of activity that are particularly harmful to public health and the environment, in order to avoid or mitigate adverse impacts:

Commitments applied by Cardif Assurance Vie in respect of commitments made by BNP Paribas Cardif				
Sectors	Description	Thematic		
		E	S	G
Tobacco	Since 2017, Cardif Assurance Vie has excluded from its euro fund companies that produce, wholesale and distribute, and whose income mainly stems from tobacco. The signing of the Tobacco Pledge in 2018 reinforced this position.		x	
Exiting the thermal coal value chain once and for all	Final exit from thermal coal value chain by 2030 at the latest for European Union and OECD countries, and at the latest by 2040 in the rest of the world. A detailed timetable, published in 2020 and setting out the criteria and thresholds, is available in the Responsible Investor Report published on the BNP Paribas Cardif website: Responsible Investor Report⁷	x		
Reduce the carbon footprint of its investment portfolios ⁸	Reduce the carbon footprint (scopes 1 and 2) of directly-held corporate equity and corporate bond portfolios by at least 23% between the end of 2020 and the end of 2024 (53% reduction has already been achieved between 2017 and 2020). This target is aligned with the IPCC SR1.5°C scenarios no or limited overshoot ⁹ . Commitment made in September 2022	x		
	Achieve a carbon intensity below 125 gCO ₂ /kWh by end 2024 on electricity producers in directly held equity and corporate bond portfolios. This target is aligned with the International Energy Agency's (IEA) Net Zero Emissions scenario for power generation ¹⁰ . Commitment made in June 2023	x		
	Reduce the carbon intensity (scopes 1 and 2) of directly owned office buildings by at least 12% between 2020 and 2030 (47% reduction has already been achieved between 2011 and 2020). Commitment made in September 2022	x		

3) ESG analysis and integration process

Cardif Assurance Vie's responsible investment policy applies to the assets held in its euro fund. It is submitted at least once a year to Cardif Assurance Vie's Board of Directors.

When making investments, Cardif Assurance Vie examines Environmental (E), Social (S) and Governance (G) issues. This analysis can be quantitative and/or qualitative. To do this, Cardif Assurance Vie collects ESG data specific to each asset class, which is then analyzed 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, place practices and data availability (ability of data providers to collect and analyze data).

⁷ <https://www.bnpparibascardif.com/fr/responsabilite-societale-des-entreprises>

⁸ BNP Paribas Cardif is a member of the *Net Zero Asset Owner Alliance* since 2021, and is committed to aligning its investment portfolios on a carbon neutral trajectory by 2050.

⁹ [Summary for Policymakers — Global Warming of 1.5 °C \(ipcc.ch\)](#)

¹⁰ [World Energy Outlook 2021 – Analysis - IEA](#)

3.1) Investments in sovereigns and supranationals:

Cardif Assurance Vie analyses the non-financial performance of countries in order to **exclude the worst performing countries on these issues**. This analysis is based on data provided by an extra-financial data provider.

Only countries with a satisfactory ESG score are retained in the investment universe. The analysis integrates the following criteria:

- The Environment criterion takes into account the country's energy mix, the national carbon footprint and the ratification of treaties, in particular the Paris 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;
- The Governance criterion includes, among other things, respect for human rights and respect for labour rights.

This ESG filter is applied to securities issued directly by countries (government bonds) and securities issued by companies (equities and corporate bonds) whose registered office is in the excluded countries.

3.2) Investments in companies:

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

- An initial analysis verifies **compliance with international standards and treaties** (regulatory and legal filters). The activity of the company or the country in which it operates must not be subject to an embargo or financial sanctions;
- **Sector exclusions** are applied (see section below "Exclusion Policies");
- An **analysis** based on ESG data from an extra-financial data provider is carried out. This analysis allows to assess the consideration of environmental, social and governance issues. Cardif Assurance Vie uses a best-in-class sectoral approach to select companies in the top seven deciles;
- A **carbon transition filter** complements sector exclusion policies and ESG analysis. This filter identifies companies engaged in the transition to a low-carbon economy. Companies emitting the most CO₂ and having a low "energy transition" score are excluded from the investment universe.

3.3) Investments in Real Estate assets:

Direct management in real estate consists of the acquisition, management, marketing and disposal of real estate assets held by Cardif Assurance Vie, very often through SCI-type vehicles.

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

On **environmental aspects** the following practices are implemented:

- Systematic certification of buildings under construction e.g. HQE certification, BREEAM certification, BBC Effinergie label (energy performance label), BBCA Renovation label (low carbon label);
- Buildings undergoing renovation are certified if the technical and financial feasibility is sustainable;

- For the operational phase, some buildings are certified. For management and works, an improvement in environmental performance is always sought;
- An analysis on the evolution of the building's energy consumption and their carbon footprint. to this end, Cardif Assurance Vie also encourages construction methods that emit less CO₂.

Cardif Assurance Vie also pays close attention to the possible **social use of housing** by providing housing under specific schemes (e.g. intermediate-rent housing).

Prioritization of principal adverse impacts:

Cardif Assurance Vie calculates the indicators of the mandatory principal adverse impacts (Table 1 of EU Delegated Regulation 2022/1288) and selects at least one environmental indicator and one social indicator among the optional indicators (Table 2 and Table 3 of EU Delegated Regulation 2022/1288).

The prioritization of the principal adverse impacts is analyzed 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.

For 2022, the following adverse impacts are considered priorities for Cardif Assurance Vie:

Adverse Impacts	Exclusion policies (sector and regulatory)	Analysis and integration of extra-financial criteria	Shareholder engagement policy	Indicators
Social Violations	x	x		- Countries subject to social violations (PAI 16)
Greenhouse gases	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)
Global Compact principles	x	x	x	- Companies identified in the controversial arms sector (PAI 11)
Controversial weapons	x	x		- Companies identified in the controversial arms sector (PAI 14)
Energy efficiency		x		- Exposure to energy-inefficient real estate assets (PAI 18)

Calculation methodologies and error margins:

For the calculation of the principal adverse impacts, Cardif Assurance Vie worked with non-financial data providers.

The formulae for calculating the principal adverse impacts are included in the Delegated Regulation (EU) 2022/1288. The coverage percentage of each indicator varies depending on the availability of data. At the end of 2022 the historical comparison was not published as these indicators were not calculated in 2021.

The methodology for identifying the principal adverse impacts is subject to the availability and quality of the data and may be based where appropriate on data estimated by data providers in case these are not available.

The indicators were calculated on securities held directly in Cardif Assurance Vie euro fund (including equity), excluding unit-linked funds.

- For Corporate assets: Equities and bonds
- For Sovereign assets: Bonds
- For Real Estate assets: Buildings managed directly

Ratios are calculated on each relevant sub-perimeter.

Shareholder engagement policy

Shareholder engagement comes as a support to the approach previously described.

In accordance with the provisions of the PACTE¹¹ law and the European directive on shareholders' rights¹², Cardif Assurance Vie publishes details of its shareholder engagement policy on its website¹³, as well as an annual report on the implementation of this policy. An updated version was published in June 2023.

The engagement strategy applies to equities held directly by Cardif Assurance Vie, which represent 3% (or 2.6 billion euros) of its euro fund at the end of 2022.

As an institutional investor for BNP Paribas Cardif, Cardif Assurance Vie follows a long-term investment strategy. In order to achieve the expected performances, the investment strategy takes into account financial and extra-financial criteria that are closely linked.

The responsible investment strategy incorporates requirements in terms of countries and activities exclusion as well as minimum standards for ESG risk management. Their application helps to protect the value of investments made and promote better ESG practices:

- Upstream of the investment, these requirements restrict the investment universe of BNP Paribas Cardif;
- Throughout the holding period of assets, BNP Paribas Cardif votes at general assemblies and engages a dialogue with selected issuers on specific topics.

These different areas are part of the responsible investment strategy of Cardif Assurance Vie, which is structured around 4 principles:

- To contribute 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. In particular, insurers play an important role in financing the economy and participate in investment plans designed to support companies and individuals in the economic and energy transition. As such, Cardif Assurance Vie directs part of its investments towards activities that contribute to the energy and environmental transition and the protection of ecosystems, and also to social and societal topics;
- To be an economic player with a long-term investment horizon, independent of short-term fluctuations in the financial markets, given that investments of Cardif Assurance Vie are backed by long-term commitments;
- To be a responsible investor: thanks to the integration of ESG criteria since the selection of media and throughout the duration of the investment;
- To be an "active" investor: Cardif Assurance Vie votes at the general assemblies of listed companies in which it is a shareholder and engages itself on specific topics with some issuers.

¹¹ Law n° 2019-486 of May 22, 2019 relating to the growth and transformation of companies: <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000038496102/>

¹² Shareholder Rights Directive

¹³ <https://www.bnpparibascardif.com/en/corporate-social-responsability>

The good corporate governance (the quality of its directors, the independence of its supervisory bodies, the protection of its shareholders, and the alignment of the interests of the various stakeholders) is a key criterion for Cardif Assurance Vie's investments. The implementation of this dynamics specially involves the exercise of voting rights at general assemblies. The main types of resolutions put to the vote can be grouped into five themes, most of which have a proven link to ESG:

1. Accounts and company management approval
2. Appointment of Directors
3. Remuneration policies
4. Financial transactions and shareholder rights
5. Other resolutions (e.g. regulated agreements, shareholder proposals).

In addition to shareholder engagement, Cardif Assurance Vie regularly engages in a dialogue with asset management companies. The commitment with them is made in two stages:

- A specific questionnaire is sent to management companies on their ESG practices. It enables to precisely map the sector exclusion practices of management companies and their level of integration of ESG criteria;
- Cardif Assurance Vie analyses the shareholder engagement policy of asset management companies that are PRI (Principles for Responsible Investment) signatories. Indeed, each year the signatories of the PRI must report on the respect of the commitments made by answering a questionnaire on the integration of ESG processes in their general investor strategy.

This data allows managers to engage in a dialogue with the management companies in order to encourage them to further integrate extra-financial issues into their management process.

References to international standards

Cardif Assurance Vie integrates social issues into its extra-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 labor rights and children's rights.

Through BNP Paribas Cardif which is a member of the following international bodies, Cardif Assurance Vie relies on major principles and international treaties to qualitatively select its investments, supporting the inclusion of principal adverse impacts in its investment decisions.

International standards	Date	Description	Principal Adverse Impacts		
			Table 1	Table 2	Table 3
Net-Zero Asset Owner Alliance. ¹⁴	2021	To help limiting global warming to 1.5°C above pre-industrial temperatures, in line with the Paris Agreement, signatories commit to aligning their investment portfolios on a carbon neutral trajectory by 2050. The forward-looking climate scenarios used for this commitment are set out in <i>Part 2) Cardif Assurance Vie's commitments</i>	PAI n° 1 / 2 / 3 / 4 / 5 / 6 / 15 / 17 / 18	PAI n° 4	
Initiative Climate Action 100+. ¹⁵	2021	The signatories act collectively to encourage the world's largest emitters of greenhouse gases to take the necessary measures to combat climate change.	PAI n° 1 / 2 / 3 / 4 / 5 / 6	PAI n° 4	
CDP (ex-Carbon Disclosure Pledge). ¹⁶	2019	CDP encourages investors, companies and cities to measure and understand their impacts on the environment. The organization holds the largest environmental performance database. It collects information on greenhouse gas emissions, water management and the impact on forests.	PAI n° 1 / 2 / 3 / 4 / 5 / 6 / 7 / 8 / 17	PAI n° 4	
Tobacco-Free Finance Pledge. ¹⁷	2018	BNP Paribas Cardif ceased its investment activities in the tobacco sector in 2017 and joined the Tobacco-Free Finance Pledge in 2018	The nature of this international initiative does not allow any linkage to a specific PAI.		
Green Building Observatory (OID). ¹⁸	2017	The OID brings together private and public professionals from the French real estate sector to promote sustainable development and innovation	PAI n° 17 / 18		
Montreal Carbon Pledge. ¹⁹	2016	This PRI initiative aims at raising awareness on climate issues in the financial place, especially by publishing the carbon footprint of portfolios.	PAI n° 1 / 2 / 3 / 15		
Principles for Responsible Investment. ²⁰	2016	Initiated by the United Nations, the aim of the PRI is to develop a common framework for integrating ESG issues in the financial sector. BNP Paribas Cardif monitors the work of the association and prepares an annual report, made public through the 'Transparency Report' available on the PRI website.	The nature of this international initiative does not allow any linkage to a specific PAI On the contrary, the transparency required by this initiative reflects a holistic view of the adverse impacts.		
Sustainable Building Plan. ²¹	2013	Charter for the energy efficiency of public and private service buildings, initiated by the Sustainable Building Plan.	PAI n° 17 / 18		

BNP Paribas Cardif respects the [BNP Paribas Internal Conduct Code](#).²²

It states that 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. As a result,

¹⁴ <https://www.unepfi.org/net-zero-alliance/>

¹⁵ <https://www.climateaction100.org/>

¹⁶ <https://www.cdp.net/en>

¹⁷ <https://www.unepfi.org/insurance/insurance/projects/the-tobacco-free-finance-pledge/>

¹⁸ <https://o-immobilierdurable.fr/>

¹⁹ <https://www.unpri.org/montreal-pledge>

²⁰ <https://www.unpri.org/>

²¹ <https://www.planbatimentdurable.fr/>

²² https://cdn-group.bnpparibas.com/uploads/file/220131_bnpp_compliance_codeofconduct_2022_fr.pdf

BNP Paribas Cardif recognizes and undertakes to comply with a number of principles and standards in its activities.

Find more information on Cardif Assurance Vie's extra-financial approach in its Responsible Investor report Article 29 of the Energy and Climate Law published on the BNP Paribas Cardif website: [Responsible Investor Report²³](#).

Historical comparison

The historical comparison between the reference period and the previous period will be possible from the next declaration onwards (reference period January 1st 2023 to December 31st 2023).

²³ <https://www.bnpparibascardif.com/en/corporate-social-responsability>