

Long-term investment

Public interest missions



Regional development



**Caisse
des Dépôts**

Corporate social
responsibility report
2006

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Message from the Chairman and Chief Executive Officer

In 2006, Caisse des Dépôts decided to make the fight against climate change a common focus of its sustainable development policy. Global warming will have impacts of alarming magnitude on the planet's ecological balance, on social cohesion and on global economies. Vigorous action is required to counter greenhouse gas emissions and lower their direct and indirect costs for all stakeholders (governments, businesses, local populations, etc.).

Emerging recommendations to deal with the threats we face include putting a price to every ton of carbon emitted, promoting low emitting technologies and systematically removing obstacles to energy efficiency.

Caisse des Dépôts is contributing to the implementation of these recommendations. As a major player in public policies on housing, real estate and infrastructures, and one of Europe's major long-term investors, Caisse des Dépôts has specific responsibilities and significant leverage.

These re-inforce the part it has to play in the search for tangible solutions to global warming.

Through the expertise of its core businesses and the development of in-house research designing economic tools to mitigate global warming, Caisse des Dépôts has been involved for over two years in preparatory steps to implement the Kyoto Protocol. For example, it keeps the French registry of CO₂ emissions via its Seringas software, now being used by 13 European governments. In 2007, Caisse des Dépôts put out an RFP for "domestic CO₂ projects". These will allow to experiment new financial tools to reduce emissions in economic sectors that are not covered by the EU ETS quotas, such as agriculture, transportation and buildings.

Thanks to its strong presence in the real estate industry (as a provider of funds for social housing and property investment, with subsidiaries specialising in the buildings sector), Caisse des Dépôts has also come to promote "sustainable building and property." Substantial sources of energy savings are accessible in the construction industry. Using simple and currently available technologies may be among the least costly tools available to reduce CO₂ emissions⁽¹⁾. In October 2006, Caisse des Dépôts launched a program offering interest-rebate loans to fund the construction of highly energy efficient social housing.

Finally, Caisse des Dépôts takes the global climate challenge into account as an investor, particularly in its progress to implement the PRIs (principles for responsible investment), for example in its management of retirement savings funds.

This social responsibility report will, I hope, make it clear that Caisse des Dépôts is committed to sustainable development, and that this commitment resonates with one of the missions in the public interest that the French Parliament has entrusted to it.



Augustin de Romanet

⁽¹⁾ Buildings and Climate Change - Report produced by the United Nations Environment Programme, Sustainable Buildings and Construction Initiative, April 2007

Sustainable development priorities 2006-2007

As part of its approach to sustainable development, Caisse des Dépôts identifies the principal social challenges related to its actions and adapts its expertise to the emerging needs of society. This approach opens up opportunities for innovation and development, particularly in the area of carbon finance.

Accordingly, Caisse des Dépôts rolls out targeted actions in several key sustainable development public policy domains (the fight against global warming, housing, renewable energies, etc.), focusing its efforts in those areas where the impact on society is the greatest (as long-term financial investor and major player in the real estate industry). In 2006, the sustainable development action plan was structured around three priorities, with the fight against global warming as a common denominator.

The first priority consists in better addressing the new expectations of major institutional investors. First and foremost, this means exercising the rights and responsibilities of share ownership, in particular those related to voting at shareholder meetings. But the approach to investor responsibility also took shape in 2006 with the official introduction of a set of global principles to promote the incorporation of governance, social and environmental criteria in the investment process. Caisse des Dépôts played an instrumental role.

2006 was also a year devoted to expanding and structuring the environmental investment policy, primarily focused on renewable energies and, to a lesser extent, on waste treatment.

The second priority results from the important role played by Caisse des Dépôts and its real estate subsidiaries in housing and urban development. The social dimension has traditionally been one of the cornerstones of this activity. Going forward, however, environmental concerns must also be factored in—particularly energy efficiency, which is a very sensitive issue for the local partners of Caisse des Dépôts.

The third priority stems from the fact that Caisse des Dépôts has become a major participant in the battle to mitigate global warming. In support of public policymakers, Caisse des Dépôts is working with its top-notch research team to develop financial and economic innovations that will contribute to implementing the Kyoto Protocol. For the sake of consistency, Caisse des Dépôts became carbon neutral in 2006.

From left to right:
April 2006,
signing of the PRIs

October 2006,
the *Prêt Energie*
Performance is launched

December 2006,
launch of domestic
CO₂ projects



1. Profile and responsibilities

Sustainable development challenge

■ The annual report published by Caisse des Dépôts, the related financial statements, the report issued by the savings fund division, the corporate social responsibility report and the report to Parliament are available online www.caissedesdepots.fr



	2006 references
Consolidate effective governance in its service to the country	
Promote an original governance model founded on Parliament control, safeguarding of the funds administered and protection of the institution's long-term patrimonial interests	Annual report Report to Parliament
Maintain high-level control over risks and enforce new standards. Take environmental risks into account	Report to Parliament
Act as a responsible long-term financial investor	
Gradually incorporate ESG (environmental, social and governance) criteria into asset management	Corporate social responsibility report
Fully exercise its long-term shareholder role in accordance with clear written rules	Annual report and corporate social responsibility report
Promote a global framework for investor responsibility	Corporate social responsibility report
Support public efforts to keep up with evolutions in society	
Support the legal professions and regulated clients in their approach to sustainable development	Information sheets available online
Design innovative economic processes and instruments to reduce greenhouse gas emissions. Support the development of the carbon economy	Annual report and corporate social responsibility report
Integrate the demands of sustainable development into local and regional housing and land use policy	
As a major player in the field of low-income housing, promote new criteria and tools that support sustainable housing and intelligent urban land use planning	Corporate social responsibility report
Finance infrastructures that factor in social needs, environmental impacts and the need for balanced land use	Information sheets available online
Co-invest with regional and local governments in sustainable projects (renewable energies; waste management; cultural, digital, tourist or recreational facilities) that lead to opportunities for the involvement of private investors	Corporate social responsibility report
Support the social economy innovations to strengthen social ties and job creation in small companies, and to fight exclusion from access to credit and the banking system	Annual report
Assess and reduce the direct impacts of our own operations	
Reduce environmental impacts and achieve carbon neutrality	Corporate social responsibility report
Promote training and diversity in the workplace	Corporate social responsibility report
Reach the targets set forth in the performance plan by optimizing human and financial resources	Annual report
Develop a responsible procurement policy	Annual report

Sustainable development tracking indicators

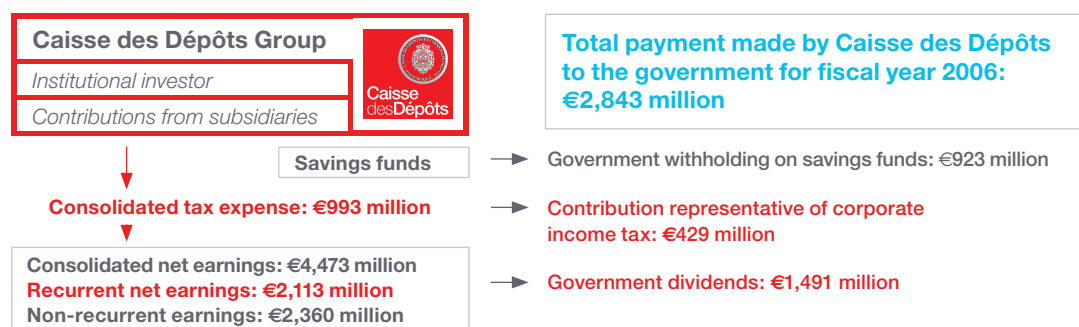
Consolidate effective governance in its service to the country	2006 indicators
Number of meetings of the Supervisory Board (a), of its Risk sub-committee (b), and of its savings funds sub-committee (c)	22 (a) 10 (b) 6 (c)
Act as a responsible long-term financial investor	
Number of corporate shareholder meetings (a) and number of resolutions for which voting rights were exercised (b)	218 (a) 1,900 (b)
Assets backing pension funds (Fonds de Réserve pour les retraites and Retraite additionnelle de la fonction publique) administered in accordance with SRI principles	€3.3 billion
Amounts invested in carbon assets (via the European Carbon Fund)	€25 million
Public interest private equity: amount under management (a), SMEs financed either directly or via private equity funds (b), related jobs (c)	1.2 billion (a) 2,500 (b) 180,000 (c)
Sustainable management of forests (PEFC certification) in which Caisse des Dépôts has majority ownership	100% (41,500 ha)
Support public efforts to keep up with evolutions in society – Carbon Finance	
Percentage of European GHG emissions allowances managed by Seringas software	60% (13 countries)
Allowance transactions made via Pownext Carbon: - amount (a) - share of total (b)	31 M Teq CO ₂ (a) 60% (b)
Integrate the demands of sustainable development into local and regional housing and land use policy and practice	
Amount centralized at Caisse des Dépôts from sustainable development passbook savings accounts	€8 billion
Loans for very low-income housing (a), low-income (b), intermediate (c)	€854 million (a) €3,542 million (b) €30 million (c)
Percentage of funded social housing labeled: high energy efficiency (a) very high energy efficiency (b)	± 35% (a) ± 3% (b)
Amounts lent to rail infrastructure projects (a) local public transportation systems (b)	€239 million (a) €220 million (b)
Number of cyber bases financed (a), amounts invested in digital infrastructures (b)	518 (a) 35 million (b)
Amounts invested in renewable energy projects	€9 million
Commercial property investments in priority urban development and renewal areas	€2.3 million
Number of businesses created via the honor loan scheme supported by Caisse des Dépôts (a) jobs (b)	17,000 (a) 33,000 (b)
Assess and reduce the direct impacts of our own operations	
Environmental performance: ■ electricity consumption per employee ■ CO ₂ emissions per employee	10.7 MWh 5.5 Teq CO ₂
Social performance: ■ percentage of women in management (a) women identified as emerging talent (b) ■ percentage of employees who have completed a continuing education course ■ percentage of disabled employees ■ average age of workforce (a) and turnover (b)	48.3% (a) 40.91% (b) 86% 2.5% 45.6 (a) 5% (b)
Economic performance: ■ increase in gross charges of the public establishment	+ 0.9%

Impact of Caisse des Dépôts financial flows

In 2006, Caisse des Dépôts generated recurrent net earnings attributable to the Group of €2,113 million, compared with €2,087 million in 2005. Added to this total are the capital gains from the disposal of equity securities in CNCE for €2,245 million and non-recurrent items totaling €115 million. Taken together, they raise the Group's consolidated net earnings to €4,473 million in 2006.

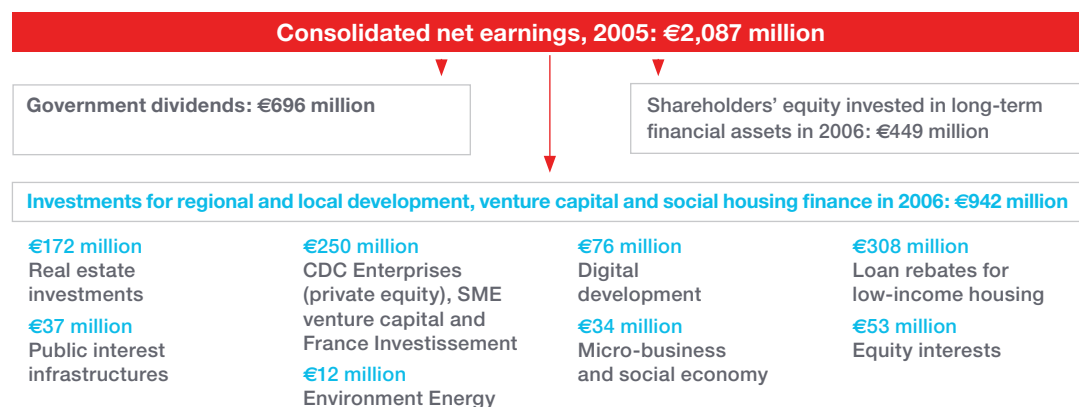
These consolidated net earnings were contributed in roughly equal parts by the investment activity the Caisse des Dépôts conducts as a public sector establishment and by the activities of its subsidiaries. The missions that Caisse des Dépôts carries out in the public interest are at cost and are repaid on a "euro-for-euro" basis by funds under management. Accordingly, savings funds under management totaled €205 billion at year-end 2006 and were invoiced for €74 million. This same system applies to pension fund plans under management.

2006 earnings



The contribution made by Caisse des Dépôts to the government budget takes three forms: the corporate income tax, a dividend equal to one-third of its net earnings, and the annual result of savings funds administered in return for the government's guarantee of centralized deposits. In 2006, as in 2005, these three contributions together accounted for around €3 billion. Since 1984, surpluses accumulated by savings funds have added more than €66 billion to the government's budget.

How 2005 earnings were put to use in 2006

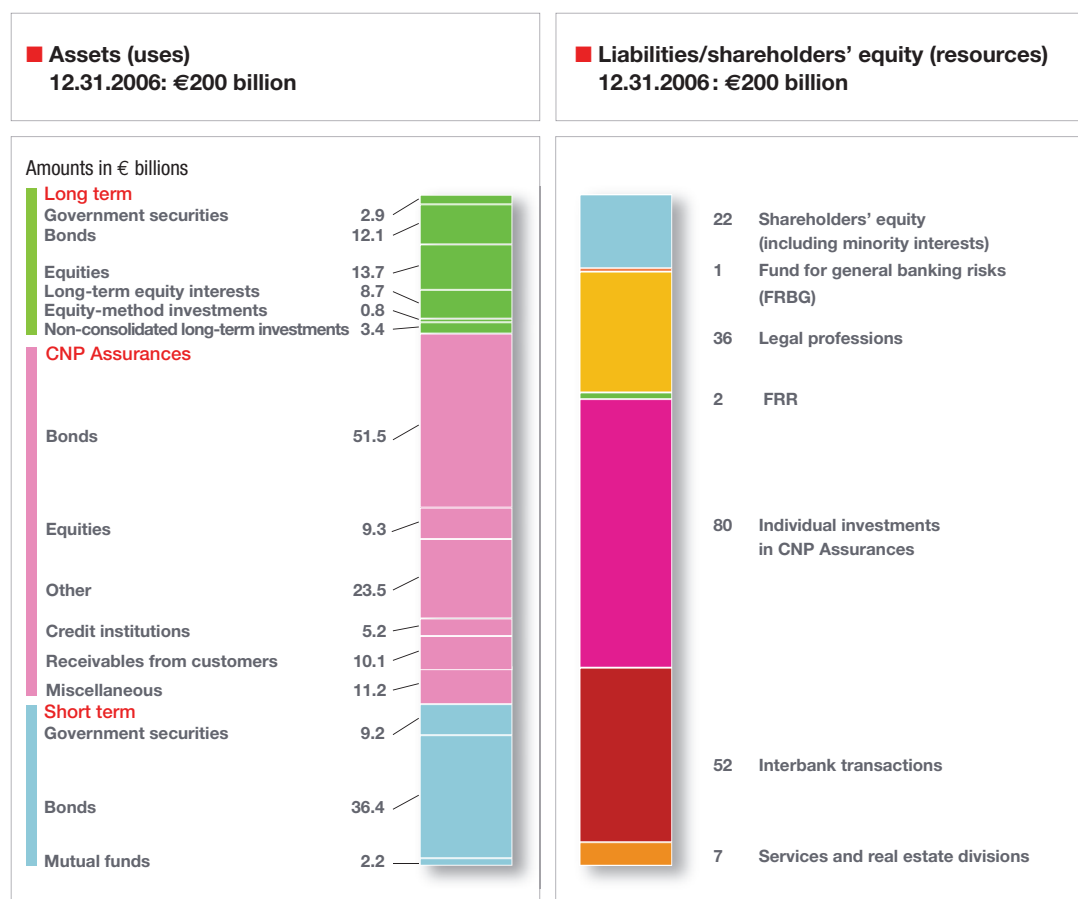


Consolidated balance sheet

Caisse des Dépôts group

The consolidated balance sheet of Caisse des Dépôts and the balance sheet of the savings funds centralized by Caisse des Dépôts (page 7) represent two distinct groups. The balance sheet of the Caisse des Dépôts groups shows consolidated resources of €200 billion at year-end 2006. These resources include the shareholders' equity of Caisse des Dépôts, funds deposited with the legal professions, and resources resulting from inter-bank business.

The corresponding use of these resources is aligned with the investment policy of Caisse des Dépôts: over the long term (bonds, equities, long-term equity investments, forestry and real estate assets, etc.) and over the short term (short-term cash investments, credit lines for social security funds, etc.). The portion of these financial assets that is managed and owned by CNP Assurances (deposits from individual savers and investments) appears – proportionate to the ownership interest in this subsidiary – in the consolidated balance sheet of the Caisse des Dépôts group.

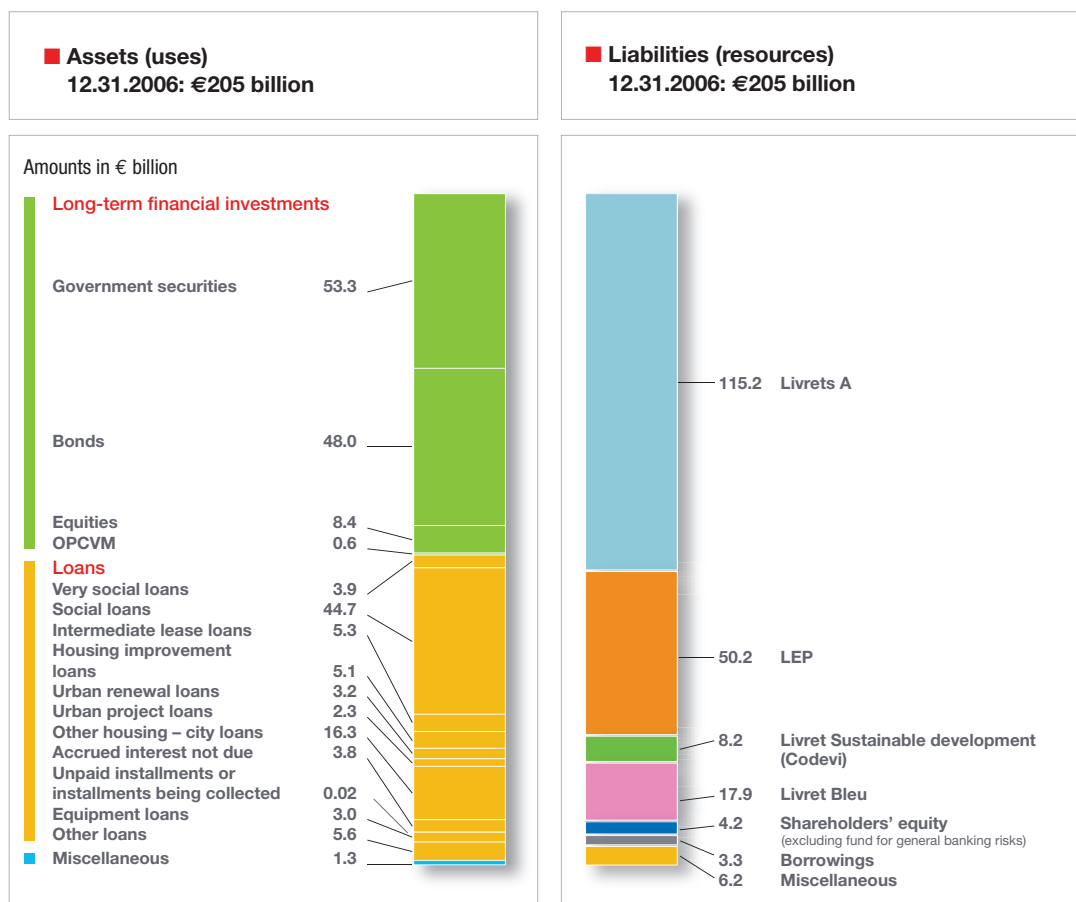


Centralized Savings funds

This original mechanism makes it possible to provide public financing in substantial amounts without recourse to the government budget. The role of Caisse des Dépôts is to transform the funds collected on various types of immediately available savings deposits into long-term loans granted without intermediation fees. These loans are granted as a matter of priority to sectors designated by the government. The savings fund division within Caisse des Dépôts is responsible for this dual mission. Its activities are recorded on a separate balance sheet and administered independently of the funds that belong to Caisse des Dépôts.

The savings funds centralized within Caisse des Dépôts are made up of various regulated savings vehicles: the Livret A passbook savings account, the Livret sustainable development passbook savings account (Codevi), the LEP account, the Livret Bleu passbook savings account, etc. Taken together, they represent €192 billion.

Inflows to these savings vehicles are highly sensitive to the regulated interest rates offered to savers. The rate earned on Livret A savings deposits is the average of the European three-month rate and the rate of inflation, plus a premium of 0.25%. Transformed into long-term loans, these savings funds finance low-cost public housing, urban policy, large transportation infrastructures and, starting in 2008, hospitals. To ensure that this transformation mechanism is secure, financially balanced and highly liquid, the savings fund division invests a substantial portion of the funds entrusted to it in the financial markets. The investment income earned in this way is remitted to the government budget in return for the guarantee the latter provides on deposits.



Actions in 2006

Responsible investor

In 2006, Caisse des Dépôts reinforced its responsible investor approach along three major lines: in asset management, gradually taking environmental and social factors into account in the business analysis and stock-picking processes; as a shareholder, systematically exercising voting rights; and as an institutional investor, gradually implementing the principles for responsible investment developed under the auspices of the United Nations. It has also increased its investments in renewable energies.

Incorporating environmental, social and governance issues

The approach to managing publicly-traded equities (balance sheet carrying amount of €13.6 billion, fair market value of €21 billion) developed by in-house managers involves analyzing the business fundamentals of stocks in the portfolio. It now also includes analyzing the principal risks related to ESG (environmental, social and governance) factors. Caisse des Dépôts uses the services of Vigeo (extra financial rating agency) to assess some 600 European companies. In parallel, the savings funds division has rated its equity portfolio (balance sheet carrying amount of €9 billion, fair market value of €15.1 billion), which was built from data on the stock price impact of environmental, social and governance risks. This information enhances available analysis on companies whose stocks make up the portfolio and constitutes a first step towards incorporating social and environmental criteria.

These stock portfolios have a global fair market value of €37 billion, which is a little less than 3% of the market capitalization of the Paris Bourse.

In 2006, all of the companies in which Caisse des Dépôts owns stocks fell within the scope of exercising proxies at shareholder meetings. Caisse des Dépôts voted in 218 shareholder meetings, analyzing a total of nearly 1,900 resolutions. For some of these resolutions, which ran counter to the proxy voting guidelines drafted by a consultative committee chaired by René Barbier de La Serre, negative votes were cast. All of these votes pertained to corporate governance issues. In addition, in-house asset managers at Caisse des Dépôts always ask the executives of the companies they visit throughout the year about environmental and social issues, preparing questions on the basis of their analysis of the issues facing the particular industry or specific to the business organization.

In parallel, Caisse des Dépôts once again sent out questionnaires to the private equity funds to which it has awarded mandates (for €888 million in all) on how they handle environmental, social and governance issues. For the management of real estate assets (carried at €2 billion in the balance sheet, fair market value of €4.7 billion), in-house processes were initiated in 2006, with the aim of defining ways of taking social and environmental factors into account on investments in new housing and in the management of the portfolio of real estate assets. In addition, discussions are under way on how the results of the new, mandatory technical scorecards can be used to improve energy efficiency.

In a related development, all the forestry investments made by Caisse des Dépôts are now managed in accordance with the principles of sustainable forestry management.

1,900
resolutions were reviewed
in connection with proxy
voting at shareholder
meetings in 2006

■ For more information,
read "Our commitments
to sustainable development"
online at:
www.caissedesdepots.fr

2. ACTIONS IN 2006 Responsible investor



Principles for Responsible Investment

After nearly one year of international cooperation with pension funds, major insurance companies and public institutional investors, UNEP (United Nations Environmental Programme) and the Global Compact launched the “Principles for Responsible Investment” (PRI) in the spring of 2006. Caisse des Dépôts played a decisive role in this process. A major financial sponsor of the initiative, Caisse des Dépôts was a member of the group of experts and the group of investors that together drafted the PRIs. Present in New York City alongside the Secretary General of the United Nations when the official launch ceremony was held, Caisse des Dépôts then played an important role in raising awareness among the European investment community, organizing a major informational meeting on the PRIs in Paris. It also spearheaded the organization of meetings with French institutional investors, and made a number of well-attended presentations to promote the PRIs in working group sessions, seminars and press conferences.

The Principles focus on six broad areas of commitment.

- **Principle 1.** We will incorporate ESG (environmental, social and governance) issues into investment analysis and decision-making processes.
- **Principle 2.** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3.** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4.** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5.** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6.** We will each report on our activities and progress towards implementing the Principles.

Two organizations that are administered by Caisse des Dépôts—the FRR (*Fonds de Réserve pour les Retraites*) and ERAFP (*Etablissement de la Retraite Additionnelle de la Fonction Publique*)—were among the first French institutional investors to sign the PRI.

Weighing the threats and opportunities of climate change for investors: the Carbon Disclosure Project

In 2006, Caisse des Dépôts participated in the fourth annual Carbon Disclosure Project (CDP) as one of the signing investors. Launched in late 2000 in the United Kingdom, the CDP provides a coordinating secretariat for one of the world's largest coalitions of institutional investors, with a combined total of more than 30 trillion dollars in assets under management. It seeks data from 2,100 corporations worldwide – including those included in the FT 500 and France's SBF 120 – in the form of a ten-point survey aimed at determining the potential impact of climate change, emerging regulations and carbon finance on their stock market value. In the latest survey, 45% of the French businesses that received questionnaires responded. Their ability to address the questions, as well as the information provided, reveals a clear disparity with respect to facing the challenges of climate change. Caisse des Dépôts contributed to the process of producing the report in which the 2006 findings for SBF 120 corporations were presented and discussed.

■ For more information, read “Our commitments to sustainable development” online at:
www.caissedesdepots.fr

2. ACTIONS IN 2006

Responsible investor

UNEP-FI launches the working group on responsible property investment

Born out of the PRI (Principles for Responsible Investment) research process, and co-chaired by Caisse des Dépôts and the insurer Prudential, a working group was launched in 2006 to encourage responsible property investment.

In France, built structures are the source of 42% of all energy consumption and 21% of all greenhouse gas emissions. Naturally, the responsible investor approach championed by Caisse des Dépôts extends to the management of its real estate assets (carried at €2 billion, fair value of €4.7 billion). The overall aim of this approach is to incorporate environmental and social considerations into decisions to invest in new property as well as into the management of existing property that Caisse des Dépôts owns directly.

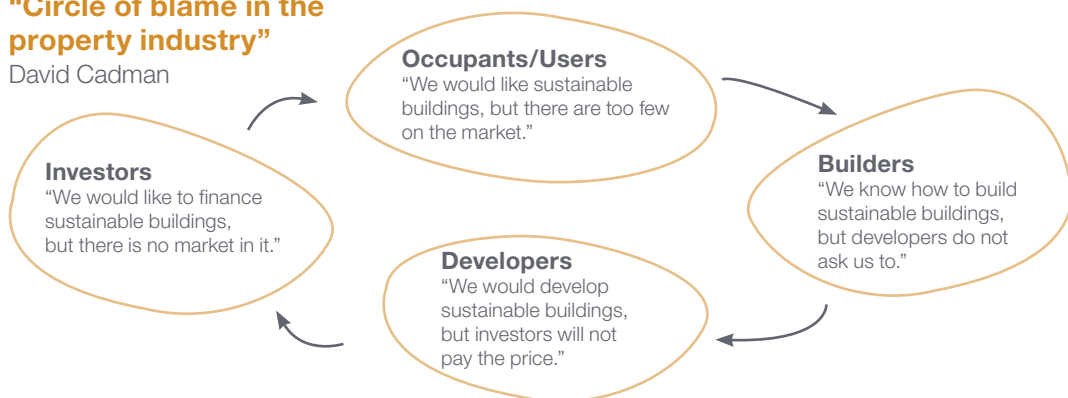
This attempt to factor in new criteria hinges on improved methods for assessing property via mandatory technical scorecards such as DPE (*Diagnostic de Performance Energétique*), which focuses on energy efficiency, but it also goes further, encouraging global cost analysis, locating in disadvantaged areas, and the use of high quality materials, among other things. The priority for Caisse des Dépôts is to analyze and then improve the energy efficiency of the properties in its portfolio.

Against this backdrop, Caisse des Dépôts initiated and co-chairs a working group that was recently formed under the auspices of UNEP-FI (the Finance Initiative of the United Nations Environmental Programme) to promote responsible property investment. Officially vested in October 2006 in Geneva, members of the working group include institutional investors of the first rank, known for their commitment to SRI (Socially Responsible Investment). The main aims of the working group are to:

- build a set of possible SRI for the property sector
- capture and present best practices in profitable or financially neutral responsible management
- devise investor tools that make more responsible management possible.

“Circle of blame in the property industry”

David Cadman



In December 2006, Caisse des Dépôts hosted the first plenary session of the working group in Paris. In 2007, it will experiment with ways of calculating the “carbon footprint” of its property portfolio in partnership with AXA REIM.

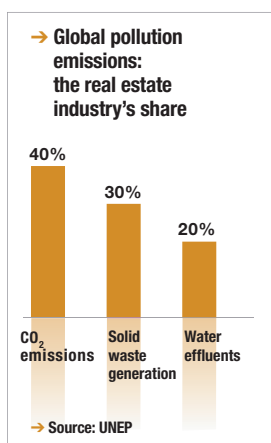
UNEP-FI’s working group on responsible property investment

Co-chairs: Caisse des Dépôts, Prudential Property Investment Managers

Members: AXA REIM, Calvert Group, F&C Asset Managers, Hermes, Morley Fund Managers

Observers: CalPERS, Investa, Land Securities, Lend Lease

Advisor: University of Arizona



2. ACTIONS IN 2006

Responsible investor

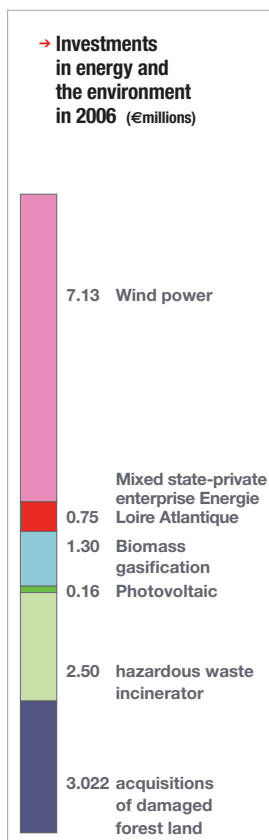
Investments in energy and the environment

As the role of regional and local governments in the production and distribution of energy continued to grow, Caisse des Dépôts ramped up its investments in renewable energies and waste treatment in 2006. In addition, the ECF (European Carbon Fund) began investing in project-based carbon assets, which are market-based greenhouse gas emission reduction instruments from the Kyoto Protocol.

Both the production and distribution of energy are undergoing significant change due to the total deregulation of the natural gas and electricity markets in France starting in July 2007. In this new landscape, local governments are free to choose their power producers and suppliers. They often decide to roll out local energy policies.

These local governments seek to reduce energy consumption and encourage the development of local production capability. As a public interest investor, Caisse des Dépôts offers them support during the initial phase of energy deregulation by investing in ELD, local distribution businesses (*Entreprises Locales de Distribution*) and in the capitalization of renewable energy businesses (via equity and quasi-equity investments).

For Caisse des Dépôts, 2006 will be remembered as the year of the first investments and growing visibility as an investor, in particular by seizing on opportunities in the ELD sector.



Investments in renewable energy production

In 2006, Caisse des Dépôts invested in a number of projects involving the production of renewable energy. It invested €7 million in four wind farms (90 MWe) and €0.75 million in the creation of a mixed state-private enterprise called Energie de Loire Atlantique. Other projects and partnerships involve more than 300 MWe turbines, while the Fideme investment fund (*Fonds d'Investissements De l'Environnement et de la Maîtrise de l'Énergie*), created at the behest of the French Environment and Energy Management Agency (Ademe), wrapped up its quasi-equity investment program by putting €45 million into wind turbines for the most part. In the area of photovoltaic solar energy, an investment was made in a 15,000 square meter field of solar panels on Reunion Island for €0.16 million. Finally, the production of energy from biomass gasification technology was developed (€1.3 million) via the creation of Biomelec with the Bergerat Monnoyeur group.

Caisse des Dépôts is also interested in reviving the use of geothermal energy and in several projects relating to biofuel production.

Investments in local distribution businesses and SEM (enterprises formed with a mix of government and private capital)

One of the highlights in the energy field in 2006 was Total's call for tender in its bid for participation in Gaz de Strasbourg, which was awarded to Caisse des Dépôts.

Investments in waste treatment and biomass

Caisse des Dépôts also invested €2.5 million in an incineration facility for hazardous industrial wastes on the island of Martinique, and is participating in the assembly of bio-methanization projects.

Forestry investments

In 2006, Caisse des Dépôts continued to acquire forest land in connection with a program to buy damaged private forests (€30 million) that was set up after the severe storms of 1999. The goal of the program is to restore these forests and eventually put them back on the market.

■ Investments in the ECF (European Carbon Fund)

2006 proved to be a very eventful year for the European Carbon Fund, which was created at the behest of Caisse des Dépôts and endowed with €143 million for the 2005-2012 period (including €25 million invested by Caisse des Dépôts). The first carbon asset purchases were approved in 2006, generating a total volume of 15 million tons of CO₂ from Kyoto projects (€96 million).

A new landscape for investment in renewable energies

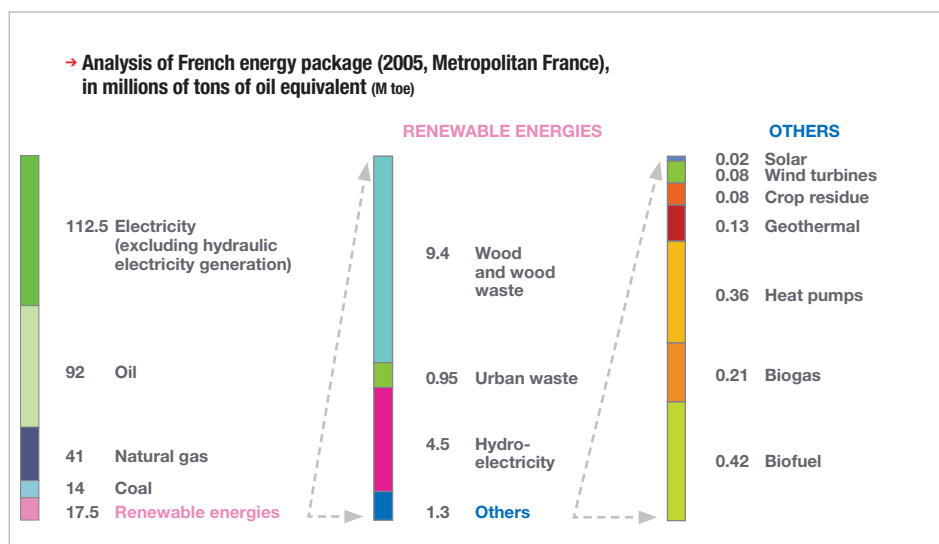
Faced with the dual challenge resulting from the increasing scarcity of fossil fuels and the need to mitigate global warming, France wishes to diversify its energy sources and catch up with other countries in the domain of renewable energies. In 2005, the energy policy orientation act set the investment priorities for the years ahead. Although the continued use of nuclear energy to meet growing energy consumption needs was confirmed, the act also stipulates that need for greater diversification in resource use and more intensive use of various kinds of renewable energies, in which Caisse des Dépôts stepped up its investments in 2006.

The so-called programming act of July 13, 2005, which sets forth energy policy orientation, defined the following targets:

- 2% reduction in energy consumption per year
- 3% reduction in greenhouse gas emissions per year
- stepped-up production of renewable energy: 21% in 2010 (versus 14% today)
- greater use of biofuels (up to 5.75%).

Targets of this law, set out in the multi-year programming of investments in the energy industry (July 2006):

- wind turbines: 12,500 MWe in 2015
- biomass: 300 MWe launched in 2006
- combined cycle power plants: 5,200 MWe in 2015
- nuclear: EPR Flamanville in 2012.



Actions in 2006

Economic tools to mitigate global warming

In 2006, Caisse des Dépôts focused its efforts on the acquisition of Sagacarbon, a broker specializing in CO₂ allowances and, working with public policymakers, on the launch of domestic CO₂ projects.

Developing carbon economy and financing

■ CO₂ allowance tracking system and sales of Seringas software licenses

With the establishment of a European mechanism for the free market exchange of CO₂ emission allowances, each EU member state is required to keep a nationwide registry for tracking allowances allocated and exchanged. Caisse des Dépôts has developed a software program for this purpose called Seringas, and has been asked by the French government to manage the French registry. The Seringas™ program has been sold to eight countries in the European Union, as well as to Monaco and Lichtenstein. Today, Seringas manages more than 60% of all greenhouse gas emission allowance quotas in Europe. And the software is making strides beyond the European Union with the acquisition of a Seringas license by Switzerland, Belorussia and Russia.

■ The European market for greenhouse gas emission allowances

When the European mechanism for trading in CO₂ allowances opened for business in 2005, the need for a host of intermediaries to facilitate these transactions also emerged. Shortly thereafter, in June of 2005, Powernext, Euronext and Caisse des Dépôts joined forces to create Powernext Carbon, the first organized market for CO₂ allowances.

Today, the market has around sixty members and accounts for about 60% of all such transactions in Europe. Although the spot price for allowances fell between 2005 and year-end 2006, trading volumes remained high (31.5 million tons of CO₂ eq. in 2006). As manager of the delivery versus payment mechanisms that guarantees transaction performance, Caisse des Dépôts has a major role to play in this trading platform.

■ Sagacarbon, the first broker specializing in CO₂ emission permits

New financial intermediaries are positioning themselves in the CO₂ emission allowance exchange, offering a range of services to allowance holders. However, both the cost of brokering and its complexity are discouraging smaller players and public organizations (such as regional and local governments) from joining in.

Addressing this gap in coverage, Caisse des Dépôts acquired the start-up Sagacarbon (www.sagacarbon.fr) in October 2006. Sagacarbon offers the following services:

- > **order aggregation and management:** This service is for smaller players in France and abroad.
- > **brokering and management:** Sagacarbon brokers CO₂ allowance quotas for its clients, and trades innovative structured products that can generate income for the client.
- > **analysis and advisory services:** Sagacarbon offers an objective analysis of the market and advises its European clients – manufacturers, investment banks, institutional investors, local governments – in their strategies for investing in CO₂ assets.



The logo for Sagacarbon features the company name in a blue, sans-serif font. A green swoosh underline is positioned beneath the 'S' and 'a' of 'Sagacarbon'.

3. ACTIONS IN 2006

Economic tools to mitigate global warming

27%
percentage of French CO₂ emissions subject to allowances

■ For more information, go to "Carbon Finance" online at: www.caissedesdepots.fr

Research and innovation: the domestic CO₂ projects

France has committed to the goal of reducing its greenhouse gas emissions by 75% by the year 2050. At this time, the European system for reducing CO₂ emissions is restricted to the largest industrial facilities and energy production, which covers only 27% of all emissions in France and 45% in Europe. Hence the need to extend emission reduction possibilities in another form to sectors that generate significant emissions.

■ Designing a new mechanism

At the request of French public policymakers, the Climate Mission of Caisse des Dépôts designed a system based on one of the project-based mechanisms set forth in the Kyoto Protocol (joint implementation). It seeks to encourage emission reductions in transportation, agriculture, the building trade, waste treatment and small industrial facilities via domestic CO₂ projects.

The carriers of the projects identified by Caisse des Dépôts have little knowledge of the carbon markets and limited access to them. In addition, individual projects tend to generate high transaction costs.

To address these issues, Caisse des Dépôts suggests simplifying the process for those with projects to propose and financially securing the projects for stakeholders (this aspect is currently being finalized).

The domestic CO₂ projects should enable France to reduce its emissions by 10 to 15 million tons of CO₂ eq. in five years.

In the interest of sending a strong signal to the market, Caisse des Dépôts has agreed to finance up to one million tons of CO₂ eq. per year for projects of nationwide scope (i.e., 5 million tons over the 2008-2012 period).

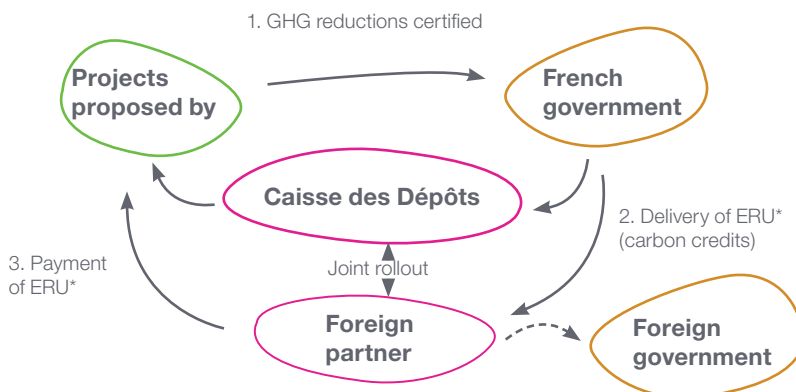
■ Call for projects planned in 2007

On December 4, 2006, during a colloquium sponsored by the French Finance Ministry for area experts and stakeholders, the French Ministers of Industry and the Environment officially announced the launch of "domestic CO₂ projects."

In an order dated March 2, 2007, the legal framework governing the financing of such projects was specified. Caisse des Dépôts is launching an experimental request for domestic CO₂ project proposals covering the 2008-2012 period, in a bid to initiate this new market.

For the projects that it ultimately selects, Caisse des Dépôts has agreed to buy certified CO₂ emission reductions for a fixed price and to support projects during rollout.

■ Domestic project mechanism



3. ACTIONS IN 2006

Economic tools to mitigate global warming



For more information go to "Horizon Climat" online at: www.caissedesdepots.fr

"Horizon climat": reducing and offsetting GHG emissions by Caisse des Dépôts

After assessing its greenhouse gas (GHG) emissions, Caisse des Dépôts has launched a plan to simultaneously reduce emissions related to its operations and to offset those that cannot be avoided by buying and then cancelling carbon credits. In 2006-2007, carbon neutrality is being achieved through the use of assets financing projects to reduce emissions through the production of electricity from renewable energy in Asia and South America.

Assessing GHG emissions: the equivalent of 30,000 tons of CO₂/year⁽¹⁾

Caisse des Dépôts assessed the GHG emissions from its own operations and those of its IT services subsidiary. Its *Bilan Carbone*[®] (Carbon Assessment), which was calculated using the method approved by Ademe, as of 2004, is 5.5 tons CO₂ eq. per employee over one year.

Reducing GHG emissions

To ensure compliance with the goal set by public policymakers to divide France's CO₂ emission levels into 4 between now and 2050, Caisse des Dépôts has set an emission reduction target of 3% per annum on average, as of 2006.

The first set of initiatives is naturally aimed at improving energy efficiency, since energy accounts for one-third of all emissions. The 2006 energy scorecards for seven facilities will serve as guidance for setting action priorities for 2007. The effort to educate employees that was begun in 2006 will help to focus attention on various sources of GHG emissions (electricity, modes of transportation used) in 2007.

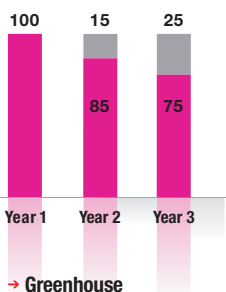
GHG emission offsets

Caisse des Dépôts is committed to achieving carbon neutrality over the period running from 2006 through 2012. During this period, an average reduction of 3% per annum will limit emissions to 24,200 Teq CO₂ by 2012, a decrease of 20% compared with the first year of the effort. The remaining offset will be 186,200 Teq CO₂ (emissions over 2006-2012), which is an average of about 26,600 t/year.

The emission offset effort will be rolled out in two stages (2006-2007 and then 2008-2012) to reflect the arrival of new carbon assets as of 2008 and adjust the volume of emissions to offset after actual emissions at year-end 2007 have been calculated.

The 2006-2007 carbon neutrality is achieved by purchasing carbon assets that will enable the financing of three projects for supplying power from small hydroelectricity, wind turbines and methane capture in Asia and South America. These projects are part of the Clean Development Mechanism (CDM) under the Kyoto Protocol. Caisse des Dépôts will systematically cancel the assets that correspond to these projects, the aim being to offset unavoided GHG emissions rather than conclude a financial transaction. The estimated cost of the offset for the period 2006-2012 is €3 million.

Carbon neutrality principle



Greenhouse gas emissions

■ Emission offsets (purchase of credits)
■ Emission reduction achieved

(1) The Kyoto Protocol covers the six principal greenhouse gases emitted by human activity: CO₂ (carbon dioxide), CH₄ (methane), N₂O (nitrous oxide or laughing gas), SF₆, PFC, HFC (hydro fluoro carbon). To facilitate comparison between these different gases, emissions are generally expressed in CO₂ equivalents, referred to as "CO₂ eq."

Actions in 2006

Sustainable real estate and urban planning

A major player in housing and urban land use, Caisse des Dépôts and its real estate subsidiaries have adopted an environmental approach to these areas. For example, in 2006 a loan for low-income housing granted on the basis of environmental criteria was introduced, and subsidiaries Icade and SNI announced breakthroughs as well. The table on page 17, which lists the various types of housing loans available, enables an assessment of the social and now environmental role played by Caisse des Dépôts.

Energy efficiency loan launched for new public housing

■ Encouraging tenants in the low-income rental housing sector to reduce their energy consumption

In October 2006, Caisse des Dépôts introduced its PEP (*Prêt Energie Performance*) energy efficiency loan to facilitate the construction of new, energy efficient low-income housing. The PEP loan gives operators of public housing preferential financing to cover the surplus cost—which has been evaluated at 7% of the total cost—of investing in the design and construction of an energy saving building. To qualify for this loan, the project must at least match the technical performance associated with the THPE (*Très Haute Performance Energétique*) very high energy efficiency label. This level corresponds to expected energy consumption that is 20% lower than is allowed under current relevant regulations. The resulting energy savings help tenants to keep their utility bills down and also reduce the emission of greenhouse gases for as long as the building is leased. With this loan program, the aim is to increase the number of THPE labeled buildings from around 3% currently to 20% of annual production

■ A rebate loan secured by Caisse des Dépôts, the savings funds and volunteer regions

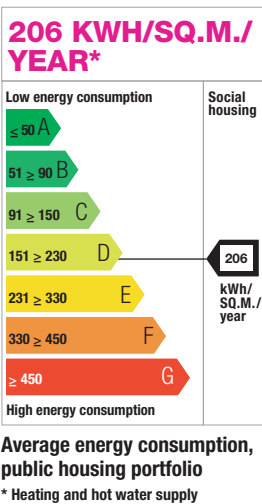
The PEP loan, financed from Livret A passbook savings resources, is offered at the incentive rate of 2.45%, financed by Caisse des Dépôts out of its own equity and by the savings funds Caisse des Dépôts centralizes (see pages 6 and 7). Local governments, which are also committed to sustainable development issues, are also involved. They may offer an additional rebate to beneficiaries of these loans—i.e., public housing operators who are eligible for other Caisse des Dépôts loans (PLUS, PLAI, PRU CD).

First partnership for a zero interest loan

The Poitou-Charentes region and Caisse des Dépôts have forged an agreement to offer a zero interest loan. The region has promised to provide a subsidy to low-income housing organizations that cover their 2.45% interest on PEP energy efficiency loans. The first zero interest loans under this scheme were granted to low-income lessors starting in April 2007. The goal of the program is to send a strong signal to the public housing movement, so that its players anticipate changes in thermal regulations slated for 2010 by ensuring that all new housing construction is compliant with THPE standards

■ Investments in THPE projects totaling € 150 to 200 million

Since year-end 2006, PEP loan commitments total €10 million, and an additional €5 million in loans are pending negotiation. Since PEP loans are intended to finance surplus investment costs, the total volume of THPE investments since the program was launched is estimated to be between €150 and €200 million.



■ For more information, read "Low-income housing: issues and policies implemented" at: www.caissedesdepots.fr

4. ACTIONS IN 2006 Sustainable real estate and urban planning

Housing and urban loans, Caisse des Dépôts

	Purpose of loan	Name of loan	Term of loan	Rate ⁽¹⁾ (10.31.2006)	Payments 2006 (€M)	Environmental requirements
Very low-income	Construction of very low-income housing	Rental loan, integration grant (PLAI)	40-50 years	2.55%	240	Regulatory standards
	Construction of emergency housing	Emergency rental loan (PLU)	40-50 years	2.55%	2	Regulatory standards
	Urban policy financing	Urban renewal loan (PRU)	25-50 years	3.20%	612	ANRU specifications
Low-income	Construction and acquisition-enhancement	Rental loan for social housing (PLUS)	40-50 years	3.55%	2,503	Regulatory standards
	Property piggy-back and acquisition	Gaïa piggy-back and Gaïa long term loans	15 years	2.80%	38	-
			60 years	3.55%		-
	Construction of housing for designated segments of the population	Housing improvement / restructuring / extension loan (PHARE)	40-50 years	3.55%	169	Regulatory standards
	Financing of improvement work	Improvement loans (PALUL, PAM PCAME)	25 years	3.55%	127	Regulatory standards
	Financing of improvement work	Rebate loans for improvements (PALBO, PAMBO, PACBO)	25 years	3.20%	347	Regulatory standards
	Urban policy financing	Urban project loan (PPU)	15 years	3.95%	128	-
	Construction of low-income housing	Low-income rental loan (PLS)	30-50 years	4.13%	230	Regulatory standards
Intermediate	Construction of intermediate housing	Intermediate rental loan (PLI)	30-50 years	4.31%	30	Regulatory standards
Other	New low-income housing with high energy efficiency	Energy efficiency loan (PEP)	40 years	2.45%	New loan	THPE (Very high energy efficiency) certification
	Miscellaneous	Experimental loan (PEX)	35 years	3.55%	250	Regulatory standards
TOTAL housing-city loans in 2006					4,676	

(1) The cost of the resource is 3.87%. Loans offered at less than 3.87% are made possible through rebates provided by savings funds and/or Caisse des Dépôts.

4. ACTIONS IN 2006

Sustainable real estate and urban planning

Global approach of Icade EMGP

Icade, an integrated property operator and subsidiary of Caisse des Dépôts, is committed to practicing a sustainable development policy. Within the group, Icade EMGP, which manages and develops a portfolio of office and retail properties in Paris, Aubervilliers and Saint-Denis (on the site of the former warehouses and general stores of Paris), has developed a global and ambitious approach.

Icade EMGP is developing its “business campus” concept, offering a number of onsite services that include transportation, security, restaurants and personal services. This concept, which is multi-faceted, lays particular stress on sustainable development. In 2006, important strides were made.

■ Complete environmental scorecard of property assets

In early 2006, Icade EMGP completed the environmental scorecard for its property assets. This process, conducted in close collaboration with Ademe, resulted in a formal commitment on the part of the company and a set of new objectives, adapted to environmental challenges.

The key points are provided below:

- > exhaustive census of activities
- > identification of key environmental challenges and impacts
- > systematic identification of dangers and risks
- > listing of applicable regulations in force
- > verification of regulatory compliance
- > prioritization of significant environmental aspects and impacts
- > drafting of actions for rollout and an improvement timetable.

■ Including transportation in the urban planning approach

Icade EMGP commissioned a full audit of the parking and traffic flow situation of the Parc des Portes de Paris, which will fuel future reflection on the company travel and commuting plan. The aim is to imagine the improvements needed to encourage commuters to use public transportation and the organizing authority to adapt means to emerging needs.

Throughout the preparatory phase for this global process, Icade EMGP is organizing the ramp-up of mass transit services:

- > Shuttle 552, which services the site (co-funded by the *Syndicat des Transports d'Ile-de-France*), has experienced an increase in use.

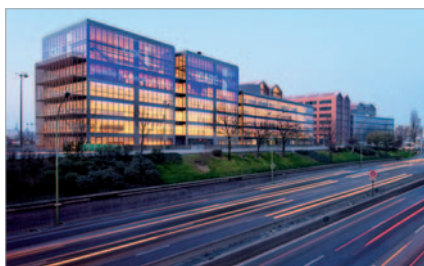
As a result, an application to extend the service was filed in early 2006.

- > The project calling for electrically powered water taxis servicing the *Parc du Millénaire* via the *Canal Saint-Denis* continues to advance. In the meantime, Icade EMGP set up a private bus service in August 2006 that shuttles passengers between *Porte de la Villette* and the *Parc des Portes de Paris*, transferring the commutes of around 200 tenants per day to mass transit instead of individual vehicles.

398,270
square meters
Icade's portfolio of rental
property

Left:
The *Parc du Millénaire*
in Aubervilliers

Right:
River taxi servicing
the *Parc du Millénaire*



4. ACTIONS IN 2006

Sustainable real estate and urban planning

135,000
square meters

built or planned in connection with the HQE high environmental quality approach

7,000

hours of work commissioned to a local integration temporary agency in 2006

■ For more information, read "Icade's approach to sustainable development" at: www.caissedesdepots.fr or consult the annual report published by Icade and available online at: www.icable.fr

Building 270 in Aubervilliers, certified "NF bâtiments tertiaires, démarche HQE" for compliance with French office building standards and high environmental quality standards

■ HQE® high environmental quality approach and systematic certification

In 2006, Icade EMGP made the commitment to systematize the HQE® environmental quality approach for all of its building under construction and future:

- > Building "270" in Aubervilliers received HQE office building certification at the end of 2005
- > The "Millénaire 1" building has successfully completed the "realization" phase of the certification process
- > Work on the "Millénaire 2" and "521" buildings are currently undergoing certification in the design phase
- > Icade EMGP is working with the *Centre Scientifique et Technique du Bâtiment (CSTB)* on participation in the process of drafting the HQE® benchmark for the operation phase
- > In connection with surveys on the future *Zone d'Aménagement Concerté (ZAC)* retail sector of the Canal, Icade EMGP is participating with the CSTB on a pilot to draft the future HQE® benchmark for shopping center properties.

■ Committed to ambitious energy efficiency goals

In its future programs, Icade EMGP is integrating very ambitious objectives in terms of energy use, setting the need for air heating at 30 kWh/year/square meter and at 70 kWh/year/square meter for air cooling. The use of renewable energies is also being considered. A process of consultation will be launched in early 2007 on a performance basis.

■ Making local employment a priority

Icade EMGP is not stopping at environmental concerns, however. It is a participant in local workplace integration structures, working in liaison with regional and local governments: local outsourcing; local plan for integration and employment (PLIE) in the 18th and 19th arrondissements of Paris; PIMMS 19th (Information and multi-service mediation point) which was set up and has been running since December 2006. In addition, contracts for construction work and services include clauses pertaining to the use of local manpower and integration jobs linked to a jobs development organization (*Maison du Développement Economique et de l'Emploi*) in the 19th arrondissement of Paris and a local integration temporary agency.

■ Other targeted actions

Several initiatives that began in 2005 were pursued in 2006:

- > three boiler rooms (2,100 kW) were replaced by a hook-up to the internal urban heating network of the installed base of the *Portes de Paris*
- > preliminary studies preceding the installation of the thermo-frigorific production plant for the ZAC of the Canal were extended and the size of the installation was scaled back due to lower energy requirements for the future buildings
- > the extension of GTB (technical building management) for the various installed bases was continued, leading to a decrease in energy consumption. Every year, Icade EMGP invests between €300,000 and €500,000, with return on investment estimated to be less than two years
- > the analysis of water effluents at two installed bases (*Portes de Paris* and *Flandre*) confirmed the absence of a major risk while also identifying potential sources of improvement.



4. ACTIONS IN 2006

Sustainable real estate and urban planning

The SNI group is committed to sustainable development

For the SNI group, 2006 was an exceptional year that saw a major increase in scale. Today, it is France's number one low-income housing operator, with nearly 258,000 units under management, of which 247,000 are owned by SNI. Its core rental property management and ownership businesses are directly impacted by sustainable development issues: higher energy costs, changing building heating and cooling system regulations, the role of buildings and real estate in greenhouse gas emissions, etc. Accordingly, the SNI group decided to set up a formal organization and process for sustainable development.

In 2006, the SNI group launched a pragmatic approach to sustainable development, based on feedback and structured around existing certification benchmarks. The Environmental Quality Charter was drafted; it contains four core commitments (see inset) and initiates a certain number of actions, namely:

- > an environmental management system integrated with group procedures, systematizing preliminary analysis (environmental, heating/cooling)
- > an "SNI Environment" label to measure the environmental impact of projects
- > a strategic energy plan designed to identify operations that require insulation, heating and electrical work
- > a "green gestures" guide to be drafted and inserted into tenant information packages
- > decision aid tools on the group intranet (materials database, national list of subsidies and grants, etc.).

The commitments of the Environmental Quality Charter: promoting environmental quality for the SNI group

I. Control and manage the environmental impact of projects

For SNI group's housing, use a rating system or scorecard which assigns a weighting to environmental analysis that is equal to other decision-making criteria that are relevant to the construction and rehabilitation process.

II. Improve the energy efficiency of buildings

Contribute to the fight against greenhouse gas emissions by adopting a formal strategy of innovation in the areas of energy savings and the use of renewable energies.

III. Optimize water use: how and how much

For an equivalent level of comfort, prefer equipment that encourages efficient water management and teach occupants how to use water sparingly and effectively.

IV. Inform, report and educate

Promote our sustainable development objectives and put them to best educational use for our business partners and clients.

■ For more information, read "The SNI group's approach to sustainable development" online at: www.caissedesdepots.fr or consult the SNI's annual report, available online at: www.groupe-sni.com

Les Marcellas Residence (69), rehabilitation in an occupied setting with Cerqual "Heritage housing" certification



Actions in 2006

Other sustainable development initiatives at subsidiary level

Subsidiaries of Caisse des Dépôts whose business is in areas other than real estate – Egis, Transdev, VVF/Santoline, Compagnie des Alpes – are also taking steps to meet the challenges of sustainable development. For this year's report, we present the progress made by Egis and Transdev. For more information, visit our website and consult our individual information sheets, where you will also find links to subsidiary websites.

Transdev's sustainable development highlights in 2006

A major force in mass transit and world's number one operator of tramway and light subway systems, the Transdev group employs 30,000 people and generates consolidated annual revenues of more than €1 billion (2006). Positioned in segments that offer alternatives to the use of private vehicles, Transdev is also committed to conducting its business responsibly. The group has signed the UN's Global Compact as well as the Sustainable Development Charter of the International Union of Public Transport. Transdev pursued efforts in sustainable development throughout 2006, focusing on the following priorities.

■ Quality and environmental approaches: new steps

> Reduction of vehicle emissions: in 2006, the percentage of clean kilometer mileage completed by Transdev (vehicles compliant with Euro3 or more demanding standards, VNG or electrical) reached 46.5% (41% in 2005). The number of clean vehicles reached 42% of the fleet (37% in 2005).

> Extension of the "Qualité Transdev" quality label, for which the process is ISO 9001 certified, offering faultless service quality and more attractive mass transit for commuters.

The group has set the bar very high: increase the labeled rate of activity from 50% at year-end to 70% by the end of 2007 and to 100% by the end of 2008.

> Development of its policy to promote innovation with several projects: own-site bus service (Busway), a bicycle rental service via cell phone (Allocyclo), more widespread availability of its cell phone information system (Mobitrans) and innovation in ticketing, with the creation of a virtual ticket via cell phone (Digitick).

In addition, Transdev is rolling out its environmental and work safety scorecard program to 100% of its technical facilities in France and some of its foreign sites.

The reports emerging from this process will serve as the basis for a new environmental policy

■ Diversity: a pro-active policy

Transdev has made a strong commitment to promote diversity in the workplace and has signed the Diversity Charter for the Institut Montaigne. The group conducts a pro-active policy that includes training for managers and a revisit of its recruiting processes that seeks to create an effective mass transit system and build ties between people and the places where they live and work. Diversity is, more than ever, a central part of the group's policy and its social and societal positioning, and also constitutes a component of Transdev's offer in its relationships with regional and local governments.

■ For more information, read "The Transdev approach to sustainable development" online at: www.caissedesdepots.fr or consult the annual report published by Transdev, available online at: www.transdev.fr

5. ACTIONS IN 2006

Other subsidiary initiatives in sustainable development

Sustainable development news for Egis in 2006

Egis offers its clients—in the public and private spheres, in France and abroad—a tangible and innovative way to implement sustainable development at every phase in the life cycle of territorial infrastructure planning. To support this aim, Egis has acquired global expertise in infrastructure engineering and services: for systems of transportation (motorways, railways, airways and urban transit), hydraulics, and environment.

■ To better serve customers, achievements to mitigate climate change

In the transportation sector

- > Transport policy advisory, traffic optimization, commuter information, urban transit/commuting plan (PDU), optimized use of existing infrastructures, organization of cargo transport, modular pricing.
- > Onsite mass transit development subsidies and upstream studies.
- > Environmental impacts of transportation: release of pollution, degrees of exposure, health impact, route selection, development of decision-making aids, performance of carbon assessment for overland infrastructure.
- > Energy efficiency of networks, advisory (biofuel).

In the energy sector (particularly at international level)

- > Energy efficiency of networks, energy supply, dealerships, strategy.
- > Harmonization of domestic energy policies with European policy.
- > Organization of renewable energy projects, assessment of climate plans.

In the agricultural sector (abroad)

- > Livestock management aimed at reducing GHG emissions, energy enhancement of the biomass.
- > Biological sequestration using carbon “pits” via forestry projects.

■ Innovation and reuse via pilot projects

The year 2006 was eventful in terms of rolling out sustainable development solutions for several projects. A number of important lessons have already been learned in terms of reuse and enhancement.

One illustration comes from the RN 88 road improvement project, where the task of drawing up an inventory of the GHG emissions produced at each stage in the life cycle of the infrastructure was initiated so that offsetting measures could be proposed to the client.

The DEED (*Diagnostic Energie : Environnement Déplacement*) tool, which Egis designed for Ademe, will be available for use sometime in 2007. Based on household surveys, it is used to assess energy use, CO₂ emissions and the release of pollution related to transportation and travel, and to compare the ramifications of different modes of transportation.

The city of Paris kicked off the first phase of its Agenda 21 with the support of Egis to carry out a co-constructed diagnosis of its territory.

Finally, Borderouge—a historic neighborhood of Toulouse covering 150 ha—was the focus of a sustainable urban land use pilot program. The team worked toward the goal of enhancing the value of the natural historical setting and giving preference to “soft” modes of transportation.

■ Strategic advances and adaptation and reuse of best practices

Several correspondents at subsidiary level were chosen and asked to promote the reuse of best practices and networking. A weekly market intelligence report on issues in sustainable development related to the core businesses of Egis (*Les Actus du Développement Durable*) was broadly disseminated by email. The issue of sustainable development was also raised in one of the induction workshops for newly hired employees.



Borderouge retail park

■ For more information, read “The Egis approach to sustainable development” online at: www.caissedesdepots.fr or consult the annual report published by Egis and available online at: www.egis.fr

Operational impacts of Caisse des Dépôts

The primary impacts of Caisse des Dépôts on its environment are the result of its financial and/or service businesses, or those of its subsidiaries, whose initiatives in the area of sustainable development appear on the preceding pages. A responsible business organization and institution, Caisse des Dépôts is also obligated to prepare a social and environmental report on its operations. This reporting process is carried out in the spirit of Article 116 of the NRE Act, even though Caisse des Dépôts is not subject to this law.

HR data

The primary quantified data are presented over three years to enable readers to assess changes. The corporate human resources policy and its latest advances are presented online in the form of an individual information sheet (go to www.caissedesdepots.fr).

■ Men and women in different employment categories, working together toward common goals

2006 was the first full year that the three personnel categories were fully integrated: civil servants, employees (private sector) and “*caisse des mines*” employees.

In all of the tables presented below, the figures for 2006 include personnel who were not included in the data for 2005. Readers are advised to keep this in mind when comparing data from one year to the next.

Above and beyond the numbers, the human resources department plays an active role in promoting diversity, a point that is illustrated by the specific actions that are recounted below.

■ Occupational integration: a success for employees in distress

For several years, Caisse des Dépôts has been working to develop an ambitious policy aimed at workplace integration and support for individuals in distress via a special CAE (*Contrat d'Accompagnement dans l'Emploi*) employment contract. A total of 59 people received special supervision and tutoring in 2006. At year-end 2006, 34 were actively employed, six of whom were foreign nationals and seven were Cotorep certified (for workers with disabilities).

Targeted training is offered to provide these workers with up-to-date skills, help them ease into their new position and support their personal development aspirations.

When necessary, these employees are also entitled to intensive social support via the various Caisse des Dépôts services (social workers, medical services, mutual insurance, and the social committee).

An employment survey administered to individuals who have completed this program over the last two years highlights the positive benefits of this type of support, in particular the training, tutoring and opportunities for dialogue. Judging from the experience accumulated over several years, however, Caisse des Dépôts must admit that in spite of the very positive atmosphere and welcome, it is very difficult to overcome the many obstacles to total and successful reintegration (due to psychological factors, difficult living situations and poor work habits).

■ Mission handicap

The mission set up in 2006, combined with the three-year rolling plan for the disabled (2006-2008), attests to the pro-active policy and efforts to promote hiring of the disabled.

Actions are structured around three basic pillars:

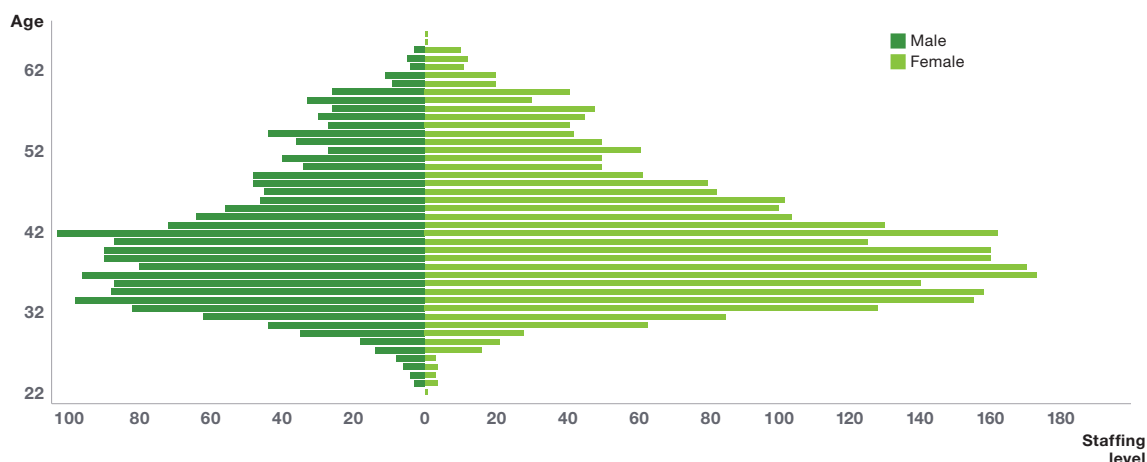
- > a recruitment pillar
- > a job maintenance and career path planning pillar
- > an information and awareness pillar targeting employees and outside parties.

6. Operational impacts of Caisse des Dépôts

Staffing level	2004	2005	2006 ⁽¹⁾
Total active workforce (Public Establishment)	4,753	4,754	5,063
Permanent staff (civil servants, open-ended CDI contracts and employees with caisse des mines status)	4,625	4,605	4,890
Temporary staff (fixed-term CDD contracts, insertion contracts)	128	149	173
Number of interns during the year	124	166	154
Proportion of cat A managers/total permanent active staff	33%	34%	34%
Proportion of sup./cat B technicians	33%	34%	35%
Proportion of cat C non-management staff	34%	32%	31%
Number of employees entering workforce during the year (permanent + temporary)	260	354	348
On open-ended contract	115	199	167
On fixed-term contract (including CES and apprenticeships)	145	155	181
Layoff or barring for desertion	7	13	9
Net creation of open-ended jobs	+18	-35	+35
Average age	45.5	45.6	45.9
Average length of service	20.2	20.1	20.5
Turnover (%)	4.8%	6.8%	5%

(1) Quantified data for 2006 correspond to the Public Establishment, including employees of Caisse des Mines.

→ Permanent staffing level in the Public Establishment on 12/31/2006 (4,890 agents)



6. Operational impacts of Caisse des Dépôts

Work scheduling and hours	2004	2005	2006
Average number of theoretical work days per year and per employee	213	214	212
Number of employees who work full time	3,951	3,971	4,211
Number of employees who work part time	787	771	852
Percentage of agents working part time	16.6%	16.2%	16.8%
Absentee rate	5.7%	5.8%	5.9%
Number of days of absence per agent ⁽¹⁾	12.2	12.3	12.4

Training	2004	2005	2006
Amount spent on training as a percentage of total payroll expense ⁽²⁾	4.49%	3.99%	4.09%
Percentage of employees who did not receive any training	18.3%	18.4%	14%
Average number of days of training per employee trained	5.2	5.68	5

Compensation and benefits	2004	2005	2006
Top ten compensation packages (€M)	–	2.78	2.74

Industrial relations	2004	2005	2006
Number of personnel representatives for permanent staff	27	27	43
Number of union delegates for permanent staff	16	14	15
Number of agreements signed	4	6	7

Health and safety	2004	2005	2006
Amount spent on safety (in €M)	6.76	2.86	2.50
Number of workplace accidents with work stoppage	70	55	65
Number of medical service procedures rendered	15,962	15,585	16,896

Miscellaneous contributions	2004	2005	2006
Total CSE/ASOC subsidies ⁽³⁾ (in €M)	7.86	8.40	8.63
Total subsidy for employee food services (in €M)	6.6	6.6	5.6
Number of "contrats temporaires vacances"	878	996	956

(1) (Total number of days of absence expressed as worked days in the Public Establishment) ÷ (Average monthly workforce). The principal reasons for absence are as follows: sick leave (47%), long-term sick leave and long-term leave (27%), parental leave (12%), leave granted under collective bargaining agreements (11%) and work-related accidents (3%). Nearly 90% of all sick leave lasts for less than 15 calendar days.

(2) (Total cost of training) ÷ (Total payroll expense not including employer charges) x 100.

(3) Company social committees (*Comité social d'établissement* (civil servants) and *Activités Sociales et Culturelles des Salariés de Droit Privé* (non civil servants)).

6. Operational impacts of Caisse des Dépôts

Gender equality (%)	2004	2005	2006
Percentage of women in the workforce	61.4 %	61.8 %	62.6 %
Percentage of managers in the workforce	33 %	34 %	34.1 %
Percentage of managers who are women/cat A	46 %	47 %	48.3 %
Ratio of average earnings of female managers to average earnings of male managers ⁽¹⁾	79.2 %	79.9 %	82.5 %
Percentage of executives who are female	22.9 %	21.2 %	24.5 %
Percentage of employees identified as emerging talent/ high potential executives who are female	48.6 %	47.5 %	40.9 %
Percentage of executive committee members who are female	1/8	1/8	1/8

Employment and placement of disabled persons	2004	2005	2006⁽²⁾
Number of disabled workers (physical persons) ⁽³⁾	118	117	132
Rate of employment	2.6 %	3.1 %	2.5 %
Amount invested in special equipment/fixtures for the disabled (in €)	–	450,596	552,248
Amount of bids awarded/contracts signed with the protected sector (in €)	7,030	77,492	140,523

(1) $(\text{Average net annual earnings of female managers/cat. A}) \div (\text{Average net annual earnings of male managers/cat. A}) \times 100$.

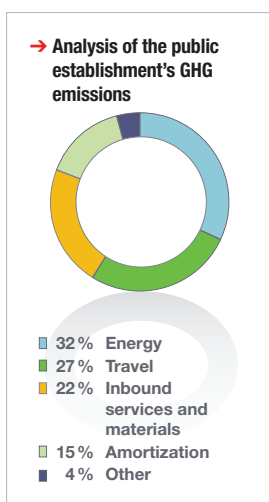
(2) Data for 2006 are based on the rules used to prepare and file the FIPHFP declaration.

(3) In 2006, Caisse des Dépôts was positioned below the legal employment rate of 6%, and accordingly paid a contribution to FIPHFP (a fund that it also administers) of more than €103,000.

6. Operational impacts of Caisse des Dépôts

Environmental and procurement data

The primary quantified data are presented for 2006 and for 2005 on an equivalent scope basis to facilitate comparison. The actions taken to reduce direct environmental impacts are presented in the form of individual information sheets (reducing greenhouse gas emissions; responsible practices in procurement, logistics and the environment) on the corporate website of Caisse des Dépôts www.caissedesdepots.fr.



	2006	Scope: (1) as a percentage of the workforce, (2) as a percentage of floor area occupied	2006/2005 change on a constant scope basis	
Power consumption				
Total electricity consumption (MWh)	45,772			
Electricity consumption per employee (MWh)	10.20	(1) 88.4%	+1.8%	▲
Fuel oil consumption (heating and power generators)* (in L)	235,711	(1) 86.5%	+362%	▲
Natural gas consumption (MWh)	14,580	(2) 79.8%	+3.1%	▲
Heat consumption (in MWh)	11,016	(2) 79.8%	-7.5%	▼

* Maintenance work in 2005 led to an extended shutdown of power generators. The sharp rise in fuel consumption is attributable to the restoration of normal functioning.

Other consumption

Paper consumption (k€)	794	(1) 99.8%	-5.9%	▼
Water consumption (in m ³)	147,402	(1) 87%	-3.3%	▼

Waste indicators

Total waste production (tons)	1,311	(1) 73.8%	-15.6%	▼
Office consumables* (units)	4,842	(1) 52.4%	+31%	▼

* Office consumables collected for recycling or enhancement by Emmaüs and Les Ateliers du Bocage (integration service).

Procurement

Total expenditure on procurement, excluding IT spending	116.5 M€
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Greenhouse gas emissions (figures for 2004)

Total greenhouse gas emissions in tons of CO ₂ equivalent (Teq CO ₂)	30,000 Teq CO ₂
Emissions per employee	5.5 Teq CO ₂

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English adaptation

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