

October 26, 2022

Caisse des Dépôts Group Policy on Climate



**Caisse
des Dépôts**
GROUPE

Caisse des Dépôts Group

Caisse des Dépôts is a public financial institution, created by the law of April 28, 1816 and governed by the Monetary and Financial Code. It is the largest public financial platform at the service of the French people. To carry out its missions, directly or in support of public policies, Caisse des Dépôts is organized around four business lines and two strategic partners jointly owned with the State: Bpifrance and Le Groupe La Poste.



The Caisse des Dépôts Public Establishment includes 4 business lines in particular:

- **The Banque des Territoires.** It advises and finances in particular local authorities, social housing organizations and local public companies.
- **The Department of Social Policies.** (Politiques sociales) It manages various mandates including public service pensions, solidarity pensions and the personal training account.
- **Asset management.** (Gestion d'actifs) It manages the financial assets (bonds, shares, etc.) of Caisse des Dépôts as a long-term oriented institutional investor.
- **Management of strategic holdings.** (Gestion des participations stratégiques) It is in charge of the shareholder's management of some twenty companies of which Caisse des Dépôts is often the reference shareholder and whose missions contribute to the development of the territories.

Its two strategic partners are:

- **Bpifrance.** It supports companies at each stage of their development, in credit, guarantees and equity, and through an offer of consulting, training and networking, as well as an acceleration program. Bpifrance is a public investment bank owned by Caisse des Dépôts and the State.
- **Le Groupe La Poste,** 66% owned by Caisse des Dépôts. A company with a mission (since 2021) and several business lines: mail and parcels, banking-insurance, network of local contact points, digital tools... it is a key player in social cohesion at the service of its customers in their projects and of the entire society in its transformations.

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The Caisse des Dépôts group's climate ambition

Our purpose: The Caisse des Dépôts group, a unique alliance of public and private economic players, is committed, at the heart of the territories, to accelerating ecological transformation and contributing to providing a better life for all.

The Group is committed to mobilizing all of its levers of influence, action and impact in favor of a fair and resilient ecological and energy transition (EET), towards a neutral economy for the climate and biodiversity.

In France, it places its action within the framework of a direct contribution to the national low-carbon strategy (SNBC) and the national plan for adaptation to climate change (PNACC) and favors a low-carbon transition fighting against social and territorial inequalities. It seeks, through its financing and investments, to limit urban sprawl by making city centers more attractive, to develop sustainable and accessible mobility, to reduce fuel poverty and to support territories and businesses in transition, while ensuring the quality of their jobs.

Our ambition: To make our financial flows and our operational activities compatible with carbon-neutral development by 2050, and resilient to climate change.

The Group is committed to aligning all of its activities with an objective of net carbon neutrality by 2050, in order to help limit the rise in global temperature to 1.5°C. This includes its financial investment portfolios, its financing and investments in territorial projects and in companies, as well as its non-financial activities.

The Group is part of a contribution to global carbon neutrality by 2050¹, which is based on the strict reduction and limitation of emissions from economic activities to a residual level in line with the objectives of the Paris agreement and low enough to be offset by carbon sinks.

Thus, this vision implies that, by 2050, each economic player will contribute to carbon neutrality (i) by having reduced its direct greenhouse gas emissions in accordance with national and international objectives and (ii) and by financing carbon sinks at least equal to their residual emissions.

The Caisse des Dépôts group undertakes, as a long-term investor (i) to support its counterparties, territories and companies, in their efforts to contribute to carbon neutrality and deal with transition risks, (ii) while itself reducing its own emissions and gradually contributing to carbon sinks to the extent of its residual emissions.

The Group is not intended to offset the residual emissions of its counterparties, but may encourage them to do so and contribute to it for reasons of general and social interest.

¹ The Climate and Resilience Law governs the right to claim that a product or service is carbon neutral and makes it conditional on the disclosure of the emissions report, of the approach through which emissions are first avoided, then reduced and finally offset, and of terms and conditions for offsetting residual greenhouse gas emissions that meet minimum standards defined by decree.

The Race to Zero initiative considers that a state of "net zero" is reached when a economic player reduces its emissions according to trajectories based on science, and when its residual emissions are completely neutralized by sequestrations of the same nature (for example permanent sequestration for fossil carbon emissions) and exclusive to this economic player.

The Group is also committed to strengthening its consideration of the challenges of adapting to the impacts of climate change. In 2022, it launched an adaptation action plan which will be extended and deepened gradually. The ambition is twofold: on the one hand, adapting its own activities to climate change by estimating the physical risks they will have to face and managing their resilience over time; on the other hand, to offer local authorities support, financing and services, enabling them to develop and finance territorial adaptation strategies.

Focus. Transition risks are linked to dependence on fossil fuels, but also to regulatory, technological and behavioral changes. Depending on the transition scenarios, some assets will become unprofitable sooner or later. They become stranded assets. If they continue to be exploited, they will contribute to a lock-in effect, and to emissions that should have been avoided. These risks are all the more significant for infrastructure, which is very capital-intensive with a useful life of several decades, the construction of which is irreversible in the medium term.

Physical risks result from damage directly caused by extreme or chronic weather events that global warming makes more frequent and intense. Some of the future risks are already determined by past and current greenhouse gas emissions. However, the less ambitious the decarbonization trajectories are, the more the effects of climate change will materialize, causing the destruction of assets, interruptions in production and access to goods and services, potentially leading to severe disruption.

Scope of the Caisse des Dépôts group's climate policy.

This policy constitutes the Caisse des Dépôts group's roadmap for the gradual alignment of its activities with these long-term objectives. It aims to concretize its action, to give credibility to its ambition and to relay the long-term signal dictated by science.

It applies to all business lines and all entities (financiers or operators) of the Caisse des Dépôts group, i.e. the business lines of the Public Establishment Caisse des Dépôts (Banque des Territoires, the Asset Management, the Management of Strategic Investments, the Department of Social Policies), Bpifrance, Le Groupe La Poste, and their subsidiaries. Its purpose is therefore to coordinate and consolidate the climate action of the Caisse des Dépôts group, not only as a major public financial platform, but also as an alliance of public and private economic players serving the general interest.

In this document, the word “financing” will generally be used to designate lending activity, and “investment” to designate equity investments or credit in the form of bonds.

Climate and biodiversity are intimately linked.

In 2015, the Paris Agreement recognized the role of forests, oceans, agricultural soils, wetlands and other ecosystems for the absorption of CO₂ as well as for the resilience of societies to the impacts of climate change. According to the IPCC, ecosystems would be able to provide up to 30% of the necessary emissions reductions and carbon sinks. Healthy ecosystems (and all the economic activities and environmental services that depend on them) are more resilient to the impacts of climate change and can also better protect us from these impacts. Conversely, limiting the rise in average temperatures to +2°C or even +1.5°C compared to the pre-industrial era is essential to preserve the biosphere.

To highlight these links, in 2022 the Group is adopting two environmental policies on climate and biodiversity (including water and the circular economy) and ensures that any project presented to the Group's commitment committee (see section 2.b) is analyzed with regard to its impact on both. Certain negative impacts for both the climate and biodiversity will be systematically assessed, such as CO₂ emissions and land artificialisation.

Summary of the Group's climate commitments

Taking climate into account in the Group's governance and levers of action

Group commitments :

- Analyze the double materiality with regard to the objectives of mitigation, adaptation, and biodiversity in the projects presented to the Group Commitment Committee (CDE).
- Support TCFD recommendations and manage climate financial risks.
- Reinforce the integration of climate in the variable compensation systems.
- Reinforce and generalize climate training for employees and managers.
- Promote ambition and exemplarity in climate initiatives.

Making our activities compatible with a low-carbon development

Align operational emissions and report on them annually in scope 3.

- At least 95% of operational emissions covered by 2°C or 1.5°C targets (from 2021).
- Financing of emission reductions and carbon sinks for more than 50% of scope 1-3 operational emissions (from 2021).

Set decarbonization targets aligned with the Paris Agreement for financial assets.

- **Investments and business financing:**
 - **Caisse des Dépôts:** -55% between 2019 and 2030 for the listed equity and corporate bond portfolio.
 - **La Poste Group :**
 - **LBP:** align the temperature of its long-term loan portfolio to listed companies from +3.1°C in 2019 to +2.3°C in 2025 (Scopes 1-2) and to +2.1°C in 2025 (Scope 1 to 3).
 - **LBPAM:** invest 80% of LBPAM assets under management in aligned companies by 2030.
 - **CNP Assurances:** -25% between 2019 and 2024 for listed shares and corporate bonds.
- **Real estate investments and financing:**
 - **Caisse des Dépôts:** 50% reduction between 2019 and 2030 in the carbon intensity (in kgeqCO₂/m²/year) of all buildings owned and managed, as well as club deals (closed funds) in which it has a stake at least 25%.
 - **La Poste Group :**
 - **LBP:** reduce emissions from commercial real estate by 36% per m² over the period 2020-2030, reduce emissions from real estate loans by 46% per m² over the period 2020-2030.
 - **CNP Assurances:** Objective of reducing the carbon intensity (in kgeqCO₂/m²) of CNP Assurances' direct real estate portfolio by an additional 10% between 2019 and 2024.
- **Investments in sovereign bonds:** monitoring of States' commitment to reducing greenhouse gas emissions (CDC).
- **Increase the selectivity of new commitments**
 - **Investments in real assets and companies:** Extra-financial rating (including climate impact) to support decision-making.
 - Loans from **Banque des Territoires, Bpifrance, La Banque Postale**, as well as the refinancing activities of **SFIL**: carbon balance sheets, use of decarbonisation trajectories.

Strengthen shareholder dialogue on climate

- Engage portfolio companies as soon as possible towards an ACT or SBTi type approach.
- **Direct investment in companies:** ambitious transition strategy compatible with a +1.5°C trajectory, transparency, quantitative objective of GHG emissions reduction on the 3 scopes contributing to the achievement of the objectives of the Paris Agreement and carbon neutrality by 2050, adapted governance.
- **Investments via funds:** the Caisse des Dépôts and Bpifrance support the listed and unlisted asset funds market in strengthening the integration of climate into management decisions.

Strictly regulate fossil fuels: (see details in section 3.c)

	Coal	Shale gas	Bituminous sands	Oil and Gas from the Arctic	Oil and Gas	Routine Flaring	Methane Emissions	CO ₂ Pathways, net Zero
Exit Plan	✓	✓	✓	✓				
Exclusions	✓	✓	✓	✓	✓			
Engagement (under exclusion thresholds)	✓	✓	✓	✓	✓	✓	✓	✓

Consideration of oil and gas expansion:

- **The Group excludes from its investment and direct financing portfolios:**
 - The development of new oil or gas projects (upstream).
 - The transport infrastructures associated with these new projects.

- **The Group** undertakes not to increase its exposure to companies that are developing new oil exploration or production projects².
 - **Caisse des Dépôts** undertakes to exclude companies without a plan to reduce oil production.
 - **Le Groupe La Poste**: For LBPAM and CNP Assurances, from 2025, stopping oil and gas expansion will become a criterion for the sale of companies on a case-by-case basis (criteria page 19).
- **Each Group entity** ensures that the new hydrocarbon production projects of the companies in the portfolio represent less than 20% of developments worldwide (excluding LBPAM).

Increasing the resilience of the Group's activities and of territories to climate change

Investments and operating activities in real estate and infrastructure

- Integrate adaptation into new assets, if possible from project design.
- Increase the resilience to climate change of activities already in the portfolio.
- Include physical risk and adaptation management in ongoing asset management processes.

Support offer for local authorities, by the Banque des Territoires

- Provide local authorities with a wider range of solutions (engineering, financing, services, deposits), to meet the systemic adaptation needs of the territories.

Contribute to the national climate goals

Finance the implementation of public policies

- **Massively mobilize EET financing and investments from the “Public Financial Platform”** (Caisse des Dépôts, Bpifrance, La Banque Postale, CNP Assurances, SFIL): Dedicate at least €60 billion to the ecological and energy transition over 2020-2024.
 - Including €40 billion from the “climate plan” of **Banque des Territoires (BDT) and Bpifrance**.
 - **Groupe La Poste**: CNP Assurances will reach €25bn in outstanding green investments by end of 2025.
- **Commit to the just transition**
 - Gradual integration of just transition issues into shareholder dialogue
- **Contribute to the financing of carbon sinks and nature-based solutions.**

Supporting the transition of territories and companies

- **Bpifrance and the Banque des Territoires** will mobilize €23.2 billion (included in the climate plan) to help companies and regions decarbonize, develop green mobility, improve the environmental footprint of buildings, adopt a reasoned approach to use of natural resources (water, land, etc.) and support the agricultural and food transition of the territories.
- In 2019, **La Banque Postale** launched, in conjunction with **SFIL**, a specific financing offer for green loans, intended to finance projects with a strong environmental impact for communities and businesses.

Contribute to France's energy future

- **Invest massively in renewable energies**
 - **Banque des Territoires and Bpifrance**: €9.5 billion will be deployed with an objective of 8.8 GW of installed power, in France and for export, and support for innovation in this area (included in the climate plan).
 - **La Banque Postale** will increase its support for renewable energies to €3 billion in commitments by the end of 2023.
- **Support the transformation of major energy networks for the transition.**

Support innovation for the climate (included in the climate plan)

- **Bpifrance**: €4.2 billion for greentechs (2020-2024).
- **Banque des Territoires**: €3 billion for the sustainable and resilient development of territories.

Support the transition of the real estate and transport sectors³

- **The Group** is committed to financing the energy renovation of buildings and the construction of high-performance buildings for more than €25 billion over 2020-2024, and to mobilize a funding envelope of €3.5 billion for sustainable transport (included in the climate plan).
- **The Banque des Territoires** aims for the efficient energy renovation of 200,000 social housing units, i.e. a contribution of 1/3 to the target of the National Low Carbon Strategy (SNBC).
- **The Banque des Territoires** plans to finance 11,000 green vehicles and 50,000 charging stations, as well as hydrogen, CNG and gradually bioCNG refueling stations.
- **The Group** is asking for transition plans for car manufacturing providing for the end of internal combustion engines, and including the imperatives of a just transition.
- **The Group** makes new investment in an airline conditional on the existence of a 1.5°C alignment strategy.

² Excluding green and sustainable bonds and financing untied to new oil projects. LBPAM undertakes to integrate, on a case-by-case basis and in conjunction with companies' decarbonization trajectories, the development of oil or fossil gas exploration or production projects in the exclusion criteria for management companies.

³ Real estate: excluding LBPAM. Transport: excluding LBPAM and CNP Assurances. See page 28.

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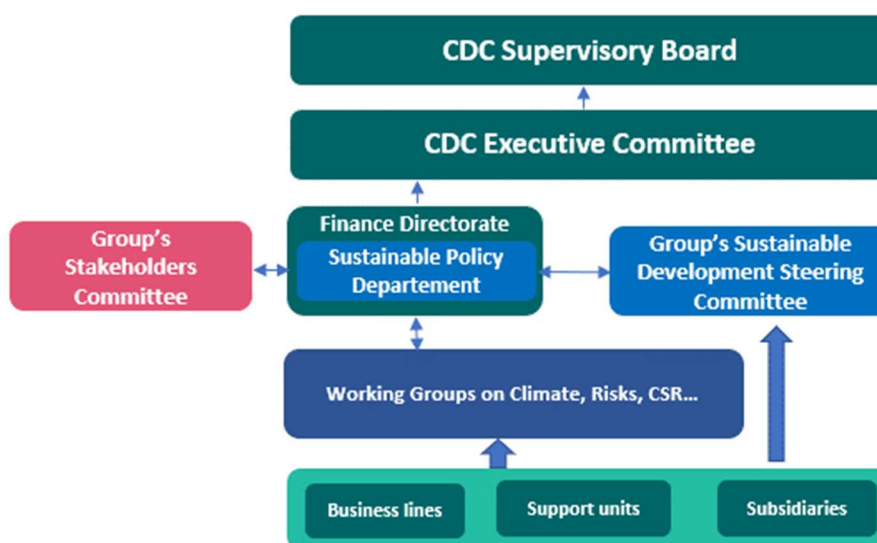
Taking climate into account in the Group's action levers

a. Governance

This policy is part of the Caisse des Dépôts group's sustainable policy, kept up to date by the Sustainable Policy Department within the Group's Finance Directorate, and presented annually to the CSR and Ethics Committee of the supervisory board (Commission de surveillance), after validation by the Executive Committee of Caisse des Dépôts.

It is the result of participatory work by working groups on climate, risks and CSR, co-led by the Sustainable Policy Department, and bringing together the teams in charge of sustainable development from all the Group's business lines and entities, which contribute to it through their own work on the climate within the framework of their own governance. The part relating to climate risks is co-managed with the Group's Risk Department.

The results of the working groups are presented (i) to a Sustainable Development Steering Committee which brings together the Group's business lines and entities on a quarterly basis, as well as (ii) to the Group's Sustainable Development Policy Stakeholder Committee. The latter meets twice a year under the chairmanship of the Chief Executive Officer of Caisse des Dépôts and is open to its external partners (experts, NGOs, representatives of local authorities, businesses, savers and counterpart financial institutions, etc.).



Governance of the group Caisse des Dépôts climate policy

b. Selection of investments and financing

From the first quarter of 2023, projects presented to the Group's Commitment Committee (CDE) will be subject to an ESG analysis based on a scorecard to take into account dual materiality (impact of the project or the company on environment and society and vice versa) with regard to mitigation, adaptation and biodiversity objectives. This scorecard is inspired by the one that the Banque des Territoires has had since 2020 for investment projects, but also existing standards or those in preparation (EU taxonomy, CSRD, etc.) and is designed to adapt to the sectors of activity concerned.

Beyond the regulatory response (see risk management below), the Group, as a long-term investor serving the general interest, seeks - by identifying the risks and climate impacts and managing them - to direct investment and financing flows towards counterparties in transition, towards companies aligned with 1.5°C scenarios and, for the physical risks of climate change, to identify the assets or counterparties for which actions or adaptation plans are needed.

To contribute to the low-carbon transition, the Group wishes to take into account in its decisions, and reflect in its portfolios and its activities, the decarbonization scenarios of the French and global economy, and thus support the changes deemed necessary, particularly in France, by the SNBC. For example, the Group will increase its vigilance and the consideration of sector scenarios aligned with the Paris Agreement (SNBC, IEA, etc.) and the resulting regulatory requirements, including carbon budgets, in business projections and assumptions of economic and financial profitability of projects and business models.

To strengthen the resilience of assets, activities and territories to the impacts of climate change, the Group is deploying a climate change adaptation plan from 2022 (see Section 4) initially targeting real estate assets and infrastructure. Identifying the risks weighing on each asset, depending on its exposure to climatic hazards and its own vulnerability, is the first essential step in considering its adaptation.

The Group now formally integrates climate into its investment or financing decision-making processes, in particular through environmental, social and governance (ESG) sustainability analyses.

This climate policy contributes to structuring and objectivizing these ESG analyzes on issues relating to mitigation and adaptation, and in particular for the most important projects, emanating from all the Group's business lines and entities, and presented to the Group's Commitments Committee (CDE). The purpose of these committees is to authorize operations but also to verify, encourage and adopt a common strategy. The Sustainable Policy Department issues an opinion on the sustainability of the projects presented to the CDE.

c. Climate risk management

To meet regulations, particularly banking regulations, or the requirements of Article 29 of the Energy and Climate Act, **each Group entity identifies the main climate risks to which it is exposed**, characterizes them, integrates them into its risk management framework, draws up action plans to remedy them, and makes quantitative estimates. An ESG risk network for the Group was set up in 2020 in order to share the work carried out by each entity, best practices, methodologies, data sources or even find solutions to the modeling challenges to be met.

The Group supports and draws inspiration from the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), a working group on the disclosure of financial information relating to climate change.

The Public Establishment Caisse des Dépôts has adopted a climate risk roadmap structured by these recommendations and which takes into account the use cases described by the NGFS (Network for Greening the Financial System) for financial institutions, namely the quantification, decision support, stress tests and transparency. It aims to identify climate risks, assess them using scoring tools and stress-test exercises, and integrate them into risk management policies and tools.

The ESG risk steering committee of the **Public Establishment Caisse des Dépôts**, co-led by the Sustainable Policy Department and the Risk Department, ensures the implementation of this roadmap. To date, the work of the Public Establishment on climate risks has been structured around the following 4 working groups:

■ Climate risk mapping

Since 2017, Caisse des Dépôts has been mapping climate risks on its main asset classes to identify the riskiest exposures and risk transmission channels. These exercises cover more than 60% of the public establishment's balance sheet and concern sovereign bonds (physical and transition risks), listed portfolios (transition risks), local authorities (transition risks) and social housing organizations (physical and transitional risks).

■ Climatic stress tests

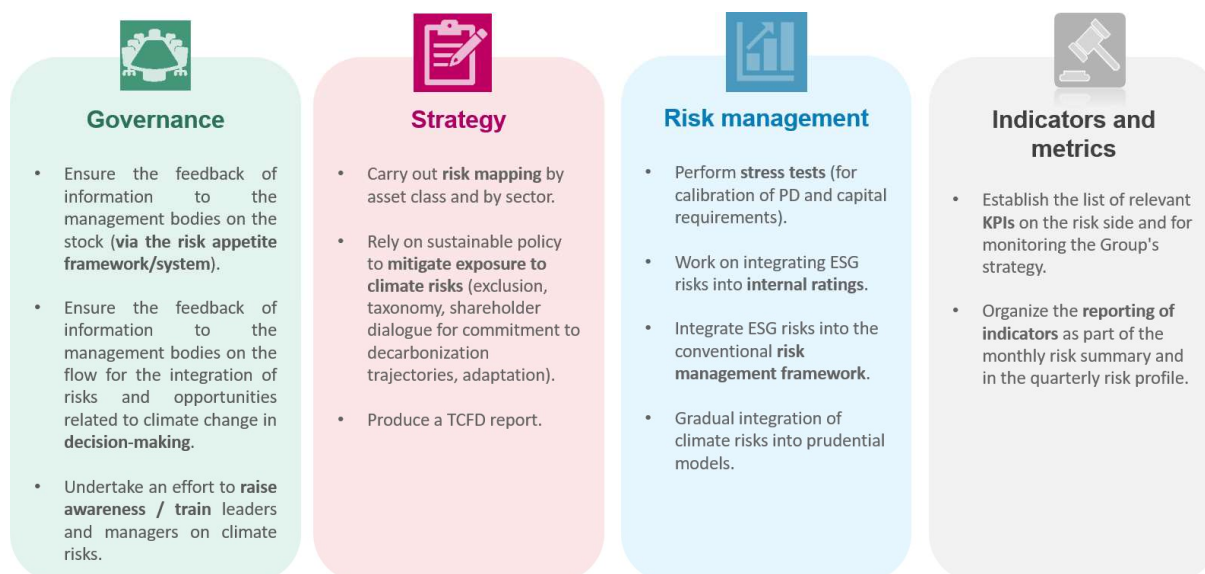
After having participated in 2020 in the climate stress-test of the French Prudential Control and Resolution Authority (ACPR), which made the risk and finance teams aware of the specificities of physical and transition climate risks, Caisse des Dépôts assesses the need for additional capital of the “disorderly transition” and “hot house” scenarios of the NGFS compared to the “orderly transition” scenario to shed light on its “equity” risk.

■ Inclusion in the risk appetite framework

Caisse des Dépôts includes several transition risk indicators in its risk appetite framework, monitored by the governance bodies.

■ Consideration in asset allocation

Caisse des Dépôts incorporates sensitivity to transition risk in its credit risk analysis for corporate bonds in the energy, oil and gas sectors based on different temperature trajectory scenarios. For listed corporate bonds, the risk analysis incorporates data on climate change. For sovereign bonds, climate risks are integrated into the analysis and the credit rating



The 4 pillars of the Caisse des Dépôts roadmap on climate risks

d. Profit-sharing, Training

The Group is strengthening the integration of ESG criteria into the variable compensation of members of the Executive Committee and senior executives.

In addition, the Public Establishment and the majority of the entities of the Caisse des Dépôts group incorporate sustainability considerations, including the climate, into the calculation of any employee profit-sharing schemes or variable compensation. For example, Caisse des Dépôts defines collective and individual objectives for the majority of its asset managers, reflected in the variable part of their remuneration: for example, involvement in the work of the Net Zero Asset Owners Alliance.

The Group's entities are committed to strengthening and generalizing their climate training action for their employees as well as their managers.

From 2023, the group's entities will have put in place an awareness plan aimed at all employees of their tier 1 subsidiaries to ensure a culture of sustainability and ESG issues and wide dissemination of the SDG roadmap, fully integrating the climate. For this, the entities can rely on Novethic, a subsidiary of Caisse des Dépôts which offers training in finance and sustainable development integrated within the School of Finance of the CDC created in 2021.

e. Marketplace leadership by the Group

Caisse des Dépôts and its subsidiaries are members of or support many collaborative initiatives, national or international, in favor of more sustainable finance, from the local to the international scale.

In all these initiatives, the Group is committed to promoting ambition and setting an example.

Caisse des Dépôts and CNP Assurances take part in the work of the Net Zero Asset Owners Alliance (NZAOA), of which CDC is a founding member. La Banque Postale is a member of the Net Zero Banking Alliance (NZBA) and La Banque Postale Asset Management of the Net Zero Asset Managers Initiative (NZAMI).

In Europe, the Caisse des Dépôts group promotes its know-how and its points of view in terms of sustainable and long-term investment in its multiple components (financial regulations, financial instruments, greening and digitization of the economy, social support for transitions...). It takes part in the debate of ideas in its own name but also via the European Association of Long-Term Investors (www.eltia.eu) which it chairs and which carries the voice of national public financial institutions.

The work of I4CE, a French think tank on climate economics and financing, founded by Caisse des Dépôts and the Agence Française de Développement contributes directly to the work of updating the SNBC, in particular its annual panoramas of investments. In 2022, I4CE will also participate in the costing of the investments required in ADEME's decarbonization scenarios.

The Group is also mobilizing to disseminate information on sustainable investment as close as possible to local authorities and companies.

Novethic, a benchmark media in the field of sustainable finance, and I4CE, actively participate in the promotion of responsible practices. For example, I4CE has published a methodology for evaluating the budgets of local authorities through the prism of the climate, made available free of charge to all local authorities.

f. Transparency

The Group undertakes to report on the results of its climate policy, in particular in its annual reports, and through quantitative indicators, including:

- The balance of its greenhouse gas emissions on the 3 scopes.
- The share of operational emissions (i.e. excluding financed emissions) covered by targets aligned with the objectives of the Paris Agreement.
- The share of the Group's investments and financing subject to decarbonization targets aligned with the objectives of the Paris Agreement (2°C or 1.5°C).
- The finance mobilized by the Group for the ecological and energy transition.
- Extra-financial impacts related to climate via the amounts mobilized and the action of the operational entities, in connection with the Sustainable Development Goals (SDGs).



Make our activities compatible with a low-carbon development

a. Align business portfolios with 1.5°C scenarios

The Group is gradually setting decarbonization targets aligned with 1.5°C scenarios for all its activities.

To achieve these objectives, the Group's entities, in their sector of activity, direct their investments and financing towards low-carbon projects (see section 5.a).

In addition, the Group is gradually adopting specific policies for emitting sectors such as energy (see section 3.c and section 5.b), real estate and transport, declining this ambition in line with national climate objectives. (see section 5.c).

A coordinated approach to defining decarbonization trajectories.

Since 2020, the Group has consolidated and reported annually on its operational emissions (see appendix 2) in scopes 1, 2 and 3.

The Group has initiated a coordinated approach with the objective that by the end of 2023 each business line or entity will have measured its carbon footprint in scopes 1, 2 and 3 if this is significant, and identified decarbonization targets for 2030. These targets will be established according to recognized methodologies for the sector of activity in question in order to validate the ambition of 2°C and progressively 1.5°C. For the financial business lines, this involves reducing both operational emissions and financed emissions.

Operational emissions break down into 3 scopes. Scope 1 concerns the direct emissions of the activity, such as those of a vehicle of a Group entity. Scope 2 concerns indirect emissions linked to the energy used, for example office electricity. Scope 3 concerns indirect emissions related to purchases or the use of downstream non-financial products and services. Within scope 3, we distinguish manageable emissions for which we have direct levers to reduce them.

Financed emissions are also part of scope 3. These are emissions from activities or companies financed or refinanced by the portfolios of investors, lenders, guarantors, etc. Depending on financial business lines and asset classes:

- They are measured in carbon intensity (e.g. per euro invested), or in absolute value.
- The levers for reducing them are different: selection of less emitting investments, dialogue with the counterparty, divestment from activities deemed incompatible with a 1.5°C scenario.
- Adding emissions from different asset classes can lead to double counting.
- One only accesses scope 1 and 2 emissions (investment portfolios, according to the companies' published data) or one calculates scope 3 (project financing).

The main targets of Group entities are included in the table on page 7.

The Group is committed to aligning its operational emissions with the Paris agreement.

Each Group entity uses different action levers to reduce its operational emissions: (i) reduce the carbon intensity of its activities, (ii) prioritize activities with the lowest emissions, (iii) explore new business models, decoupling financial results and GHG emissions, by creating new services, by integrating low-carbon innovations in operations, by encouraging customers to commit to the transition.

For the overall monitoring of the alignment of operational emissions, the Group seeks to cover at least 95% of these emissions with reduction targets in line with the Paris agreement, that is, aligned with scenarios in below 2°C.

Focus: As part of its "Ecotidien - more responsible together" program, Caisse des Dépôts has defined a 2021 decarbonization target for its operational activities by 2030, according to the SBTi methodology: the objective is to reduce emissions by employee at 7.3 teqCO₂ in 2030, compared to 13.5 in 2019, i.e. -46%.

The CDC sets up the management of this trajectory according to 3 axes:

- (i) Reduce emissions from operating and digital real estate as part of its Responsible Digital Plan (IS design, materials and uses, sobriety).
- (ii) Internal promotion of the approach to make managers and employees effective relays in its deployment, to stimulate changes in daily professional practices, or to encourage more responsible modes of travel.
- (iii) Train external stakeholders and more particularly service providers to improve the emissions generated by purchases by encouraging them to adopt an ambitious decarbonization approach via the responsible purchasing policy.

The Group also aims to finance emission reductions and carbon sinks for more than 50% of its operational emissions by favoring, in France, projects benefiting from the Low Carbon Label launched by the French government in 2019.

Finally, the forest assets of Caisse des Dépôts and CNP Assurances, entirely managed by Société Forestière, contributed to the sequestration of nearly one million tonnes of CO₂ in 2021.

The Group aligns its financial portfolios with 1.5°C scenarios.

As a major financial hub, the majority of emission of the Caisse des Dépôts group come from financed emissions.

The Group's financial entities (CDC, Bpifrance, La Banque Postale, SFIL) and their subsidiaries rely on recognized and transparent methodologies to adopt medium-term targets (2025 or 2030) for the decarbonization of their portfolios aiming for net carbon neutrality in 2050.

Focus: Caisse des Dépôts is a founding member of the Net-Zero Asset Owners Alliance (NZAOA) created in 2019, and which today has more than 70 institutional investors (including 10 French ones) holding more than €10,000 billion in assets. NZAOA members commit to setting a long-term goal - net-zero greenhouse gases by 2050 - and short-term (2025 or 2030) portfolio decarbonization goals, engaging businesses and management companies, to mobilize their financing for climate solutions, and to report annually on their actions.

Caisse des Dépôts investors measure the carbon footprint of their corporate securities portfolios held directly and in real estate each year, and have set reduction targets by 2025 and 2030 aligned at 1.5°C in the framework of the NZAOA. A practice that will gradually be extended to other asset classes. Shareholder dialogue is a powerful tool to encourage portfolio companies to adopt decarbonization plans.

Lenders face specific challenges: their assets portfolio can rarely be decarbonized and they must therefore adapt their selection policies for their loans.

To facilitate monitoring of the decarbonization of its financial activities, the Group is making increased use of decarbonization trajectories. To inform the management of its portfolios and, if necessary, to define an alignment objective with the appropriate trajectory, it will collect as soon as possible the emission or carbon intensity data specific to the activity or the financed counterpart.

To ensure compliance with its ambition on the alignment of financial activities, the Group monitors the share of its financial assets (financing and investments) aligned or covered by emission reduction targets in line with the Paris agreement, i.e. aligned with scenarios below 2°C:

- (i) "green" assets by definition, in particular in the context of financing the ecological transition (for example renewable energies, green bonds, etc.) or respecting the criteria of the European taxonomy;
- (ii) assets from counterparties that have themselves set decarbonization targets aligned with the Paris Agreement;
- (iii) assets in a portfolio for which an aligned target is set using a recognized methodology and, where possible, validated by a third party.

The first quantitative results for this indicator will be published from 2023.

■ Investment activities

The Caisse des Dépôts group has been **a signatory of the Montreal Carbon Commitment since 2014**. It measures, publishes in its annual reports, and reduces, the carbon intensity of its portfolios of stocks and bonds of listed companies, and real estate assets.

Real estate. The Group undertakes to gradually align its stock of real estate investments under operational control with trajectories compatible with 1.5°C according to recognized approaches, in particular within the framework of the NZAOA.

For its real estate investment flows, the Group aims to invest in new assets with a high level of energy performance (at least RT2012 -20% for offices) and, in the event of the acquisition of existing non-performing assets, is committed to carrying out work to significantly improve their energy performance in the short term to be part of decarbonization trajectories compatible with 1.5°C.

Infrastructure. Banque des Territoires has implemented a rating process that includes analysis of the contribution of projects to the reduction of GHG emissions. The listing feeds into decision-making, thus contributing to the selectivity of new investments, in order to enhance the beneficial externalities of projects and to put in place measures aimed at reducing or neutralizing their negative impacts on the climate.

Companies. Caisse des Dépôts and Groupe La Poste (bank-insurer branch) have adopted decarbonization trajectories for their investments in listed companies (equities and bonds) established according to reference methods (Net-Zero Asset Owners Alliance, Net Zero Asset Managers Initiative or the Net Zero Banking Alliance, SBTi).

For its direct investments in unlisted companies, the Group identifies the sectors and companies at stake, in order to assess and monitor the evolution of their impacts, on the basis of indicators directly related to the nature of the activities carried out. In all cases, shareholder dialogue on energy and climate issues is reinforced.

Investments via funds. The Group supports the market for listed and unlisted asset funds in strengthening the integration of climate change into management decisions, for example in France by encouraging Management Companies to join the IC France initiative (formerly IC20).

Sovereign bonds. The public institution Caisse des Dépôts has set up a monitoring of the States' commitment to reducing greenhouse gas emissions. In the event of proven deviation from the objectives declared by these States, the Caisse des Dépôts public institution may consider modifying its allocations.

The vast majority of the sovereign portfolio of the Group's entities focuses on France and member countries of the European Union, which has firmly committed to carbon neutrality by 2050 with a -55% reduction in its GHG emissions in 2030 compared to 1990, an ambition in line with a 1.5°C scenario.

■ Lending and refinancing activities

With regard to the financing activities of Banque des Territoires, Bpifrance, or La Banque Postale, as well as the refinancing activities of SFIL, the loan portfolio alignment action primarily targets new financing flows:

- by identifying, during the appraisal, the emissions linked to the projects, and by seeking to position the projects or companies with respect to sectoral evolution scenarios and/or relevant carbon intensity trajectories, when they exist;
- by favoring the most low-carbon projects or companies, in particular in France, by seeking consistency with the development scenarios of the SNBC;
- by encouraging customers applying for financing to commit to the energy transition and, for example, to invest in more low-carbon solutions.

b. Strengthen shareholder dialogue on climate

The Group incorporates climate and energy issues into its shareholder dialogue in order to encourage companies to be more transparent and environmentally efficient.

■ Direct investment in companies

In particular, the Group expects listed companies to:

- **publicly commit to contributing to carbon neutrality by 2050 at the latest** by adopting a trajectory compatible with global warming limited to +1.5°C by 2100 compared to the start of the industrial era;
- formalize **an ambitious medium-term strategy** to achieve this objective, by applying as a priority strategies for avoiding and reducing emissions, and if necessary, offsetting residual emissions⁴;
- **publish regular, detailed, detailed and audited information on its implementation**, in accordance with the recommendations of the TCFD;
- define within this framework one or more **intermediate quantitative objective(s) for reducing GHG emissions** contributing to the energy transition scenarios underlying the achievement of the objectives of the Paris Agreement and carbon neutrality by 2050, realistic and relating to a significant scope of their activity;
- **support and prepare for the development of policies facilitating the achievement of this commitment**, including in terms of sectoral regulation and carbon pricing;
- **accordingly put in place a governance**, in particular promoting constructive dialogue with their stakeholders, primarily investors concerned with this objective.

In connection with the alignment indicators, Caisse des Dépôts monitors the number of listed companies engaged in an alignment process that it promotes, with the objective of reaching 80% by 2030.

The Group expects unlisted SMEs and ETIs, for which the energy and climate issues are important, and according to thresholds to be defined, **that they commit to an emissions trajectory contributing to the achievement of the carbon neutrality objective. worldwide and communicate an action plan to reduce their impact and increase the green part of their activities.** These thresholds are defined by the investor entities, with regard to the composition of their portfolio.

To this end :

- The Group, for each new investment decision, analyzes the climate and environmental issues and, for the assets for which the energy and climate transition represents a significant challenge, carries out regular monitoring throughout the investment.

⁴ The Group encourages companies to respect the 5 best practices of ADEME in terms of carbon offsetting. (<https://presse.ademe.fr/2019/11/compensation-carbone-5-regles-de-bonnes-pratiques.html>)

- Prior to the general meetings of the companies held in the portfolio, the Group examines all the tabled environmental resolutions and supports the resolutions aligned with its assessment of the stakes for society, with regard to the criteria defined in its climate policy and in its "Charter of Responsible Investment". Caisse des Dépôts may make its position public.
- It encourages companies, depending on their size, to engage in recognized initiatives such as ACT or ACT-SME, SBTi or Bpifrance's TEE-dedicated systems.
- The Group may carry out cross-sectional surveys of the companies it owns that are the most exposed to climate risks, but also to opportunities. These surveys are based in particular on the recommendations of the TCFD, which it supports, and on the ADEME ACT methodology. Beyond the individual follow-up of these responses, which is carried out by the managers and investors with these companies, the Group carries out a public summary of the lessons learned, so that the companies can benefit from the results and the best practices identified.

■ Investment in funds

The Public Establishment and Bpifrance Investissement **support the unlisted fund market in strengthening the integration of climate change into management decisions**, and in particular the objective of controlling emissions when relevant. They adapt their own investment process accordingly:

- By systematically assessing, as part of the due diligence they carry out prior to investing in a fund, the consideration of climate issues in the investment management company's approach. This assessment is notably integrated into its due diligence questionnaires and integrated into the decision-making process.
- By asking management companies to make a commitment to transparency, regarding their consideration of this issue in their investment approach through at least annual reporting, which may consist of responding to the annual ESG survey.
- By encouraging management companies to develop support schemes for their invested companies.
- By encouraging management companies to make commitments in this area.
- By encouraging management companies to participate, if the issue is relevant to their business, in the development of tools and systems for monitoring and controlling GHG emissions and improving the energy efficiency of their investment portfolio.

Regarding equity funds, open and closed, managed by external companies, the Public Institution and LBPAM are strengthening their requirements in terms of voting policies, in line with Group policies. They **engage, prior to and during investment, a dialogue with management companies in order to encourage companies to align their voting policies and practices with a transition approach to limit global warming to 1.5°C**. When permitted by the fund's investment strategy, they also encourage management companies to strengthen the integration of climate change into their analyzes and management decisions.

c. Strictly regulate fossil fuels

The Caisse des Dépôts group aligns the selection of its assets and its shareholder expectations with global scenarios (IPCC, IEA NZ2050) and national transition objectives for the oil and gas sector (SNBC, PPE). This policy applies to the investment portfolios and strategic holdings of Caisse des Dépôts, to the investments and financing of Banque des Territoires and Bpifrance, to the activities of SFIL and the financial entities of Le Groupe La Poste (LBP, LBPAM and CNP Assurances) depending on the details provided in the text. Some entities can go further in their climate commitments.

■ Exit from thermal coal

In the IPCC scenarios compatible with the 1.5°C objective, the generation of electricity from coal must be reduced to near zero by 2050.

The Group is committed to achieving a zero exposure to thermal coal in its investment portfolios by 2030 in OECD countries, and by 2040 in the rest of the world.

Since January 1, 2022, Caisse des Dépôts, La Banque Postale, LBPAM and Bpifrance no longer hold securities of companies whose turnover is exposed to thermal coal and which have not announced a plan to withdraw from thermal coal aligned with these deadlines.

The Group excludes from its investment and financing portfolios⁵:

- (i) Companies whose business is exposed to more than 10% of revenue to thermal coal. This threshold will be lowered to 5% of turnover from 2023.**
- (ii) Companies developing new coal-fired power plants (threshold 300 MW of new capacity), or new mines and infrastructure dedicated to coal.**
- (iii) Mining companies whose annual thermal coal production volume exceeds 10Mt.**
- (iv) Energy suppliers whose coal-fired power generation capacity exceeds 10GW.**

The Group may nevertheless intervene to support the transition of companies to a new production model that meets these criteria.

With regard to its equity investments and credit activities in territorial projects (real assets, project companies, and SMEs/ETIs), the Group undertakes not to finance or refinance (i) new production capacities of coal-based energy, (ii) the renovation of power plants leading to the extension in time of their activities, (iii) and more generally any project incompatible with its coal exit trajectory, (iv) or transport infrastructure dedicated to thermal coal.

For listed asset funds, Caisse des Dépôts, Bpifrance and LBPAM engage in dialogue with management companies for the implementation of policies on thermal coal compatible with the objectives of sustainable development. For unlisted asset funds, since 2019, Caisse des Dépôts and Bpifrance have excluded from their new investments funds that include assets or companies whose activity is coal extraction or electricity production from coal thermal exceeds 10% of turnover.

The Group encourages companies in the **metallurgical industry** in which it is a shareholder or which it finances to reduce their coal consumption. The Group encourages these companies to develop projects to test and industrialize various technological options that should enable this industry to replace coal in its operations.

■ Gradual exit from unconventional hydrocarbons

Often emitting more greenhouse gases during their extraction, transformation and/or transport, unconventional fossil fuels are also very harmful for biodiversity: destruction of boreal forests for the extraction of oil sands, hydraulic fracturing and multiplication of drilling for shale gas and oil or even major risks for arctic ecosystems in the event of drilling and/or accidents.

The Group undertakes to achieve zero exposure to unconventional hydrocarbons before 2050 and to regularly review this exit date in order to bring it forward.

⁵ For CNP Assurances, the commitment relates to new investment flows only, not to inventory, in order to take into account the uncertain context of energy supplies. SFIL may continue to refinance low-carbon export projects or projects that improve the electricity mix or the current electricity transmission and distribution infrastructure of the country where the project is located, or consistent with the transition strategy of the company or the country concerned. For Bpifrance: except for one unlisted company that announced a plan to completely phase out coal by 2030.

The Group excludes from its investment and financing portfolios:

- i. **Companies ^{6 7} generating more than 10% of their turnover from unconventional hydrocarbons: oil sands, resources from the Arctic or hydraulic fracturing, except when financing is targeted at a project or a subsidiary dedicated to renewable energies.**
- ii. **Direct financing of infrastructure and exploration projects dedicated to these unconventional hydrocarbons.**

■ Regulating conventional oil and gas

According to the IPCC, oil consumption must be reduced by 65% and gas consumption by 43% by 2050 to limit warming to 1.5°C. In its NZE2050 scenario, the IEA calibrates a decline in oil of more than 3.5% per year between 2019 and 2030. According to the IEA's Net Zero 2050 report, all new oil and gas exploration projects must be abandoned now.

The Group excludes from its investment and direct financing portfolios:

- i. **The development of new oil or gas projects (upstream) ⁸.**
- ii. **Transport infrastructure associated ⁹ with these new projects.**

The Group undertakes not to increase its total exposure to companies that are developing new oil exploration or production projects¹⁰. The CDC undertakes to exclude from its investments companies that do not have a plan to reduce oil production. For LBPAM and CNP Assurances, as of 2025, the cessation of oil and gas expansion will become a criterion for the sale of companies on a case-by-case basis after examining the following criteria: i) the immediate cessation of new oil and gas reserves exploration investments; (ii) the rapid cessation of approval for the development of new oil and gas fields, and (iii) the justification of the climate compatibility of the development of new production and distribution capacities on existing oil and gas reserves with the sectoral trajectories established by the IPCC or the IEA in order to cap global warming at 1.5° by the end of the century.

In addition, each entity of the Group¹¹ ensures that the new hydrocarbon production projects of the companies in the portfolio represent less than 20% of the developments in progress in the world (in millions of barrels of oil equivalent)⁶.

The export activity of Bpifrance and SFIL is aligned with the State policy on the cessation of support for exploration and production in 2025 for oil and 2035 for gas¹².

⁶ Excluding companies of the oilfield service sector. SFIL will thus be able to support these companies selectively in the financing of low-carbon projects.

⁷ Excluding Green Bonds, Sustainable Bonds, Social Bonds and excluding companies mainly dedicated to the transport, storage and distribution of gas in France and neighboring countries whose activity is regulated, requiring them to non-discriminate access to their infrastructures. The Group encourages the latter to make their best efforts to limit exposure to unconventional energies and asks them to publish the share of their activities derived from these resources.

⁸ With the exception of a company which develops, in France, coalbed methane, making it possible to reduce methane emissions from old coal mines. Furthermore, this commitment does not concern regulated gas transmission entities and midstream gas regasification projects.

⁹ An infrastructure is said to be associated with a project if the following conditions are met: (a) it is significantly linked to the project, (b) it is carried out in a time frame linked to the project, (c) the project is not viable without it and (d) it would not be realized without the project.

¹⁰ As a % of the portfolio for CDC, in balance sheet value for CNP Assurances. Excluding green and sustainable bonds and project financing unrelated to new oil projects. LBPAM undertakes to integrate, on a case-by-case basis and in conjunction with companies' decarbonization trajectories, the development of new oil or fossil gas exploration or production projects into the management company's exclusion criteria.

¹¹ Except LBPAM.

¹² The finance bill for 2023 proposes the end of export guarantees from 1 January 2023 for the entire value chain of the sector of all fossil fuels: from upstream exploration-production to refining downstream, through transport and storage. Subject to its adoption, Bpifrance and SFIL will apply these exclusions.

■ A strengthened shareholder engagement for the oil and gas sector

The Caisse des Dépôts group analyzes the commitments made by companies in the sector¹³ as well as recent and future investment decisions, and integrates the risk of transition into its analysis of investment or financing of a company.

The Group adopts **a demanding shareholder dialogue with companies in the oil and gas sector and asks them for a transition strategy aligned with a 1.5°C scenario**, transparent and scientifically credible, reflected in order of priority by: (i) **avoided emissions**, including emissions related to the use of energy products sold, and objectives of diversifying their activities towards low-carbon activities; (ii) **the reduction of methane emissions** (routine flaring and venting, leaks), together with reduction targets, and the development of the use of renewable energy; and (iii) **as a last resort and in a transparent manner, by technologies for capturing or offsetting residual emissions**.

In addition, companies are regularly engaged in order to:

- Diversify their activities towards renewable energies (reinvestment of profits).
- Reduce their exposure to the unconventional energy sector
- Cease the development of oil exploration and production projects.

The Group expects companies present in the oil and gas supply chain (fossil and renewable), from production to distribution¹⁴, to implement a structured strategy to reduce methane emissions for a supply chain "tending towards zero methane emissions". It will include:

- A reduction in the intensity of methane emissions in 2025 from operations and non-operated investments well below 0.20% and tending towards zero, or to reduce methane emissions by at least 30% in 2025 compared to 2015 and between 60% and 75% in 2030.
- A formalized plan to reduce routine flaring operations no later than 2030 on the operated scope and on its non-operated holdings.
- A formalized plan to reduce its venting operations.
- The publication each year of its objectives and its progress, preferably according to the OGMP 2.0 reporting framework, aiming for the most detailed level of reporting (at least level 4), otherwise by explaining its method.
- Publication of methane emissions from oil and gas imports.

The Group encourages companies to include their strategy in one or more voluntary collective initiatives including Oil&Gas Climate Initiative (OGCI), Methane Guiding Principles (MGP), Zero routine flaring by 2030 (ZRF), OGMP 2.0. For companies operating in Europe, these commitments will prepare for the application of the regulations on methane emissions from the energy sector currently being adopted. The Group thus supports the international commitments of France and the EU.

The Group's financial entities that hold stakes in companies in the **oilfield services sector** dialogue with them to support them in the transition to other business models, in particular to renewable energies and other low-carbon solutions, by promoting the key skills that these companies can bring to the energy transition, including: the storage and distribution of fluids, the expertise of interventions on the high seas, the deployment of technical solutions adapted to constrained environments (pressure, temperature, corrosion, etc.). As with any sector strongly impacted by the energy and ecological transition, the Group's entities will also monitor social issues so that the transition of these business models is as fair as possible.

¹³ Defined as direct operators and their direct Tier 1 suppliers, of minimum ETI size.

¹⁴ The Group may extend this policy to sectors that consume a lot of gas.



Increase the resilience of our activities and of territories to climate change

In 2022, the Group drew up a first Climate Adaptation Action Plan (see the full document in the appendix).

It has two parts:

a. Adapt the Group's activities

The Group's approach is progressive. In 2022, it focused on activities and investments in real estate and infrastructure. The joint work of stakeholders in these sectors was based on the sharing of best practices and expertise from subsidiaries and holdings, such as Icade, CDC Habitat, RTE, Egis.

The ambition is threefold:

- Integrate adaptation into new assets, if possible from project design.
- Increase the resilience to climate change of activities already in the portfolio.
- Include adaptation in ongoing asset management processes.

The deployment of these objectives will be gradual according to the size of the portfolios and the ability to act of the various Group entities (see the 2022 adaptation plan in annex for the progress of the various entities).

By adopting shared adaptation principles, the Group's entities in these business lines have undertaken to apply rigorous adaptation methods to counterbalance uncertainty about the extent of future climate change.

Work to adapt to climate change will be extended in 2023 to the Group's other operational and financial activities. The approaches adopted in this first stage, limited to investments in infrastructure and real estate, will be tested within coherent groups of activities (e.g. lenders, operators, investors, etc.). As far as possible, this approach will be articulated with the obligation for financial institutions to financially quantify their risks related to climate change.

b. Support local authorities

This extended offer of engineering, financing, services and consignments will be deployed in 2022 and 2023. It aims to enable local authorities to develop and carry out systemic adaptation strategies, responding to the global challenges of their territories.

The Banque des Territoires will mobilize six action levers:

1. Take into account the imperative of adaptation in its current offer.
2. Raising awareness and training on the issues at stake.
3. Assess the territorial impact and prepare useful land areas.
4. Implement resilient developments.
5. Preserve and manage natural resources.
6. Support territories facing extreme events.

This new offer is in addition to the adaptation solutions already offered by Banque des Territoires and by the subsidiaries and strategic holdings of Caisse des Dépôts.

5

Contribute to national objectives on climate

a. Finance the implementation of public policies

Focus: In July 2017, the government's Climate Plan set a course for carbon neutrality by 2050. This objective is now enshrined in law. The National Low-Carbon Strategy (SNBC) provides guidance in all sectors towards a low-carbon, circular and sustainable economy, reconciling growth and job creation in a context of global transition.

The SNBC is based on a reference scenario developed during a joint modeling exercise for the Multiannual Energy Program (PPE), identifying public policy measures to meet climate and energy objectives.

To achieve carbon neutrality, it is necessary to completely decarbonize energy production by 2050, to significantly reduce energy consumption in all sectors, to reduce emissions from agriculture and industry as much as possible and increase carbon sinks to absorb residual emissions (around 80 Mt CO₂eq in 2050).

Work to update the SNBC by the end of 2024 began at the end of 2021. Their aim will be to set out the new national ambition to reduce emissions following the raising of the European Union's climate objectives, this which will require additional financing needs.

The Group as a major public financial platform has set itself the objective of devoting €60bn¹⁵ to the ecological and energy transition between 2020 and 2024.

- In 2020, the Banque des Territoires (BDT) and Bpifrance announced their "Climate Plan for the ecological and energy transition of companies and territories at the service of recovery" for €40 billion between 2020 and 2024.
 - €23.2 billion for the transition of companies and territories (see Section 5.b).
 - €9.6 billion for renewable energies and the growth of international champions (see Section 5.c).
 - €7.2 billion for "greentechs" and sustainable and resilient networks (see Section 5.d).
- The share of annual funding and investments by BDT and Bpifrance dedicated to the EET should reach approximately 40% by 2024.
- The SFIL/La Banque Postale (LBP) are continuing to support investments for the environment by local authorities with the objective of granting green financing of at least €2 billion over the 2020-2024 period. La Banque Postale has also committed to financing renewable energies to the tune of €3 billion by 2023.
- In addition to SFIL/La Banque Postale financing, CNP Assurances, a subsidiary of La Banque Postale, has committed to reaching €25 billion in green investments by the end of 2025.
- The Public Establishment's Asset Management business line also participates in the financing of the EET by investing in green bonds, in very energy-efficient real estate and in sustainably managed forests.
- The STOA investment vehicle, created in partnership with the AFD, finances and supports the development of sustainable and resilient infrastructure for future generations in Africa, Latin America and Asia. STOA aims to devote a minimum of 50% of the amounts invested to projects with climate co-benefits, for mitigation or adaptation, and by 2024 to contribute to the financing of 1,500 megawatts of renewable energies.

¹⁵ That is nearly 15% of the investments identified by I4CE for the period 2020-2024.

In line with the raising of the national target, in accordance with the new European target (which involves acting more quickly by 2030, in order to reduce GHG emissions by 55% compared to 1990 against 40% previously) , the Group will mobilize to align its financing and investments with this new ambition.

At the same time, the Group is developing its own **green and sustainable emissions policy**, allowing investors to contribute to the financing of its green activities. This is particularly the case for the Public Establishment, SFIL and La Banque Postale.

The Group is committed to the just transition.

Included in the preamble to the Paris agreement, the just transition is an imperative highlighted by various crises (yellow vests in 2018, unrest in Ecuador in 2019 following the end of fuel subsidies, but also the Covid-19 crisis) aimed at reconciling environmental and social objectives so that the objectives of preserving the planet and social justice reinforce each other instead of opposing each other, and to break out of the vicious circle where inequalities and ecological degradation feed each other

Ensuring a just transition for all by ensuring the preservation of household purchasing power and the competitiveness of businesses and taking into account socio-economic impacts and inequalities are an integral part of the objectives of the SNBC.

These issues echo the purpose and strategic pillars of the Caisse des Dépôts group, beyond the ecological transition: inclusive economic development and employment, social cohesion and housing, territorial cohesion and regional planning.

Thus throughout the Group, investment and operational management decisions take social and societal issues into account, and the Group is gradually integrating just transition issues into its shareholder dialogue. For example, the transformations in automobile construction in connection with low-carbon engines have an impact on the means of production and the employees of the entire value chain.

In June 2021, Caisse des Dépôts, CNP Assurances and La Banque Postale contributed as founding members to the launch of the investor initiative for the just transition, within Finance for Tomorrow, and presented at COP26 at the end of 2021.

The Banque des Territoires deploys investments in stakeholders of the social and solidarity economy at the service of social and territorial cohesion: inclusive companies operating in the sectors of the circular economy or the agricultural and food transition, operators of social innovation that upgrade wasteland or vacant buildings, lifelong training organizations, services to citizens, digital inclusion, etc.

The Group contributes to the financing of carbon sinks.

The forest-wood-biomass sector is a strategic sector for achieving net neutrality because it allows carbon sequestration as well as the production of materials likely to store CO₂ over the long term. It also provides local access to renewable energy.

The Group is mobilizing in favor of carbon sequestration projects in its operational projects, and with its customers for the financing and facilitation of sequestration projects, in particular by using the Low carbon Label.

The Société Forestière de la Caisse des Dépôts puts its expertise at the service of the climate by designing forestry projects to contribute to carbon sinks. It manages just over 300,000 hectares of forest, around a third of which on behalf of Caisse des Dépôts and CNP Assurances. It has developed expertise in payments for ecosystem services, in particular through the deployment of the Low-Carbon Label on forests. In 2021 and 2022, Société Forestière supported the labeling of 6 projects for 3 companies, thus contributing to the sequestration of 50,620 tonnes of CO₂ over 30 years. Supported by the Group impact accelerator (see §d below), it has developed a tree-lined city method of the Low Carbon Label for tree projects in the city.

The Group is also committed to increasing the financing of nature-based solutions and investment in the companies that develop them.

Focus: Nature 2050 is a national action program led by CDC Biodiversité and the Nature 2050 Fund and conducted with environmental associations, scientists and public stakeholders, to strengthen the adaptation of territories to climate change and preserve their biodiversity through the implementation of nature-based solutions, by 2050. These nature-based solutions promote the maintenance of ecosystem services and strengthen the resilience and socio-economic viability of human activities and territories through the following five action targets: marine and coastal ecosystems, wetlands, agricultural and forestry transitions, biological continuity and biodiversity in the city. By mobilizing companies willing to invest in natural capital, Nature 2050 embodies a new tool for private financing of the ecological transition of territories which today finances more than 50 projects across France.

Compagnie des Alpes established a partnership with the National Forests Office to sequester carbon to the extent of its residual emissions as close as possible to its sites through projects of reforestation of forests in poor condition subject to the Low Carbon Label, with the potential to sequester up to 45,000 tonnes of CO₂ over the next 30 years. This approach also brings co-benefits for biodiversity and contributes to the adaptation of forests to climate change.

Icade has chosen Société Forestière, Alliance Forêts Bois, and STOCK to develop 14 forestry projects and 2 agricultural programs that will contribute to partially offsetting its carbon emissions. More than 500,000 trees will thus be planted in France over the next 5 years, exclusively within the framework of low-carbon labeled projects. Icade invested from 2019 up to the residual emissions calculated until 2025 of its Tertiary Property Investment activity, i.e. 92,000 tonnes of CO₂.

Egis has skills for the design, implementation and monitoring of sequestration projects: reforestation or restoration of ecosystems, mangroves, etc. (Landboost, Soil.is supported by the Impact Accelerator, Seaboost). Egis intends to implement sequestration projects on its own land or on concession land through nature-based solutions.

Le Groupe la Poste participates in the development of carbon sinks in France through its "Climate + Territories" program which aims to preserve ecosystems by supporting the development of the local economy. At the end of 2021, this program had 30 projects, including 18 with the Low-carbon Label. The first six forestry projects financed by La Poste contributed to the label's referential and forestry methods and made it possible to restore or reforest 1,300 hectares in France, including 84 hectares in under the label, i.e. savings of +14,860 tonnes of CO₂ equivalent over 30 years in France.

b. Support the transition of territories and businesses

Focus: At the territorial level, the Regions are the leaders in climate action and energy transition. Regional planning, sustainable development and territorial equality plans (SRADDET), regional climate, air and energy plans (SRCAE) in Ile-de-France and Corsica and regional planning plans (SAR) in Overseas France, as well as the territorial climate air energy plans (PCAET) must take into account the SNBC and thus ensure a territorialisation of its objectives and orientations.

The transition requires significant investments, profitable in the long term, but requiring support from economic players. A part corresponds to investments that would have taken place anyway: it is necessary to redirect public and private financial flows and to move them away from investments unfavorable to climate.

The Group is developing and strengthening its support offers for the transition of territories and companies, both through its financial and operational activities.

As part of their €40 billion climate plan, Bpifrance and Banque des Territoires will mobilize €23.2 billion to help regions and industrial companies decarbonise, develop green mobility, improve the environmental footprint of buildings, adopt a reasoned approach to the use of natural resources (water, land, etc.) and support the agricultural and food transition of the territories.

- €14.9 billion to improve the energy efficiency of 22 million m² of public buildings (schools, universities, hospitals, etc.), services and social housing (200,000 housing units).
- €3.5 billion to develop green and resilient mobility, notably with the financing of 11,000 green vehicles and 50,000 charging stations.
- €4.8 billion in Green Loans for the decarbonization of nearly 6,000 industrial companies.

The Banque des Territoires supports the fair and inclusive transition of territories, aiming at the same time to preserve ecological balances, adapt to climate change, and limit environmental impacts, while developing the attractiveness and networking of territories. The Banque des Territoires gives priority to the energy renovation of public buildings and social rental housing, to water management but also to innovative energy solutions (e.g. intracting). It supports territorial energy strategies (SRADDET or PCAET), but also the diagnosis and management of the energy performance of public assets.

In addition, the Banque des Territoires contributes to the emergence of **transition projects by providing engineering support for territories and industrial players in their initiatives related to the energy and environmental transition of industry**, including the rehabilitation of industrial wastelands (support for local public companies / semi-public companies, loans to acquire land, make it serviceable and clean it up).

In particular, SCET and its subsidiary Even support the energy and ecological transition of territories by providing them with expert engineering and strategic advice best suited to each context and vulnerability (urban, rural, coast, mountain, etc.) and integrating the challenges health and well-being (in particular through the development of nature-based solutions) for the development of PCAETs or adaptation strategies (anticipation of the evolution of risks, changes in the water cycle, distribution of cash, etc.), or even for the implementation and operational set-up of transition projects.

To reinforce the dynamic initiated by the Banque des Territoires in the service of an ecological and energy transformation in the territories, the Banque des Territoires relies on a large partnership ecosystem and brings together key players. It mobilizes its public and private, local and national partners to strengthen their reputation and their ability to work together with the territories, but also the relevance of their offers to better serve the territories. This mobilization of the ecosystem is essential.

Bpifrance aims to facilitate the transition of more than 6,000 companies per year with a massive door-to-door campaign, the long term continuation of the Green Loan, a strengthened network and the implementation of new support systems.

In 2021, one euro of financing from Bpifrance was accompanied on average by 4.9 to 6.8 euros in bank or other financing. Through Bpifrance's guarantee schemes, one euro of public funding allows Bpifrance to cover an average of €14.3 of loans by banking partners, to which are associated €15.7 of loans by banking partners not covered by this guarantee. For innovation aid (subsidies, repayable advances, interest-free loan), the leverage effect is lower, given the technological risk and the highly subsidized nature. One euro of public funding provides €1.3 in aid. This aid in turn leads to an average of €3.5 in other financing (including self-financing).

La Banque Postale has been implementing green loans with local authorities, in conjunction with **SFIL**, but also since the end of 2020 with companies, intended to finance projects with a strong environmental impact, from waste recovery to the energy renovation of buildings, utilities, renewable energy production and clean transport. Since 2019, 2 billion euros in green loans have been granted for more than 530 projects in all regions of France, including in the overseas departments.

Several offers complement green loans such as “impact credit” for companies producing a declaration of extra-financial performance (the rate of which varies according to three ESG indicators), “Green” real-estate leasing for rental financing aligned with the EU taxonomy, or partnerships with Carbo, a start-up incubated by La Banque Postale, which offers companies a certified carbon footprint and ways to reduce emissions, or with EdE, a subsidiary of La Poste Group, which supports companies in the collection and promotion of Energy Saving Certificates.

c. Contribute to France’s energy future

The Group is committed to supporting the transition of the energy system:

■ Via its investments and financing for renewable energies:

As part of the financial mobilization for the EET of €60 billion, the Group will massively finance renewable energies and contribute to the growth of international champions:

€9.5 billion will be deployed by Banque des Territoires and Bpifrance for the growth of renewable energy developers as well as a support for the sectors necessary for innovation in this area with an objective of 8.8 GW of installed power.

- €8 billion for the co-financing of renewable energies by Bpifrance and the creation of a specific offer.
- €200 million devoted to the renewal of the Bpifrance investment fund dedicated to renewable energy developers (Fonds France Investissement Energie Environnement – FIEE). Renewable energy developers will also be able to apply for export credits to finance their internationalization on a target envelope of €275 million by 2024.
- €350 million in loans, financed by the Ministry of Agriculture and ADEME for Bpifrance to support the structuring of the Biogas sector.
- Nearly €900 million of equity from the Banque des Territoires will be dedicated to renewable energies.

In addition, Bpifrance will provide companies with all the Bpifrance support systems, in particular consulting missions and the possibility of joining the EET accelerator, in partnership with ADEME, as well as cross-functional accelerators.

The Banque des Territoires contributes to accelerating the transition of the energy system in the territories by investing in renewable energies, and local infrastructures such as heating networks, for example by supporting renewable energy developers through long-term financial partnerships that secure them, or by supporting local authorities in arrangements with private developers, or in the creation of regional funds or public private renewable energy companies. It supports innovative sectors such as green hydrogen, floating offshore wind power or energy storage.

La Banque Postale has also committed to financing renewable energies to the tune of €3 billion by the end of 2023.

Caisse des Dépôts is the reference shareholder of the Compagnie Nationale du Rhône (CNR), concessionaire of the Rhône since 1934 with three missions: hydroelectric production, navigation, agricultural irrigation. CNR is the leading French producer of exclusively renewable energy with an installed capacity of 3 GW hydroelectric within the framework of the Rhône concession producing 23% of French hydroelectricity, and 1 GW of renewable energies (70% wind, 20% solar and 10% “small hydro”).

CNR launched Solarhona in 2021, for the development of solar energy in the Rhône Valley. It is aiming for an additional 1,000 MWp of installed power by 2030, prioritizing small photovoltaic projects on roofs, shade houses and small ground surfaces and bodies of water.

Le Groupe La Poste has installed photovoltaic panels on its industrial facilities since 2009. The group has signed a partnership with Urbasolar to install photovoltaic power plants on the roofs and in the shades of logistics platforms. At the end of 2021, the 51 installations managed by La Poste Immobilier generate 6.8 GWh during the year.

Compagnie des Alpes is also developing its production of renewable energy (photovoltaic, hydroelectricity) to eventually produce 10% of the electricity consumed in the ski resorts it operates.

■ As a reference shareholder in the major French energy networks:

The Caisse des Dépôts group (CDC and CNP Assurances) is the reference shareholder of RTE, the largest electricity transmission network in Europe, and of **GRTgaz**, which operates 85% of the national gas transmission network and 3 of the 4 LNG terminals French.

Investment needs in these networks will be more than €45 billion over 15 years, mainly for electricity, to adapt them to new and renewable energies (onshore, offshore and solar wind turbines, storage, etc.) and new uses (electric and digital mobility, self-consumption, etc.), accelerating the development of green gas (biomethane, NGV, hydrogen), maximizing their insertion into the energy mix, and naturally renewing infrastructures in order to guarantee the level of quality and safety.

At the end of 2021, RTE drew up scenarios for the evolution of France's electricity system by 2050, which highlight the preponderant share of renewable energies, without which achieving carbon neutrality is impossible, which are now competitive. economically, and the pace of deployment of which must be accelerated in all scenarios. Similarly, in all scenarios, the electricity networks must be scaled up to make the energy transition possible.

The entities of the Group that are shareholders of GRTgaz will continue to play a demanding shareholder role by asking it:

- to support renewable gas sectors from waste or biomass and the development of transport infrastructure to facilitate decarbonisation through renewable and low-carbon hydrogen.
- continue efforts to reduce methane emissions on its network to achieve an objective close to the technically feasible minimum emissions.

d. Support innovation for climate

The transition involves innovations in all sectors and an adaptation of production and consumption methods to promote sobriety and energy efficiency. The enrichment of skills, qualifications and career paths make the transition an opportunity for the economy and for employment.

As part of their €40 billion climate plan, Bpifrance and the Banque des Territoires will finance innovation in “greentechs” and sustainable and resilient networks to find technological solutions for the EET.

- €4.2 billion mobilized by Bpifrance to support the emergence and growth of greentechs.
- €3 billion in support for sectors and innovative systems for the sustainable and resilient development of territories will be committed by the Banque des Territoires.

Banque des Territoires invests in networks and their resilience (water, waste, heat). It aims to support innovations for the energy management of neighborhoods and public buildings (e.g. energy storage, intelligent management), for photovoltaic production integrated into buildings, methanation, but also to develop the offer on the energy efficiency of private housing.

To meet the adaptation needs of the territories, it has designed a new range of support and financing offers allowing local authorities to develop strategies and design more resilient projects (see Section 4).

It also targets investment in the circular economy and resource management (e.g. water, solid recovered fuels), reuse services, agricultural and food transition (short local circuits, local sectors, development of agroecology, urban agriculture with social impact, etc.), favoring innovative economic models integrating impacts and externalities. It supports public stakeholders to integrate biodiversity and ERC sequences (avoid/reduce/compensate) in major projects and in the construction of ecological infrastructure (green and blue canvasses). It offers a complete route - with selected partners - from the strategic anticipation phase to the implementation of drinking water and sanitation project works.

Internally and across the Group, in 2022 the Banque des Territoires launched an impact accelerator endowed with €5 million over 2022-2024 to support the development of innovative and impactful Group offers and solutions for territories, particularly on the climate. This accelerator finances design, feasibility and experimentation studies with a view to developing or improving the Group's offers for the territories.

In 2019, Icade set up a start-up studio which co-creates and invests in start-ups focused in particular on environmental transition such as Vertuo (biodiversity in an artificial environment), or Stock CO₂ (connecting carbon storage and emitters).

e. Support the transition of highly emissive sectors

The transport sector and the residential-tertiary sector are two of the most energy-consuming and greenhouse gas-emitting sectors in France (resp. 30% and 15% of emissions in 2019). Their share in the investments required for the transition is substantial, and they represent more than three quarters of the Group's operational carbon footprint, which includes operating entities in these sectors: La Poste, Transdev, Egis, ICADE, CDC Habitat, etc. These sectors are therefore material for the 1.5°C alignment of the Group's activities and for its contribution to national objectives, and this is why the Group¹⁶ has set up sector lines in this area, summarized below.

Details of the commitments of the Group and its entities active in the two sectors are presented in the sector policies in annex.

■ Real estate sector

The SNBC aims to achieve complete decarbonization of the energy consumed in buildings by 2050. In its real estate activities, the Group is committed to contributing to maintaining global warming at 1.5°C by reducing emissions of greenhouse gases linked to the overall energy consumption of buildings but also, where possible, by reducing emissions from the entire life cycle of buildings, in particular emissions linked to construction materials. It also monitors the interrelationship with other environmental challenges, in particular adaptation to the consequences of climate change and the loss of biodiversity, and endeavors to deal with social issues, in particular the establishment of decent housing for all, the fight against social and territorial inequalities, social diversity or the health of the occupants.

Thus, the Group ensures that its environmental improvement actions are not carried out to the detriment of the comfort of the occupants of the buildings and endeavors to reduce the other environmental impacts of its activities (emissions from materials, waste, biodiversity).

¹⁶ Excluding LBPAM for real estate, excluding LBPAM and CNP Assurances for transport. The application of these policies by LBPAM and CNP Assurances is currently being assessed.

To do this, the Group is mobilizing on each of its four main modes of intervention:

- aligning the real estate stock held or managed with a 1.5°C trajectory¹⁷;
- alignment of new developments (promotion, development, own investment) with the best environmental performance compatible with a 1.5°C trajectory;
- the financing of an efficient real estate portfolio, in particular with dedicated offers for energy efficiency and support for all customers for the energy improvement of their properties;
- supporting third parties in their own exemplary projects.

Over the 2020-2024 period, the Group is committed to financing more than €25 billion in the energy renovation of buildings and the construction of high-performance buildings, as part of its target of €60 billion in terms of financing the ecological and energy transition. This represents a contribution of 19% to the financing needs of the building sector in the SNBC¹⁸.

■ Transport sector

The Group wishes to support transport decarbonization scenarios and the changes deemed necessary, particularly in France, by the SNBC. Thus, the Group intends to develop and give priority to sustainable transport assets and projects and limit its exposure to transport assets and projects that are potentially inconsistent with the desired decarbonization of the sector, and to this end undertakes to:

- **Make increased use of the scenarios for the evolution of the sector described by the SNBC in France, and the IEA, worldwide, and of decarbonization trajectories** for the different modes of transport emanating from these scenarios in investment decisions and financing, and in portfolio management.
- **Strengthen shareholder engagement on the climate in the sector, particularly for car manufacturing, request transition plans** providing for the end of thermal engines, and including the imperatives of a just transition, and **for the aviation sector, condition any new investment in an airline to the existence of a 1.5°C alignment strategy.**
- **Mobilize a financial envelope in favor of sustainable transport** as part of their €40 billion climate plan Banque des Territoires (BDT) and Bpifrance: **€3.5 billion to develop green and resilient mobility, with in particular the financing of 11,000 green vehicles and 50,000 charging stations, as well as hydrogen, NGV and gradually bioNGV refueling stations.**
- **Deploy fleets of low-emission vehicles.**
 - **Groupe La Poste:** Today, 30% of the 53,000 motorized vehicles of La Poste's Parcel Mail Services Branch are electric, which plans, by 2025, to deliver in soft or low-carbon mode to the 27 largest French cities, in particular by acquiring 4,500 additional electric vehicles and deploying one of the largest fleets of cargo bikes in Europe.
 - **Transdev** will increase the share of its low-emission alternative fleet by 50% by 2030 compared to 2017. Transdev operated 1,400 electric vehicles in 2021 and aims to increase to more than 2,000 in 2022.
 - **Compagnie des Alpes** has made the transition to synthetic biofuel for its entire fleet of snow groomers in ski areas, and has begun the electrification of its vehicles, which represent the majority of its carbon footprint, including electric buses and eventually electric snow groomers.

* * *

¹⁷ For the residential sector, the current trajectory of 2°C is being corrected to be gradually brought back to a trajectory compatible with 1.5°C.

¹⁸ Estimate made on the basis of the study: "Recovery! how to finance the climate action" by I4CE, 2020.

Annexes

I. Declination of the low-carbon policy

Sector policies

1) Oil and Gas

https://www.caissedesdepots.fr/sites/default/files/2022-10/2022%2010%2026%20Group%20Climate%20Policy%20Oil%20%26%20Gas_0.pdf

2) Real estate

https://www.caissedesdepots.fr/sites/default/files/2022-10/2021%2005%2012%20Group%20Climate%20Policy%20Real%20Estate_1.pdf

3) Transport

https://www.caissedesdepots.fr/sites/default/files/2022-10/2022%2004%2011%20Group%20Climate%20Policy%20for%20Transport_1.pdf

Business lines and entities' policies

Financial business lines

- CD Group's Responsible Investment Report: <https://www.caissedesdepots.fr/sites/default/files/2021-10/Bilan%20investissement%20responsable%202020.pdf>
- Banque des territoires : <https://www.banquedesterritoires.fr/nos-dispositifs-de-relance-pour-la-transition-ecologique-et-energetique>
- Bpifrance : <https://www.bpifrance.fr/nous-decouvrir/bpifrance-banque-du-climat>
- Le Groupe La Poste
 - La Banque Postale : <https://www.labanquepostale.com/responsabilite-societale-des-entreprises/nos-engagements/engagements-envers-la-planete.html>
 - CNP Assurances : <https://www.cnp.fr/cnp/content/download/10521/file/CNP-Assurances-Rapport-investissement-responsable-2021-VF.pdf>
- SFIL : https://sfil.fr/wp-content/uploads/2022/04/RSE-FR_2021.pdf
- STOA : <https://www.stoainfraenergy.com/strategie-climat/>

Operational entities

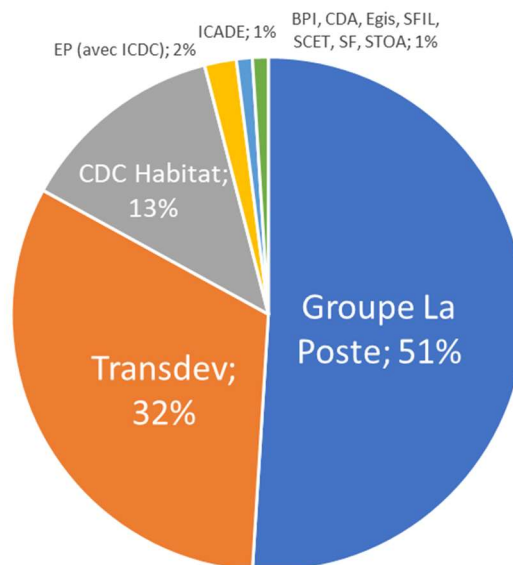
- Transdev : <https://www.transdev.com/fr/nous-connaître/vision-citoyenne-et-ecologique/>
- ICADE : <https://www.icafe.fr/finance/actionnaires/assemblees-generales/ag-2022/rapport-climat.pdf>
- Compagnie des Alpes : https://www.compagniedesalpes.com/sites/default/files/widgets/reference_document/2022-01/CDA2021_URD_FR_MEL3_22_01_31%20Def.pdf
- **Groupe La Poste :**
 - URD Groupe la poste https://le-groupe-laposte.cdn.prismic.io/le-groupe-laposte/948de1f2-6ee1-49e1-8166-6f4e4bcd93ab_La+Poste+Groupe+2021_DEU_FR.pdf
 - Environment policy : https://le-groupe-laposte.cdn.prismic.io/le-groupe-laposte/1d58de8a-23b2-411f-9c6c-28e73c677f23_Politique+environnement_V2021+V+DEF.pdf
 - Climate essential : https://le-groupe-laposte.cdn.prismic.io/le-groupe-laposte/b82e6ee7-3e1e-421a-89dd-97f6214fc4f_LA_POSTE_Climat_FR_BAT.pdf
 - DPDgroup : <https://www.dpd.com/group/fr/developpement-durable/>

II. Carbon footprint of the Group's operational and internal activities

To aim for exemplarity both internally and for its investments, the Caisse des Dépôts group as a whole (La Poste Group included) aims to align all of its operational activities and its internal functioning on a path of global carbon neutrality. Nearly 95% of its scope 1, 2 and manageable scope 3 emissions are already covered by a reduction target compatible with the Paris agreement and nearly 50% of the Group's residual emissions are now offset.

CDC Group Operational Carbon Footprint 2021

Scopes 1, 2 and manageable scope 3: 5,2 MteqCO₂



The operational emissions of the Group's entities amounted to 5.2 million tonnes of CO₂ equivalent in 2021, in scopes 1, 2 and manageable scope 3, up 9% compared to 2020. This increase results from the resumption of activities but also acquisitions of operational activities in the transport and logistics sector in particular.

51% of these emissions come from the activities of Le Groupe La Poste, 32% from the activities of Transdev and around 13% from the activities of CDC Habitat. The Public establishment Caisse des Dépôts (including CDC Informatique) and ICADE only represent 1 to 2% each. All of the other Group entities collectively represent only 1% of total operational emissions.

Scopes 1, 2, and 3 represent respectively 41%, 7% and 51% of the total, stable proportions compared to 2020. Scopes 1 and 2 are dominated by Transdev at 62% while scope 3 is dominated at 78% by La Poste.

The emissions of La Poste and Transdev (i.e. more than 80% of the Group's total emissions) are mainly due to transport (passengers, parcels and mail), which is the Group's main emissions sector at the operational level, followed by the real estate (residential and tertiary).

More than 50% of the Group's operational emissions are offset. These are mainly emissions from Le Groupe La Poste, which offsets all of its emissions.

Finally, approximately 93% of these emissions are covered by reduction targets aligned with the Paris agreement, i.e. 2°C or below.

Business lines and entities: operational emissions

- **Public establishment Caisse des Dépôts:** reduction of emissions per employee by 46% between 2019 and 2030 in scope 1 to 3.
- **SFIL** is committed to reducing its greenhouse gas emissions by 15% (scopes 1,2 and 3) between 2018 and 2021. In total, this reduction reached 31% over this period.
- **Icade**, committed to the SBTi approach, plans to reduce its emissions in absolute value by 29% in 2030 compared to 2019 (scope 1 to 3) and by 90% by 2050. Its 3 poles are aligned to 1.5°C targets and zero net emissions in 2050. For Tertiary Property Investment, this implies a 60% reduction in carbon intensity between 2019 and 2030 (in kg CO₂/m²/year) and 37% for Healthcare Property Investment. The promotion activity aims to reduce its carbon intensity by 41% between 2019 and 2030.
- **CDC Habitat** aims to achieve an average performance level of 80 Kwhep/m²/year by 2050 (DPE basis), in accordance with the SNBC.
- **The La Poste Group:**
 - **La Poste** is targeting a 30% reduction in emissions within the scope of La Poste SA between 2013 and 2025 aligned with a 1.5°C trajectory in scope 1 & 2 and 2°C in scope 3.
 - **DPDgroup/Geopost** undertakes to reduce its emissions per parcel by 30% by 2025 compared to 2013
 - **La Poste Immo** is aiming for a 35% reduction in greenhouse gas emissions from the heritage portfolio by 2030 compared to 2017, allowing alignment with an SNBC trajectory, and a 20% reduction in energy consumption (in kWhep/m²) across the entire fleet by 2030 compared to 2017.
 - **La Banque Postale** is committed to reducing its Scope 1 and 2 operational emissions by 46% over 2019-2030. This ambition, aligned with a 1.5°C trajectory, has been validated by the SBTi.
 - **Egis** forecasts a reduction in direct emissions of 30% in 2030 compared to 2016 (in France) and 2021 (Worldwide), and of 80% in 2050 (Worldwide).
 - **Transdev** will reduce the carbon intensity of the fleet by 30% by 2030 compared to 2017.
 - Since June 1, 2021, **Compagnie des Alpes** has set itself a low carbon trajectory aiming for net zero carbon (Scope 1 and Scope 2), with the reduction of its emissions by 50% in 2030 compared to 2017/2018 and the compensation of residual emissions (absolute contraction approach at 1.5°C).

In addition, the forestry assets of Caisse des Dépôts and CNP Assurances, entirely managed by Société forestière, contributed to the sequestration of nearly one million tonnes of CO₂ in 2021. These sequestrations are not deducted from the Group's carbon footprint.

III. Caisse des Dépôts Group's Climate Adaptation Action Plan 2022

Introduction : Increasing the resilience to climate change of Caisse des Dépôts' Group and of French territories

In the face of climate change, the Group's main strategy remains to reduce its GHG emissions to help keep global warming below 1.5°C. However, the latest IPCC report states that there is at least a 50% chance that warming will exceed 1.5°C in the next 5 years compared to pre-industrial levels, even if emissions are drastically contained and then reduced¹. While the increase in average temperatures has exceeded 1°C worldwide², weather disruptions directly attributed by experts to this warming are already being observed all over the world, causing increasing damage to activities, assets and inhabitants.

We must therefore anticipate and prepare responses to future climate events in order to avoid and minimise impacts, react to crises, limit their consequences, repair damage and build back better.

In 2022, Caisse des Dépôts group is launching a climate adaptation action plan which has two parts:

■ Adapting the Group's operational and financial activities

This approach aims to systematise adaptation to climate change in management decisions and processes. The Group's action plan will be rolled out progressively, following a consistent approach by asset class and type of activity, as described below. Focused in 2022 on real estate and infrastructure, it will be from 2023 and progressively extended in appropriate forms to the Group's other sectors.

■ Adapting territories and offers to clients

At the end of 2021, the Banque des Territoires launched the development of new support and financing services and products to meet the adaptation needs of territories. These offers, which consider the adaptation of territories in a systemic way, will be added to the adaptation solutions already proposed by subsidiaries and strategic holdings such as Scet, CDC Biodiversité, Société forestière and Egis.

This dual approach, "adaptation of Caisse des Dépôts group" and "adaptation through Caisse des Dépôts group", will strengthen its contribution to the Sustainable Development Goals and is one of the implementations of its raison d'être, which aims notably to "contribute to a better life for all".

¹ See in annex 2 the climate projections in mainland France.

² World weather organisation 2022: https://library.wmo.int/index.php?lvl=notice_display&id=22080#.Yw-FPXZBzeM

1. Adapting the Group's activities

► Choosing a first step: real estate and infrastructure

Due to their long lifespan, real estate and infrastructure³ assets will inevitably be affected by the impacts of global warming. They represent a significant part of the portfolios and activities⁴ of Caisse des Dépôts and its subsidiaries and holdings, which is why it was decided to work on them as a priority.

Depending on its ownership rates and management methods, Caisse des Dépôts group has a direct capacity to adapt those assets that are essential to sustainable development. This capacity also varies according to climate hazards: for example, while investors have direct levers to minimise the impact of extreme heat on their assets, the fight against floods or wildfires is not their sole responsibility and must be undertaken within systems, mainly at the regional and local level, which requires them to engage in a dialogue on adaptation to climate change with their stakeholders.

■ Raising awareness among teams based on best practices

The issue of adaptation is a recent concern, and an awareness and training step is necessary at the start, both for internal teams and for the Group's partners and counterparties.

In 2022, the Group organised internal workshops presenting the best practices of Caisse des Dépôts' subsidiaries and strategic holdings that have a head start in terms of method, tools and deployment: Icade and CDC Habitat in real estate, RTE, the French power transmission system operator, Egis, engineering firm that provides expertise and adaptation solutions, as well as CDC Biodiversité for the use of nature-based solutions for adaptation. The Group also benefited from the presentation of the EIB's adaptation plan and relied on the reports and advice of I4CE⁵.

For its part, the CDC Institute for Research organised a series of seminars in 2021 and 2022 on the challenges of adapting territories to climate change: heat in the city; insurers faced with climate change, coastal flooding; medium-sized mountains, and the Hub des territoires, a discussion forum led by the Banque des Territoires, also organised thematic meetings: "coasts and the risks of erosion and submersion", "summer comfort and the fight against urban heat islands", and "adaptation of territories". This cycle will be continued with new meetings dedicated to water management and mountains.

There is still a strong need to deepen the knowledge and to propose tools and methods to tackle this unprecedented challenge by developing a culture of climate risk. The Group will continue and expand internal acculturation and dialogue with all the players in the real estate and infrastructure ecosystem, such as developers, builders, architects, engineers, and managers, as it rolls out its approach.

This first step also paved the way for the adoption of adaptation plans in the Group's real estate and infrastructure sectors.

³ Infrastructure is a real asset that has some or all of the following characteristics: high upfront capital expenditure, long lifespan, provision of essential services for the economy and quality of life (positive externalities), natural monopoly, government intervention, long-term profitability and steady returns.

⁴ Group entities involved in real estate: Icade, CDC Habitat, La Poste, CNP Assurances, Banque des Territoires, CDC Invest Immo and the operating real estate of Caisse des Dépôts, mainly in France and marginally in Europe; in infrastructure: Banque des Territoires, RTE and GRTGaz that are strategic holdings of Caisse des Dépôts and CNP Assurances in France and STOA, an investment fund in emerging and developing countries.

⁵ Institute for Climate Economics, think tank founded by Caisse des Dépôts and working among other topics on adaptation and resilience to climate change: https://www.i4ce.org/en/theme_travail/adaptation-and-resilience/

■ Integrating adaptation into operational and financial decisions

French regulations already require territories, infrastructure and real estate assets to protect themselves against current natural risks. However, increasing climate disruption means that we need to go further to prevent future risks and increase or maintain resilience. The extent of future warming, and therefore of future risks, is uncertain: it will depend, over time, on the world's ability to reduce greenhouse gas emissions. Depending on the geography, global warming will result in various hazards: heat waves, storms, floods, droughts, rising sea levels, wildfires, etc. Finally, these hazards will have various impacts on assets, activities and populations, depending on their degree of vulnerability and their ability to adapt. This is why adapting to climate change is a process that must be carried out at the asset level, based on knowledge of the context. Estimating the potential risks, if possible, by using different warming scenarios over different time horizons, depending on exposure to multiple hazards and on the intrinsic vulnerability of activities, is an essential prerequisite for adaptation plans and measures⁶.

The Group's ambition is to systematically take into account the challenges of adapting to climate change in its decisions and management methods, through three objectives:

● At the initial stage of investment projects

Gradually, the Group's investment teams and operating subsidiaries will integrate the risks linked to climate change into the study of investment projects. For new assets, they will seek to ensure that these risks have been reduced at the project design stage. For acquisitions of existing assets, they will plan adaptation actions where appropriate.

This may lead them, in the future, to set and publish adaptation criteria in their investment decisions, notably in relation to the European taxonomy of sustainable assets.

● For assets already acquired or managed

Physical climate change risk assessments will be progressively carried out at the portfolio level, aiming to classify assets by level of operational and financial climate risk in order to define adaptation priorities, to take immediate necessary measures, to develop short/medium term plans but also to ensure, in the long term, the dynamic management of adaptation pathways that will have to be updated according to the evolution of risks.

● Monitoring risks, adaptation plans and business resilience

The aim is to integrate the monitoring and management of physical risks related to climate change and adaptation plans into the management processes of Caisse des Dépôts and its subsidiaries. When they are not direct operators, the aim is to engage in a dialogue with property and infrastructure managers on this topic and to receive regular information on the evolution of risks and their management over time, on the adaptation measures implemented and planned, and on the observed impact of climate related events.

The timetable for implementing these three objectives (see table below) varies according to the portfolios and assets, depending on the level of ownership and the management method, which determines the capacity of the Group's bodies to act. It is spread out over time for assets with minority and indirect ownership, that require additional efforts to collect information for risk analysis and dialogue with co-investors and managers.

⁶ See Annex 1: the impact chain of global warming

■ Status as of September 2022

● Real estate

		Portfolio climate risk assessment	Portfolio adaptation measures and plan	Inclusion of adaptation in acquisitions	Next steps
Icade - Commercial property investment - healthcare property investment		yes yes	yes yes	2022 2022	Icade to publish a renewed adaptation strategy in 2023
CDC Habitat (social housing lessor)		yes	yes	under consideration	ongoing adaptation programme as part of the works programmes
La Poste group	La Poste Immobilier (operating property)	yes	yes	in process	adaptation programme for the riskiest strategic assets
	CNP Assurances (Groupe LBP)	a physical risks study carried out in 2018	yes In each major restructuring	risk analysis in due diligence process	physical risk assessments to be updated from 2023 and a strategy being defined
CDC Invest Immo - directly managed portfolio ----- - delegated portfolio (not directly managed)		End of 2022 ----- 2023	commitment for 2023 ----- commitment for 2024 on majority portfolio	yes ----- gradually systematised depending on validations in AGMs. Target: 2024	publication of adaptation criteria in the Responsible Investment Policy in 2022
Caisse des Dépôts (operating property)		in process	commitment for 2023	commitment for 2023	
Banque des territoires (minority shares and not managed)		commitment to complete them in 2023 on a selection of assets	commitment for the end of 2023*	commitment for the end of 2023	

* subject to completion of risk analysis

● Infrastructure

	risk assessment at portfolio level	adaptation process at portfolio level	Inclusion of adaptation in acquisitions
Caisse des Dépôts/Banque des Territoires (minority shares) Transport and mobility Renewable energy Energies renouvelables Digital infrastructure	Commitment to complete them in 2023 on a selection of assets	Commitment for the end of 2023*	Commitment for the end of 2023
Stoa	yes	yes	yes Adaptation strategy under development

* subject to completion of risk analysis

● Infrastructure Strategic holdings

Caisse des Dépôts and CNP Assurances hold nearly 50% of the capital of RTE, the French power transmission system operator, and nearly 40% of GRTGaz, the main French gas transmission operator. Dialogue with these two strategic holdings was initiated in 2022 on their climate change resilience strategies.

	Climate physical risks assessment	Adaptation process	Inclusion of adaptation in new assets
RTE	Completed in 2022	ongoing	yes
GRTGaz	ongoing	ongoing	

■ Applying shared principles of “good adaptation”

Uncertainty about the future magnitude of global warming and its impacts makes adaptation decisions particularly difficult. Caisse des Dépôts group draws on benchmark frameworks as the foundation for rigorous adaptation approaches, in order to ensure that they are relevant while taking climate change uncertainty into account. In its latest report on adaptation, published in March 2022, the IPCC⁷ made recommendations in this regard. This is also the aim of the European taxonomy’s adaptation criteria. Ademe⁸, development banks such as the World Bank⁹ and the EBRD¹⁰ have also listed good practices that focus less on quantified objectives and more on the reasoning and steps to follow in order to ask the right questions and avoid pitfalls and undesirable effects. Above all, these good practice frameworks insist on the need to instil a culture of climate risk in the management of activities and to establish adaptation processes over time.

Based on these guidelines and their own expertise, Caisse des Dépôts and its subsidiaries¹¹ have adopted a series of principles aimed at counterbalancing the uncertainty linked to the future climate by applying rigorous methods.

⁷ AR6 WG2:

https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf

⁸ French agency for ecological transition

méthode TaCCT pour les territoires : <https://tacct.ademe.fr/> et méthode pour les entreprises :

⁹ <https://www.worldbank.org/en/news/feature/2020/11/17/the-adaptation-principles-6-ways-to-build-resilience-to-climate-change>

¹⁰ <https://www.ebrd.com/news/2019/worlds-first-dedicated-climate-resilience-bond-for-us-700m-is-issued-by-ebrd-.html>

¹¹ These principles are reviewed by CNP Assurances as part of its validation process by its Board of Directors, by the end of 2022.

Caisse des Dépôts group's real estate and infrastructure entities commit to adapting their portfolio activities, acquisitions, and holdings to increase their resilience to climate change. They seek to work with their stakeholders to integrate adaptation to climate change into the design of new assets that they acquire in whole or in part.

- They base their adaptation approaches on forward looking physical climate risks assessments. Gradually, as appropriate tools are deployed, these assessments will be based, if possible, for long-lived assets, on the analysis of multiple hazards, over several time horizons, using several climate scenarios, including a high emissions scenario leading to a high warming level (RCP/SSP5 8.5).
- They seek to implement, and finance proportionate and progressive adaptation approaches, by designing short/medium term action plans that favour robust measures, i.e. relevant in any future climate, including no regret measures (that are effective now), flexible, reversible, or take safety margins (allowing for adaptation to the worst-case scenario). These proportionate and progressive approaches aim to avoid under-adapting or even over-adapting their activities.
- They seek to avoid maladaptation, i.e. the significantly negative consequences of their measures from an environmental and social point of view.
- They systematically consider the use of nature-based adaptation solutions and seek to identify their environmental, social and economic co-benefits.
- They commit to :
 - implement long-term climate change risk and adaptation management, integrated into their risk management and activities and investments management processes,
 - assess the residual risks and to receive feedback on the observed climate events.
- They take into account local adaptation plans and seek to coordinate their adaptation policies with those of the local authorities and their stakeholders.

Each Group entity translates these principles into its own adaptation plan, through the operational measures most appropriate to its activities.

► Linking the adaptation process to regulatory obligations

In 2023, the Caisse des Dépôts group's financial entities will be subject to the transparency requirements of Article 29 of the French Energy and Climate Law on physical climate risks in their portfolios, their management, and their reduction. In the coming years, a new European directive, the CSRD¹², will also extend the transparency requirements for companies on their climate risks and adaptation plans. Both regulations emphasise the financial dimension of climate risks: risks of loss of revenues, unexpected expenses and loss of value. Wherever possible, the Group's adaptation approach will be linked to the internal work carried out to financially quantify and manage these risks.

Caisse des Dépôts and its subsidiaries will also have to measure their green share according to the definitions established by the European taxonomy. Within this framework, any activity "aligned" with the taxonomy will have to comply with high adaptation criteria (substantial contribution criteria) or lower criteria (do no significant harm criteria). Joint work on the interpretation of these criteria will be undertaken before the full entry into force of this text.

¹² Corporate sustainability reporting directive

Caisse des Dépôts group seeks to base its adaptation approach on a demanding interpretation of these regulations, useful for the operational management of the risks of the assets held, aiming to effectively increase their resilience to climate change.

► Integrating adaptation to climate change into the Group's management

In order to anchor climate change adaptation in the Group's governance, strategy and management, the objective of adapting to global warming:

- is progressively included in the guidance letters that Caisse des Dépôts sends each year to its subsidiaries and strategic holdings, depending on the pace of deployment of the Group's adaptation action plan,
- is now a systematic criterion for assessing financing and investment decisions made by the Group's financial decisions committees,
- will be the subject of more precise reporting to the Caisse des Dépôts group as of 2023.

In addition, the internal financial quantification of risks will progressively integrate the risks of loss of income and asset value, linked to the consequences of global warming.

► In 2023: work continuation and extension to other Group activities

The extension of the work to the Group's other activities will take into account the specific characteristics of each type of activity. However, the methodological approach adopted for real estate and infrastructure could form a basis for this future work, based on the assessment of the physical risks of global warming, on the distinction between existing and new activities, in an approach proportionate to the capacity to act.

An initial dialogue with the branches and subsidiaries concerned, at the end of 2022, will aim to establish the sequenced programme for this work, according to the following proposed breakdown:

- **Non financial subsidiaries and strategic holdings**

Several Caisse des Dépôts Group companies, such as Société Forestière and Compagnie des Alpes, already include adaptation in their management. For strategic holdings, the integration of adaptation issues will take the form of shareholder dialogue.

- **Portfolios of listed and unlisted securities, investment funds**

This scope covers Caisse des Dépôts as manager of the investment portfolios on its own balance sheet and those of the Savings Fund, as well as La Banque Postale Asset Management, CNP Assurances and Bpifrance. Consideration will be given to how to approach the adaptation of these financial assets, which holding rate is often very low, and will seek to draw on the initial results of the physical risk assessments, which will be a legal obligation for financial institutions from 2023.

- **Lending activities**

They concern the Banque des Territoires, La Banque postale, Sfil and Bpifrance. In this activity, adaptation is mainly a matter of a new supply to finance the adaptation of activities already financed and the setting of adaptation criteria to the granting of new loans. Here again, the results of the physical risk assessments that will become mandatory for lending institutions, could help identify the riskiest counterparties and, in some cases, the riskiest assets financed.

2. Contribution to territorial adaptation and offer of adaptation solutions

► New financial services and products from the Banque des Territoires

From 2022 and especially 2023, the Banque des Territoires will propose, in France, in addition to the targeted solutions it already proposes through, for example, the SGreen programme for medium-sized town centres or the "Catnat" loan dedicated to overcoming natural disasters, an extended adaptation pack of services and financial products for local authorities. It can be used without waiting for the development of more elaborate adaptation public policies to come (SFEC bill). In this respect, the Banque des Territoires has already been associated with the one-stop shop mechanism for the renaturation of cities, in order to combat heat islands.

■ Integrated territorial approach

Local authorities are and will be at the forefront in the face of climate risks and the need to protect their territories, their inhabitants and their local economy. However, the Banque des Territoires has observed that local executives' awareness of the issue is very uneven and that they have difficulty in formulating demands, even though the accumulation of climate events is now accelerating this awareness. This context calls for strong support to territories to develop qualitative adaptation strategies and the emergence of adapted and more resilient projects that the Banque des Territoires intends to finance.

■ Six levers for action

The Banque des Territoires has identified six levers for action for which it will provide advice and engineering, financing, services and deposits:

1. Taking into account the need for adaptation in the current offer

This lever will be used in particular in the context of the Caisse des Dépôts group's adaptation plan (see above). The Banque des Territoires will seek to gradually introduce adaptation-related conditionalities for its financing and investments, based on the timetable for the introduction of the European taxonomy.

2. Raising awareness and training on adaptation issues

Already underway in 2022, this action aims to help local authorities understand and qualify the impacts of climate change on their territories.

3. Projecting the territorial impact and prepare the land needed for adaptation

The Banque des Territoires will seek to support territorial authorities in defining local adaptation strategies and to strengthen land management to adapt territories or relocate activities.

4. Implementing resilient development

The objective is to protect territories, support development models adapted to local hazards while preserving natural resources and biodiversity.

5. Preserve and manage natural resources: water, forests, agri-food areas

The aim is to help territories adapt to floods and droughts, wildfires and to increase the of agricultural sector resilience.

6. Supporting territories facing extreme events

Territories in crisis after a natural disaster must be supported to rebuild quickly and resiliently.

■ Focus: towards a Coastal Action Programme

While offering its services to all territories, the Banque des Territoires identifies the coastal, the mountains and the Overseas as territories that are particularly vulnerable to the impacts of global warming. The coastline is particularly subject to the inevitable sea level rise, causing coastal erosion and marine submersion. Dense territories, which attract populations and host important strategic economic activities (tourism, ports, etc.), the coastlines concentrate risks of high social, environmental and economic costs in the short, medium and long term. This is why the Banque des Territoires will also develop a specific "Coastal Action" programme, mobilising the six identified levers and others specific to these territories.

► Adaptation solutions provided by subsidiaries and strategic holdings

● The Group's biodiversity offer and adaptation to climate change

In 2022, Caisse des Dépôts and its subsidiaries have been working to coordinate their services and products in favour of biodiversity. In particular, they propose to massively deploy nature-based solutions to adapt territories at all scales, while preserving and restoring biodiversity.

● Scet

Scet with its subsidiary specialised in the environment, Even Conseil, helps local authorities to develop strategies for adapting to and controlling climate vulnerability (anticipating changes in risks, changes in the known balance of the water cycle, changes in the distribution of species, etc.). Scet mobilises this expertise in the operational design of projects and participates in the awareness raising/training of technicians and local decision-makers.

● CDC Biodiversité

CDC Biodiversité offers a comprehensive "Nature in the City" package. In addition to their benefits for biodiversity and quality of life, the projects developed implement nature-based solutions for adapting to climate change, notably against urban heat or flooding. Since 2016, it has also managed a "Nature 2050" programme, which supports voluntary nature-based adaptation projects funded by companies.

● Société forestière

Société Forestière manages forest assets of investor clients, including Caisse des Dépôts and CNP Assurances. To help them reduce the risks of climate change, it provides them with the expertise enabling to integrate climate change into their medium-term forest management plans, to diversify the geographical location of their forests, to diversify their tree species, particularly by introducing new species, and to take out insurance against the main risks. It also participates in collective discussions, experimental research and the introduction of adaptation criteria in the PEFC and FSC sustainable forest management certificates.

● Egis

Egis, an international engineering company and strategic holding of Caisse des Dépôts, has committed to systematizing climate vulnerability assessments in its engineering projects by 2030, thanks to its risk assessment tools, and is developing specific solutions to adapt infrastructure and territories to climate change.

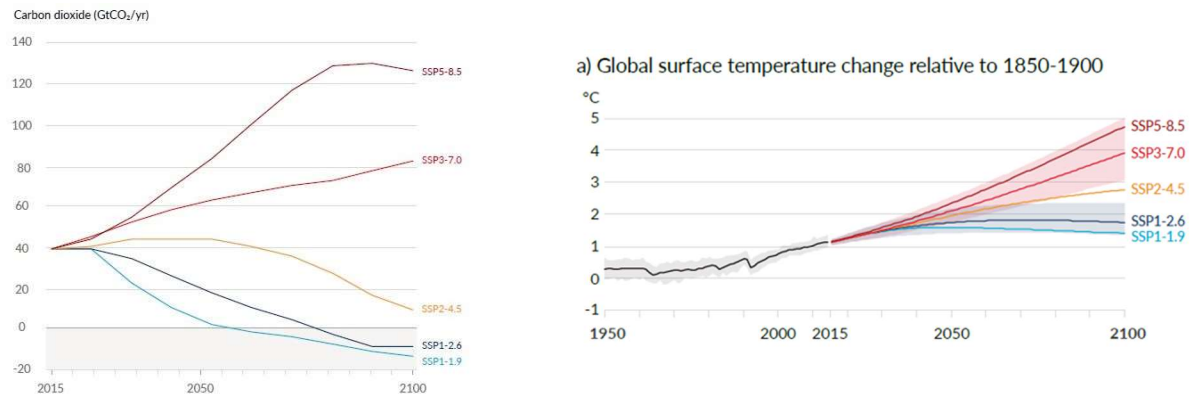
A partir de 2022 et surtout 2023, la Banque des territoires proposera, en plus des solutions ciblées qu'elle propose déjà à travers, par exemple, le programme SGreen pour les centres de villes moyennes ou le prêt « Catnat », une offre d'adaptation élargie pour les territoires qui pourra faire référence et sans attendre l'élaboration de politiques publiques territoriales plus élaborées à venir (projet de loi SFEC). A cet égard la Banque des Territoires a déjà été associée au dispositif de guichet unique pour la renaturation des villes, en vue de lutter contre les îlots de chaleur.

Annexes

Annex 1 From global warming to physical risks

- The IPCC establishes forward-looking scenarios of possible greenhouse gas emissions levels (left). From these emission volumes it derives possible levels of warming (right).

Whatever the future emissions volume, the global warming up to 2040 is already determined by past and present emissions (overlap area on the right). Thereafter, the scenarios diverge, showing the importance of reducing emissions.

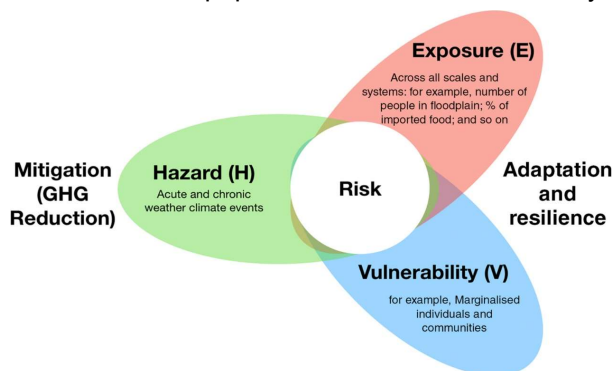


- Global warming is manifested in various hazards, depending on geographies.
 - Chronic hazards: increasing average heat, changing wind and rain patterns, coastal erosion, etc.
 - Acute hazards: heat and cold waves, storms, wildfires, heavy rainfall, floods, landslides, etc.

Regional projections make it possible to assess hazard levels (frequency, intensity) according to the various IPCC scenarios.

- the impact chain of global warming on activities/assets/populations

The physical risks of climate change result from a combination of hazard, exposure of activities/assets/populations and their vulnerability levels.



Hazard: climate change related event, trend or impact

Exposure: location + supply chain + market + other contextual factors

Vulnerability: intrinsic characteristics of the asset/activity/population

Annex 2 Climate change in France and outlook

Vulnerabilities

According to a government study¹³, six out of 10 French people are already affected by climate related events, with 15% of the population being very highly exposed and 47% being highly exposed. Climate risks are concentrated on approximately 15% of the territory or 15% of the municipalities. About two thirds of climate related events are floods and one fifth are atmospheric phenomena (cyclone, hurricane, storm). Most of the victims (85%) result from heat waves.

The overseas territories are also affected by hurricanes throughout their territories and exposed to marine submersion on their coastlines.

Past and future damage and claims

Claims paid by insurers¹⁴ following natural hazards amounted to €74bn between 1989 and 2019, mainly as a result of storms, floods and, to a lesser extent, droughts. By 2050, in an SSP/RCP 8.5 scenario, a near doubling is expected (+93%); the increase will be significantly higher for drought (+215%) than for floods and storms (+87% and +46% respectively). According to France Assureurs, after droughts, marine submersion is the second peril that can generate significant additional compensation costs.

Climate projections according to Météo France¹⁵

Up to 2040, the **average warming** in mainland France will be similar under different scenarios. By the end of the century, it would be around +1°C in SSP/RCP2.6, compared with the period 1976-2005, +2.2°C in SSP/RCP4.5 and +4.5°C in SSP/RCP8.5. The temperature increase will be stronger in summer, more pronounced in the South, East and mountains.

The number of **heat wave days** is projected to increase in all scenarios. By the end of the century, it could double in the SSP/RCP2.6 scenario but increase by a factor of 3 to 4 in the SSP/RCP4.5 scenario and by a factor of 5 to 10 in the SSP/RCP8.5 scenario. This evolution will be exacerbated in the Mediterranean arc, the Rhône corridor, and the Garonne valley.

Precipitation will change little on average, but strongly between seasons with an increase in winter, particularly in the North, and a decrease in summer. The intensity of extreme rainfall will increase slightly throughout the century over practically the entire territory, especially in the North and North-East and on the Channel coast. In addition, there will be an increase in the number of Mediterranean episodes that have not yet been modelled.

Precipitation deficit episodes increase by the end of the century by 30 to 50% in the SSP/RCP4.5 and SSP/RCP8.5 scenarios respectively. The regions most affected are the south-western half of the country, particularly the Mediterranean region, the Aquitaine Basin and western France (Brittany and Pays de la Loire).

The evolution of **strong winds** in France is highly uncertain. The regions with the highest probability of wind strengthening are the north-eastern quarter and even the northern half. Conversely, the highest probability of decrease is in the southern half and particularly in the Southwest.

¹³ <https://www.statistiques.developpement-durable.gouv.fr/risques-climatiques-six-francais-sur-dix-sont-dores-et-deja-concernees>

¹⁴ <https://www.franceassureurs.fr/assurance-protege-finance-et-emploi/assurance-protege/actualites/changement-climatique-quel-impact-sur-lassurance-a-lhorizon-2050/>

¹⁵ <http://www.drias-climat.fr/accompagnement/sections/296>

IV. Glossary

ACT : Assessing low-carbon transition, méthode de l'ADEME's method to evaluate an organization's transition.

ADEME : Agency for the environment and energy control.

IEA : International energy agency.

Paris agreement alignment: compatibility with the goal of the Paris agreement on climate, and in particular with keeping the global mean temperature increase well below 2°C and 1.5°C if possible.

1,5°C alignment: compatibility with an increase of 1,5°C or less, with low or little overshoot, of the global mean temperature.

ACPR : prudential control and resolution authority.

BDT : banque des territoires.

CDE : CDC Group's commitment committee.

CSRD : Corporate Sustainability Reporting Directive.

Operational emissions: emissions resulting from operational activity (use of energy, transport, purchases, etc.) excluding financed emissions.

Financed emissions: emissions of the underlying financial assets of financing and investment activities.

Residual emissions: greenhouse gas emissions after reduction efforts in line with national climate objectives.

ENR: renewable energy.

eqCO2: CO2 equivalent. Unit for comparing all greenhouse gases according to their radiative forcing power.

ESG: environment, social and governance.

Oil and gas expansion: exploration, development of new deposits, increase in production capacity of existing facilities.

Financing: lending or guarantee activity.

IPCC: Intergovernmental Panel on Climate Change.

NGV: natural gas for vehicles.

Investment: acquisition of a stake in a company or purchase of bonds.

I4CE: Institute for Climate Economics.

LBP: la Banque Postale.

Carbon neutrality 2050: Situation at the scale of a territory or a country when, before 2050, greenhouse gas emissions have been reduced as much as possible, in line with aligned national objectives with the Paris agreement, and when the carbon sinks are at least equal to the residual emissions.

NGFS: Network for greening the financial system.

NZAOA: Net-zero asset owners' alliance.

OECD: organization for economic cooperation and development.

SDGs: Sustainable Development Goals

PNACC: National Plan for Adaptation to Climate Change.

PPE: Multiannual energy programming.

RT2012: Building energy consumption standard.

RTE: Electricity transmission network.

SBTi: Science-based targets initiative.

SFEC: French strategy for energy and climate (SNBC+PNACC+PPE).

SNBC: National low-carbon strategy.

TCFD: Task force on climate-related financial disclosure, working group on the publication of climate-related financial information.

EET: Ecological and energy transition.

**Ensemble,
faisons grandir
la France**



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