

Climate: Caisse des Dépôts is expediting its low-carbon strategy

Paris, 28 November 2018 – Successfully managing the climate issue is key to the fight against social and territorial inequalities. Caisse des Dépôts is therefore expediting its support of the Paris agreement by broadening its commitments to steering local areas and businesses towards low-carbon models that are resilient to the effects of climate change.

Five simultaneous drivers will underpin climate action across its five business units: financing the energy transition in local areas, assessing and managing the climate risk, working towards zero-carbon portfolios, engaging with companies to support their strategic alignment with the 2° target, and excluding thermal coal.

Bpifrance and Banque des Territoires are set to unlock €16bn in funding dedicated to the energy transition by 2020.

Caisse des Dépôts will push on with its low-carbon strategy by further cutting the exposure of its financial investment portfolios to carbon and striving for their complete phase-out of thermal coal.

Lastly, in the first half of 2019 Caisse des Dépôts will launch an extensive new climate assessment of the businesses it has invested in and which may be exposed to climate risks, particularly those operating in the sectors associated with major fossil fuel consumption or production. Caisse des Dépôts believes at this stage that it has a greater impact on the adaptation of businesses and of the real economy by continuing to work alongside these companies to climate-proof their strategy.

Eric Lombard, Caisse des Dépôts CEO, says: "The recent report by the IPCC underscores the pressing need to act to contain global warming. The financial institutions must assume their responsibilities and help businesses to develop an activity that is compatible with the objectives of the Paris agreement. Caisse des Dépôts is ready to provide them with assistance and an operational framework via the ACT methodology of the French Environment and Energy Management Agency (Ademe).

As a pioneering financial institution on climate finance, as well as the leading operator of Marketplace public assets incidentally, our Institution needs to set the example.

Banque des Territoires's dedicated products will be instrumental in driving forward the development of energy transition projects across all local areas territories – from global cities to rural areas. Management of urban sprawl through forest and agricultural land take is a good example of this challenge".

Financing the energy transition: massive investment by Bpifrance and Banque des Territoires

In the form of loans and equity investments, Banque des Territoires and Bpifrance will be injecting €16bn by 2020 into projects making a positive difference on climate. This represents 22% of their total consolidated loan commitments over the period.

In this regard, the proportion of the collection of the *Livret de Développement Durable et Solidaire* (inclusive and sustainable development savings account) which is centralised for 59% in the Caisse des Dépôts savings fund has been wholly set aside since late 2017 for financing such projects.

Launched last May, Banque des Territoires is particularly committed to supporting local areas in achieving a fair and inclusive transition. This will entail a dedicated provision of services for its customers for whom biodiversity and adaptation to climate change are key concerns.

Moreover, having launched its first green bond in 2017, Caisse des Dépôts is carrying on its responsible bond financing policy by issuing a sustainability bond in 2019, which will be backed up by real, socially-g geared and climate-smart assets.

Thermal coal: Caisse des Dépôts on course for complete disinvestment

The Institution is set to roll out a more drastic exclusion policy as early as 2019. It will no longer invest – whether directly or via funds – in businesses that generate more than 10% of their revenues from exposure to coal. Implementation of this commitment – on which information will systematically be made available in our reports – will always be certified by auditors.

Efforts towards zero-carbon financial investment portfolios: targets exceeded

Since 2014, the carbon footprint of Caisse des Dépôts' equity portfolio has been cut by 37% and that of corporate bonds by 54%. Regarding investment in property, the target (38% less energy use by 2030) has already been achieved, up to 50%. Caisse des Dépôts will continue to take active steps to reduce the carbon footprint of all of its financial investment portfolios, which amount to a total €150bn.

The solutions to the challenges of climate change must be found together with the portfolio's companies, cooperating in a spirit of excellence and transparency.

This in-depth dialogue, led all year round by the managers, will be informed by the findings of the extensive survey that Caisse des Dépôts intends to launch in 2019 – with the most vulnerable businesses to the challenges of transition more particularly in mind. The management decisions and definition of positions of Caisse des Dépôts on their governing bodies will be based upon the survey's findings, the summary of which will be made publicly available.

About the Caisse des Dépôts Group

Caisse des Dépôts and its subsidiaries form a public long-term investor group serving the general interest and economic development of local areas. It groups together five areas of expertise: pensions and vocational training, asset management, monitoring of subsidiaries and holdings, corporate financing (with Bpifrance) and Banque des Territoires.

<http://www.caissedesdepots.fr/en>

Press contacts:

Caisse des Dépôts

Caisse des Dépôts Group – Press Department: +33 (0)1 58 50 40 00

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