

STATEMENT ON THE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Applicable as at 30/06/2024

FINANCIAL MARKET PLAYER: CRÉDIT AGRICOLE LIFE INSURANCE EUROPE (“CALI EUROPE”) - 222100RHVHGHNBQ4VV91

Summary:

Crédit Agricole Life Insurance Europe takes into account the Principal Adverse Impacts (“PAI”) of its investment decisions on sustainability factors. This document is the consolidated statement on the principal adverse impacts on sustainability factors of CALI Europe.

This statement on the principal adverse impacts on sustainability factors covers a reference period from 1 January to 31 December 2023. CALI Europe had no subsidiary(ies) during the reference period.

CALI Europe forms part of the Crédit Agricole Group’s societal project by focusing its CSR strategy on the following three priorities through its three business lines of Insurer, Investor and Responsible Company:

- Take action for the climate and the transition to a low-carbon economy
- Strengthen social cohesion and inclusion
- Implement successful agricultural and agri-food transitions

As a responsible institutional investor, CALI Europe, a subsidiary of Crédit Agricole Assurances, takes environmental, social and governance (ESG) factors into account in its investment analysis and decision-making processes and in their monitoring. Certain sectors (renewable energy, healthcare, regional financing) are favoured given the importance of ESG issues.

Principal Negative Impacts considered and CALI Europe approach:

CALI Europe takes into account the principal adverse impacts (18 mandatory PAI) applicable to investments in companies by means of the following indicators:

- Climate indicators and other environmental indicators: Greenhouse Gas (“GHG”) Emissions, Biodiversity, Water, Waste
- Indicators related to social, personnel, respect for human rights and the fight against corruption and acts of corruption
- Indicators applicable to investments in sovereign or supranational issuers: Environmental, Social
- Indicators applicable to investments in real estate assets: Fossil fuels, Energy efficiency

In addition to the mandatory PAI, the following two optional PAI have also been selected by CALI Europe:

- Greenhouse gas emissions: Investments in companies that have not taken initiatives to reduce their carbon emissions
- Human rights: Lack of a human rights policy

Scope covered by this statement:

Given the nature of its operations, CALI Europe is invested in movable and real estate assets through guaranteed-rate funds, funds denominated in euros and dollars, as well as unit-linked funds (dedicated, collective, specialised and external funds). This statement takes into account investments in all types of funds whose breakdown, coverage rate and data sources are broken down as shown in the table below:

Fund type	Funds	% of outstandings at 31/12/2023	% of PAI coverage	Main data providers
Guaranteed rate and equity	Reinsured € fund, Fund in dollars, equity	45%	99%	Predica and Amundi (Crédit Agricole Group)
Unit-linked	Dedicated, collective, specialised, external funds	55%	11%	External data from managers
Total		100%	51%	

Guaranteed rate and equity funds:

CALI Europe relies on the expertise of Predica and Amundi, the Crédit Agricole Group's asset manager, to integrate non-financial criteria into its investments. This approach includes:

- Implementing norms-based exclusions (embargoes, controversial weapons, etc.) and sector-based exclusions (coal, tobacco, etc.), and
- Selecting issuers with the best practices in their respective sector according to the ESG rating calculated by Amundi (minimum individual rating, minimum portfolio rating and comparison with a benchmark universe).

In line with the societal project of the Crédit Agricole Group, which is committed to contributing to the United Nations Sustainable Development Goals, and with the objective of achieving carbon neutrality by 2050, CALI Europe is strengthening its commitments to the energy transition.

Unit-linked funds:

For unit-linked funds, CALI Europe relies on the provision of data from external managers of investment funds invested through funds eligible for its insurance products.

It should be noted that for underlying investment funds meeting the definition in Article 8 or 9 of the SFDR, information on the principal adverse impacts is available from the management companies (pre-contractual and periodic prospectuses/documentation).

Change in the coverage of this statement compared to the previous financial year:

For the 2023 reference period, the overall PAI coverage rate is 51% and includes all funds invested in by CALI Europe.

In 2022, the coverage rate was 42% of the portfolios. This represents a 9% increase, an improvement of more than 20%.

Approval of this report:

The policies for taking into account the adverse impacts described below were approved by the Executive Committee on 12 July 2024 and will be presented for approval at the next Board of Directors' meeting.

DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

A) TABLE 1: INDICATORS APPLICABLE TO INVESTMENTS IN COMPANIES

Indicators of adverse impacts on sustainability	Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period (See sections e) and f) for more information)	
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS						
Greenhouse gas (GHG) emissions	1. GHG emissions	Level 1 GHG emissions – tCO ₂ eq	168,827	287,939	<ul style="list-style-type: none"> ▪ Coverage rate: 65% (+38% versus 2022) ▪ Trend: -41% level 1 GHG emissions versus 2022 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned: <ul style="list-style-type: none"> ▪ Commitment: Theme of commitment to the transition to a low-carbon economy. Crédit Agricole Assurances is committed to expanding its investments in renewable energies between 2020 and 2025 to help finance an installed capacity of 14 GW by 2025 (i.e. the average annual consumption of over 5 million French households). At the end of 2023, Crédit Agricole Assurances' contribution enabled it to reach a total installed capacity of 13.5 GW. ▪ Voting: Requirement of criteria related to the energy transition in executive compensation for sectors with a significant impact on the climate, use of voting rights as an escalation measure in case of significant adverse impacts ▪ Integration of the ESG score: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets ▪ Defined targets: <ul style="list-style-type: none"> ▪ 38% reduction in GHG related to Scope 1 & 2 by 2030 (measured from 2019) ▪ Crédit Agricole Assurances' contribution to Crédit Agricole S.A.'s net zero objectives ▪ 29% reduction in GHG related to business travel by 2030 (measured from 2019)
		Level 2 GHG emissions – tCO ₂ eq	41,053	62,294	<ul style="list-style-type: none"> ▪ Coverage rate: 65% (+38% versus 2022) ▪ Trend: -34% level 2 GHG emissions versus 2022 	
		Level 3 GHG emissions – tCO ₂ eq	117,899	155,461	<ul style="list-style-type: none"> ▪ Coverage rate: 65% (+38% versus 2022) ▪ Trend: -24% level 3 GHG emissions versus 2022 	
		Total GHG emissions – tCO ₂ eq	327,780	505,693	<ul style="list-style-type: none"> ▪ Coverage rate: 65% (+38% versus 2022) ▪ Trend: -35% GHG emissions across all levels 	

Indicators of adverse impacts on sustainability		Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period (See sections e) and f) for more information)
	2. Carbon footprint	Carbon footprint – tCO ₂ eq/€m invested	57.1	68.3	<ul style="list-style-type: none"> ▪ Coverage rate: 69% (+15% versus 2022) ▪ Trend: -16% carbon footprint 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the transition to a low-carbon economy ▪ <u>Voting</u>: Requirement of criteria related to the energy transition in executive compensation for sectors with a significant impact on the climate, use of voting rights as an escalation measure in case of significant adverse impacts ▪ <u>Integration of the ESG score</u>: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets ▪ Defined targets: <ul style="list-style-type: none"> ▪ Crédit Agricole Assurances is committed to reducing the carbon footprint of its listed investments in equities and corporate bonds by 25% between 2019 and 2025 ▪ Target to reduce the carbon footprint (scope 1, 2 and 3) by 17% by 2025: SBTi commitment
	3. GHG intensity of investee companies	GHG intensity of investee companies – tCO ₂ eq/€m of income	74.4	155	<ul style="list-style-type: none"> ▪ Coverage rate: 68% (+10% versus 2022) ▪ Trend: -52% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the transition to a low-carbon economy ▪ <u>Voting</u>: Requirement of criteria related to the energy transition in executive compensation for sectors with a significant impact on the climate, use of voting rights as an escalation measure in case of significant adverse impacts ▪ <u>Integration of the ESG score</u>: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector – %	9.3%	12.72%	<ul style="list-style-type: none"> ▪ Coverage rate: 54% (-3% versus 2022) ▪ Trend: -27% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the transition to a low-carbon economy

Indicators of adverse impacts on sustainability		Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period (See sections e) and f) for more information)
	5. Share of consumption and production of non-renewable energy	Share of the energy consumption and production of investee companies that comes from non-renewable energy sources, compared to that from renewable energy sources, expressed as a percentage of total energy sources – %	Consumption 72.2%	Consumption 78.7%	<ul style="list-style-type: none"> ▪ Coverage rate: 21% (-41% versus 2022) ▪ Trend: -8% 	<ul style="list-style-type: none"> ▪ Voting: Requirement of criteria related to the energy transition in executive compensation for sectors with a significant impact on the climate, use of voting rights as an escalation measure in case of significant adverse impacts ▪ Exclusion policy: Included in the exclusion policy related to coal and unconventional hydrocarbons ▪ Defined targets: <ul style="list-style-type: none"> ▪ Four exclusion criteria: <ul style="list-style-type: none"> ▪ Exclusion of issuers generating more than 20% of their revenue or producing 70 million tonnes and more from coal per year (mining); ▪ Emitters producing electricity provided that the income from coal-produced electricity represents more than 50% of the income derived from this activity; ▪ Issuers whose revenue from coal, either directly (mining) or indirectly (power generation), represents in total between 20% and 50% of the issuer's total revenue; ▪ Players developing or planning to develop new capacities using thermal coal across the entire value chain (producers, extractors, power plants, transport infrastructure) ▪ Exit from 2023 of issuers whose “coal” revenue is greater than 5% for all investments held directly, i.e. listed and unlisted assets, made in respect of euro funds and equity.
			Production 69%	Production 70.6%	<ul style="list-style-type: none"> ▪ Coverage rate: 1.5% (-62% versus 2022) ▪ Trend: -2% 	

Indicators of adverse impacts on sustainability	Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period (See sections e) and f) for more information)																																					
	6. Intensity of energy consumption by sector with a high climate impact	Energy consumption in GWh per million euros of revenue of investee companies, by sector with a high climate impact – GWh/€m of income	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector A – Agriculture, forestry and fishing</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">0.0</td> <td style="width: 33%; text-align: center;">0.3</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 0% (+0% versus 2022) • Trend: -2% </td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector B – Extractive industries</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">1.3</td> <td style="width: 33%; text-align: center;">6.5</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 0.2% (-80% versus 2022) • Trend: -80% </td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector C – Manufacturing industries</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">0.4</td> <td style="width: 33%; text-align: center;">1.2</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 8.2% (-18% versus 2022) • Trend: -67% </td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector D – Production and distribution of electricity, gas, steam and air conditioning</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">2.6</td> <td style="width: 33%; text-align: center;">3.5</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 3.0% (-25% versus 2022) • Trend: -26% </td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector E – Water production and distribution, sanitation, waste management and decontamination</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">3.5</td> <td style="width: 33%; text-align: center;">3.6</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 0.3% (less than 0.0% in 2022) • Trend: -3% </td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Sector F – Construction</th> </tr> </thead> <tbody> <tr> <td style="width: 33%; text-align: center;">0.2</td> <td style="width: 33%; text-align: center;">0.2</td> <td style="width: 34%;"> <ul style="list-style-type: none"> • Coverage rate: 0.4% (-60% versus 2022) • Trend: No variation </td> </tr> </tbody> </table>	Sector A – Agriculture, forestry and fishing			0.0	0.3	<ul style="list-style-type: none"> • Coverage rate: 0% (+0% versus 2022) • Trend: -2% 	Sector B – Extractive industries			1.3	6.5	<ul style="list-style-type: none"> • Coverage rate: 0.2% (-80% versus 2022) • Trend: -80% 	Sector C – Manufacturing industries			0.4	1.2	<ul style="list-style-type: none"> • Coverage rate: 8.2% (-18% versus 2022) • Trend: -67% 	Sector D – Production and distribution of electricity, gas, steam and air conditioning			2.6	3.5	<ul style="list-style-type: none"> • Coverage rate: 3.0% (-25% versus 2022) • Trend: -26% 	Sector E – Water production and distribution, sanitation, waste management and decontamination			3.5	3.6	<ul style="list-style-type: none"> • Coverage rate: 0.3% (less than 0.0% in 2022) • Trend: -3% 	Sector F – Construction			0.2	0.2	<ul style="list-style-type: none"> • Coverage rate: 0.4% (-60% versus 2022) • Trend: No variation 			<ul style="list-style-type: none"> ▪ Measures taken, measures planned: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the transition to a low-carbon economy ▪ <u>Integration of the ESG score</u>: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets ▪ Defined targets: <ul style="list-style-type: none"> ▪ Develop the commitment in Renewable Energies ▪ Reduce the carbon footprint of listed equity and corporate bond investment portfolios (as part of the Net-Zero Asset Owner Alliance (NZAOA) methodology) ▪ Foster and promote investments that have an impact enabling as many people as possible to access housing, digital technology, healthcare, etc.
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Biodiversity	7. Activities with an adverse impact on biodiversity-sensitive areas	Share of investments in companies with sites/establishments located in or near biodiversity-sensitive areas if these companies' activities have an adverse impact on these areas – %	0.0%	3.4%	<ul style="list-style-type: none"> ▪ Coverage rate: 54% (-4% versus 2022) ▪ Trend: -100% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned: <ul style="list-style-type: none"> ▪ Commitment: Theme of commitment to the preservation of natural capital ▪ Voting: Use of voting rights as an escalation measure in case of significant adverse impacts ▪ Monitoring of controversies: Screening within a wide universe of issuers, taking into account alert levels relating to biodiversity and land use ▪ Integration of the ESG score: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets ▪ Defined targets: <ul style="list-style-type: none"> ▪ The Crédit Agricole Group has signed a Declaration on Biodiversity and Natural Capital including the following priorities: <ul style="list-style-type: none"> ▪ Assess the material impacts and risks related to the loss of nature on activities: Participation in two Taskforce on Nature-Related Financial Disclosures (TNFD) pilots 																			

Indicators of adverse impacts on sustainability		Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period (See sections e) and f) for more information)
						<ul style="list-style-type: none"> ▪ Integrate criteria related to nature and biodiversity into sectoral policies ▪ Mobilise financial resources for activities that benefit nature ▪ Support collective action against the decline of nature and ecosystem services ▪ Reduce the operating footprint and foster biodiversity
Water	8. Discharges into water	Tonnes of water discharges by investee companies, per million euros invested, in weighted average – t/€m invested	3.1	358.4	<ul style="list-style-type: none"> ▪ Coverage rate: 0.0% (4% in 2022) ▪ Trend: -99% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the preservation of natural capital ▪ <u>Monitoring of controversies</u>: Screening within a wide universe of issuers, taking into account alert levels relating to biodiversity and waste ▪ <u>Integration of the ESG score</u>: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets
Waste	9. Ratio of hazardous waste to radioactive waste	Tonnes of hazardous waste and radioactive waste produced by investee companies, per million euros invested, in weighted average – t/€m invested	2.3	4.4	<ul style="list-style-type: none"> ▪ Coverage rate: 12% (-33% versus 2022) ▪ Trend: -48% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ <u>Commitment</u>: Theme of commitment to the preservation of natural capital ▪ <u>Monitoring of controversies</u>: Screening within a broad universe of issuers, taking into account alert levels relating to toxic emissions, discharges and waste ▪ <u>Integration of the ESG score</u>: Included in the environmental pillar of the ESG scoring model applied when selecting eligible assets

Indicators of adverse impacts on sustainability	Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period	
INDICATORS RELATED TO SOCIAL, PERSONNEL, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND ACTS OF CORRUPTION						
Social and personnel issues	10. Breaches of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises	Share of investment in companies that have participated in breaches of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises – %	0.1 %	0%	<ul style="list-style-type: none"> ▪ Coverage rate: 69% (+25% versus 2022) ▪ Trend: first year with a positive % ▪ Additional explanation: The appearance of this exposure coincides with the increase in the number of investments covered during data collection. The improved coverage allows CALI Europe to better monitor this type of indicator and ultimately reduce exposure to this type of asset. ▪ In this case, these investments are currently made through investment funds not managed by the Crédit Agricole Group. 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Exclusion: Issuers that repeatedly and seriously breach one or more of the ten principles of the Global Compact without credible corrective action are excluded. ▪ Commitment: Theme of commitment to social cohesion ▪ Voting: Use of voting rights as an escalation measure on companies with controversial social practices ▪ Monitoring of controversies: Screening within a broad universe of issuers, taking into account alert levels related to UNGC breaches
	11. Lack of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Companies	Share of investment in companies that do not have a policy to monitor compliance with the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises, or mechanisms for handling complaints or controversies to address such breaches – %	0.2%	10%	<ul style="list-style-type: none"> ▪ Coverage rate: 54% (-4% versus 2022) ▪ Trend: -98% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Commitment: Theme of commitment to strong governance for sustainable development. ▪ Voting: Using voting as an escalation measure on companies with controversial social practices ▪ Monitoring of controversies: Screening within a wide universe of issuers, taking into account alert levels relating to public policies and governance incidents.
	12. Gender pay gap not corrected	Average gender pay gap not corrected within investee companies – %	14.4%	13.8%	<ul style="list-style-type: none"> ▪ Coverage rate: 21% (+11% vs 2022) ▪ Trend: +4% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Commitment: Theme of commitment to social cohesion ▪ Voting: Priority theme of the voting policy on social cohesion ▪ Monitoring of controversies: Screening within a broad universe of issuers, taking into account alert levels related to labour relations and employee management

Indicators of adverse impacts on sustainability		Measurement element	Impacts 2023	Impacts 2022	Explanation	Measures taken, planned measures and targets defined for the following reference period
	13. Diversity within governance bodies	Average ratio of women to men in the governance bodies of the companies concerned, as a percentage of the total number of members – %	38.2%	37.8%	<ul style="list-style-type: none"> ▪ Coverage rate: 57% (+12% vs 2022) ▪ Trend: +1% 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Commitment: The universalisation of gender diversity is part of the engagement policy through the launch in 2020 of the 30% Club France Investor Group, of which Amundi became co-chairman ▪ Voting: Voting policy on companies with controversial social practices
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)	Share of investment in companies involved in the manufacture or sale of controversial weapons – %	0.0%	0.0%	<ul style="list-style-type: none"> ▪ Coverage rate: 69% (coverage rate not reported in 2022) ▪ Trend: No variation 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Exclusion policy: Controversial weapons are excluded in accordance with the weapons exclusion policy. As part of its exclusion policy, Amundi may engage with certain issuers to confirm or otherwise their exposure to controversial weapons. ▪ Voting: Use of voting rights as an escalation measure on companies with controversial social practices

B) INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGN OR SUPRANATIONAL ISSUERS

Indicator of adverse impacts on sustainability		Measurement element	2023 impacts	2022 impacts	Explanation	Measures taken, planned measures and targets defined for the following reference period
Environmental	15. GHG intensity	GHG intensity of countries of investment – tCO ₂ eq/€m GDP	247.8	233.7	<ul style="list-style-type: none"> ▪ Coverage rate: 23% (-4% versus 2022) ▪ Trend: +6% ▪ Explanation: The impact increased due to allocation adjustments in the portfolio towards securities not covered by data providers combined with investments in securities with higher GHG intensity 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Integration of the ESG score: Included in the environmental pillar of the ESG sovereign rating model applied when selecting eligible assets.
Social	16. Countries of investment with breaches of social standards	Number of countries of investment with breaches of social norms (in absolute number and as a proportion of the total number of investee countries), as defined by international treaties and conventions, United Nations principles or, where applicable, national law – absolute value and relative value in %	0 0.0%	0 0.0%	<ul style="list-style-type: none"> ▪ Coverage rate: 36% (+9% versus 2022) ▪ Trend: No variation 	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Exclusion: Countries on the European Union (EU) sanctions list with a sanction consisting of an asset freeze and a sanction index at the highest level (taking into account US and EU sanctions) are excluded, after formal review and validation by Amundi's Rating Committee.

C) INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS

Indicator of adverse impacts on sustainability		Measurement element	2023 impacts	2022 impacts	Explanation	Measures taken, planned measures and targets defined for the following reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investment in real estate assets used for the extraction, storage, transport or production of fossil fuels – %	N/A	N/A	Share of assets not significant in the scope analysed	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ <u>Integration into the ESG score</u>: the pollution theme is integrated into the ESG rating
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investment in energy-inefficient real estate assets %	N/A	N/A	Share of assets not significant in the scope analysed	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ <u>Integration into the ESG score</u>: the level of energy performance is taken into account in the ESG rating

D) TABLE 2: ADDITIONAL CLIMATE AND OTHER ENVIRONMENTAL INDICATORS

Indicator of adverse impacts on sustainability		Measurement element	2023 impacts	2022 impacts	Explanation	Measures taken, planned measures and targets defined for the following reference period
Emissions	Investments in companies that have not taken initiatives to reduce their carbon emissions	Share of investment in companies that have not taken initiatives to reduce their carbon emissions in order to comply with the Paris agreement – %	52.2%	37.5%	Coverage rate: 61% (no change from 2022)	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Commitment: Theme of commitment to the transition to a low-carbon economy ▪ Voting: Requirement of criteria related to the energy transition in executive compensation for sectors with a significant impact on the climate, use of voting rights as an escalation measure in case of significant adverse impacts ▪ Integration of the ESG score: Included in the environmental pillar of the applied ESG scoring model
Human rights	Lack of a human rights policy	Share of investment in entities without a human rights policy – %	23.1%	19.2%	Coverage rate: 61% (no change from 2022)	<ul style="list-style-type: none"> ▪ Measures taken, measures planned and defined targets: <ul style="list-style-type: none"> ▪ Integration of the ESG score: Included in the social pillar of the applied ESG scoring model ▪ Monitoring of controversies: Screening within a broad universe of issuers, taking into account alert levels related to UNGC breaches

E) DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE THE PRINCIPAL NEGATIVE IMPACTS ON SUSTAINABILITY FACTORS

As a responsible institutional investor, CALI Europe, a subsidiary of Crédit Agricole Assurances, takes environmental, social and governance (ESG) factors into account in its investment analysis and decision-making processes and in their monitoring. Certain sectors (renewable energy, healthcare, regional financing) are favoured given the importance of ESG issues.

CALI Europe relies primarily on the expertise of Amundi, the Crédit Agricole Group's asset manager, to integrate non-financial criteria into its investments. This approach includes:

- Implementing norms-based exclusions (embargoes, controversial weapons, etc.) and sector-based exclusions (coal, tobacco, etc.), and
- Selecting issuers with the best practices in their sector according to the ESG rating calculated by Amundi (minimum individual rating, minimum portfolio rating and comparison with a benchmark universe).

In line with the societal project of the Crédit Agricole Group, which is committed to contributing to the United Nations Sustainable Development Goals, and with the objective of achieving carbon neutrality by 2050, CALI Europe is strengthening its commitments to the energy transition.

Objectives

Setting targets for the various indicators of principal adverse impacts, aligned with scientific scenarios, remains a challenge.

The monitoring of these indicators remains a recent endeavour and given the wide range of asset classes and regions in which CALI Europe invests, we do not yet have the necessary analytical frameworks and data to set targets for each principal adverse impact.

CALI Europe, the Crédit Agricole Assurances group and its partners, including Amundi, continue to evolve their approach to the principal adverse impacts in the coming years, based on the reference scientific scenarios and in close connection with their clients' objectives.

Methodologies and data source

General principles

In order to publish indicators that best represent the principal adverse impacts on sustainability factors at entity level, CALI Europe has adopted an approach calculating and managing the indicators on principal adverse impacts that is based on the principle of portfolio hedging. Therefore, the data covered is divided by only the assets to which it relates.

Although CALI Europe and Predica/Amundi have identified the short- and long-term adverse impacts that are most likely to have a significant impact on investment portfolios, the information available to assess the principal adverse impacts is limited and often lacks standardisation across sectors and regions. Therefore, the approach of CALI Europe and Predica/Amundi to assess the principal adverse impacts is applied bottom-up at the portfolio level. In addition, investment portfolios may be exposed to significant and chronic adverse impacts that vary depending on the geographical areas of the companies.

Given the nature of its operations, CALI Europe is invested in movable and real estate assets through guaranteed-rate funds (euro- and dollar-denominated funds), as well as through unit-linked funds (dedicated, collective, specialised and external funds). This statement takes into account investments in all types of funds whose breakdown, coverage rate and data sources are broken down as shown in the table below:

Fund type	Funds	% of outstandings at 31/12/2023	% of PAI coverage	Main data providers
Guaranteed rate and equity	Reinsured € fund, Fund in dollars, equity	45%	99%	Predica and Amundi (Crédit Agricole Group)
Unit-linked	Dedicated, collective, specialised, external funds	55%	11%	External data from managers
Total		100%	51%	

Methodological limits and margin of error

The limits of the methodology applied are by construction linked to the use of ESG data. The ESG data universe is being standardised, which can impact data quality; data coverage is also limited. Current and future regulations will improve the standardisation of the reporting and disclosure provided by companies on which ESG data is based. We are aware of these limitations, which we mitigate through a combination of approaches: the use of multiple data providers, a structured qualitative assessment of ESG scores by our ESG research team and the implementation of strong governance.

Lastly, in some specific cases, it may be difficult to obtain portfolio data. Despite our efforts to retrieve all the necessary data (see also the section below), a lack of data availability can impact some of our assets.

We encourage readers to exercise caution and consider this potential margin of error when interpreting and using the information provided.

Different approaches depending on data coverage

Data coverage is inconsistent across the different indicators of the principal adverse impacts. CALI Europe has adopted a reweighting approach across holdings for which data is available. This avoids considering missing data as null, which would “dilute” the indicator for all assets.

For investments in third-party funds, CALI Europe used the values of the principal adverse impact indicators reported by the external managers and publicly available.

CALI Europe reserves the right to amend this methodology and its data sources in the future.

Scope 3: consideration of supplier upstream emissions. For data robustness reasons, Amundi, our main data provider, has chosen to use only part of scope 3: upstream emissions linked to tier-1 suppliers. Tier-1 suppliers are those with which the company has a preferred relationship and on which it can directly exert influence.

Selection of additional key adverse impact indicators

CALI Europe has identified the additional indicators in tables 2 and 3 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 by assessing:

- Their relevance to CALI Europe’s strategic ESG priorities as described in the global policies
- The availability of data to measure the severity of the impact of these risks within the investment universe.

Data sources: Data providers used exclusively for the principal adverse impacts.

Entity	Branch
Company	MSCI
	Trucost
	Refinitiv (LSEG)
	SBT
Sovereign and supranational	MSCI
	Verisk Maplecroft

For real estate assets

- Data is collected directly from our main stakeholders (property managers, tenants, technical managers, etc.).
- Energy consumption is collected from each tenant of the real estate assets under management through a dedicated service provider.

Data sources may be revised in the future to include more data providers.

F) ENGAGEMENT POLICIES

As an entity belonging to the Crédit Agricole Assurances Group, CALI Europe is fully in line with its ESG Climate policy, which is itself aligned with the objectives of the Paris Agreement.

In line with the requirements of European Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation (SFDR)), these reports detail how the impacts that an external environmental, social or governance event could have on the performance of products managed by Crédit Agricole Assurances Group entities are identified and quantified. They also detail the carbon footprint of Crédit Agricole Assurances’ portfolios.

CALI Europe’s ESG policies are detailed in the ESG Climate 2023 report by the Crédit Agricole Assurances Group published at <https://www.cali-europe.com/>.

Biodiversity

The Crédit Agricole Group is committed to taking action to support nature and biodiversity in line with our Societal Commitment. Crédit Agricole S.A. has identified five priority areas to address this major issue:

- Assess the material impacts and risks related to the loss of nature on our activities;
- Integrate criteria related to nature and biodiversity into sectoral policies;
- Mobilise financial resources for activities that benefit nature;
- Support collective action against the decline of nature and ecosystem services;
- Reduce our operating footprint and foster biodiversity.

The statement on biodiversity and natural capital is available at the following link: <https://www.credit-agricole.com/responsible-et-engage/notre-strategie-rse-etre-acteur-d-une-societe-durable/nos-positions/2023/declaration-sur-la-biodiversité-et-le-capital-naturel>

In 2023, Crédit Agricole S.A., Amundi and Crédit Agricole CIB participated in two Taskforce on Nature-Related Financial Disclosures (TNFD) pilots to

test the LEAP process and provide feedback on the proposed reporting framework for financial institutions.

Crédit Agricole S.A., Amundi and Crédit Agricole CIB conducted these first pilots on a sample of companies in the agri-food sector present in our financing and investment portfolios.

- 2023 [TNFD pilot on agri-food](#) with Iceberg Data Lab and I Care
- 2023 [TNFD pilot on agriculture and fisheries](#) with UNEP FI and CDC Biodiversité

G) REFERENCES TO INTERNATIONAL STANDARDS

CALI Europe, through the Crédit Agricole Assurances Group, has joined market initiatives to demonstrate its commitment. Today, this commitment is also reflected in the award of labels and awards by independent organisations.

	Responsible insurer	Responsible investor	Responsible company
Initiatives joined	<ul style="list-style-type: none"> ▶ Signatory of the France Assureurs CSR Charter of Insurers, renewed in 2018; ▶ Signatory of the Principles for Sustainable Insurance (PSI) since 2021; ▶ Member of the Net-Zero Insurance Alliance (NZIA) since 2022. 	<ul style="list-style-type: none"> ▶ Signatory of the Principles for Responsible Investment (PRI) since 2011; ▶ Signatory of the Tobacco-Free Finance Pledge in 2020; ▶ Member of the Net-Zero Asset Owner Alliance (NZAOA) since 2021; ▶ Member of Novethic's Cercle des Investisseurs Institutionnels. 	<ul style="list-style-type: none"> ▶ Signatory of the United Nations Global Compact since 2003; ▶ Signatory of the Diversity Charter since 2008; ▶ Signatory of the Sustainable Sourcing Charter since 2010; ▶ Partner of the "Demographic Transitions, Economic Transitions" Chair launched by Jean-Hervé Lorenzi; ▶ Signatory of the Gender Diversity Charter since 2018; ▶ Member of Admical - Réseau de Mécènes.
Labels and awards	<ul style="list-style-type: none"> ▶ 242 units of account offered to customers by Predica have received the "SRI" label, 17 have the GrennFin label and 10 have the Finansol label. 	<ul style="list-style-type: none"> ▶ "Global Invest Sustainable Insurance company of the year" award presented by AGEFI in 2018 	<ul style="list-style-type: none"> ▶ 2019 Argus d'Or "Corporate Citizen" award for Stop Illettrisme; ▶ Argus d'or "Corporate Citizen" award in 2021 for CSolidaire.

The Crédit Agricole S.A. Group has defined three objectives for 2030 to reduce its operating footprint using a methodology based on the GHG Protocol and aligned with limiting global warming to 1.5°C by 2100, in accordance with the recommendations of the Science Based Targets initiative (SBTi)

H) HISTORICAL COMPARISON

2023 is the second year of analysis. Tables 1 and 2 show the PAI for these two reference periods, the change in the percentage of asset coverage and the trend observed for each indicator.