Responsible Investment

2024 REPORT

CCR RÉASSUREUR PUBLIC

EDITORIAL

PROTECTING INSURABILITY TO ENABLE EVERYONE TO BUILD A FUTURE

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As a public reinsurer serving the public interest, CCR enables all citizens, elected officials and entrepreneurs to continue developing their projects despite their vulnerabilities to risks, primarily natural risks. CCR informs decision-makers and provides insurers with solutions to address natural disasters and extreme risks. Every day, the men and women of CCR develop risk knowledge and prevention advisory services by combining the State guarantee with their expertise.

In 2024, CCR prepared for the upcoming implementation of the European CSRD Directive by continuing the voluntary approach it had already adopted in terms of SRI at the time of the first publication of this report. In this context, CCR set up a new organisation at the beginning of 2025 to support the transformation of its operational model, in line with its missions of reinsurance and advisory services, with an increasing emphasis on CSR components. The aim is to effectively promote a double materiality analysis to take into account the impact of society and the environment on CCR's economic performance, but also, and above all, to measure CCR's impact on climate change adaptation and mitigation in France.

A first key issue is therefore CCR's performance on the liabilities side. Through its reinsurance, advisory and monitoring activities, CCR contributes not only to implementing but also to preserving the financial balance of the natural catastrophe compensation scheme and ensuring its long-term viability, and - where relevant - to making new extreme risks insurable. The contribution of these activities will be assessed as part of the CSRD framework and beyond, with the aim of informing and advising public authorities to support their public policy decisions.

On the assets side, and as part of this dynamic, CCR optimised its strategic allocation in 2024 by securing the liquidity required for its reinsurance activity, while at the same time strengthening its financial profitability, despite a context of market uncertainty and volatility.

Beyond these key objectives of financial profitability and security, the second specifically ESG-related issue is, of course, socially responsible investment (SRI), by taking into account credible and ambitious ESG criteria. CCR rigorously follows best practices defined by regulators and scientific recommendations. Since 2019, CCR has committed to aligning its portfolio with a greenhouse gas emissions reduction trajectory compatible with the climate goals set out in the Paris Agreement. This ambition is based on a continuous improvement approach built around three pillars: committing, measuring, and financing in support of a just energy transition.

This ambition thus pursues two inseparable sub-objectives, which form the natural extension of our mission to protect insurability: to act with discernment in order to achieve the general objective of carbon neutrality by 2050; and, more specifically and in line with our *raison d'être*, to finance the resilient assets of tomorrow, by supporting in particular the French sector for the reduction, prevention and adaptation to primarily natural risks.

In response to this second sub-objective, CCR created and launched an Article 9 investment fund dedicated to financing prevention and adaptation solutions for climate change: the *Climate Change Resilience Fund* (CCR-F), in partnership with Starquest, a pioneer in Greentech private equity. CCR-F is fully aligned with the Socially Responsible Investment Policy described in this report. Whether in relation to our directly managed or delegated portfolios, this report demonstrates the further progress made by CCR in 2024 in terms of transparency across its asset classes and the proportion of ESG assets.

To conclude, although it remains difficult to anticipate with precision the impacts of climate change on the scale and frequency of future natural disasters, CCR is best positioned to optimise this anticipation and is destined to remain a pillar of national resilience in the face of the challenges ahead. Alongside its reinsurance and advisory activities, responsible investment in support of adaptation and prevention is a source of performance for CCR and one of the keys to its long-term strategy to foster confidence, to "build a future."

2024 HIGHLIGHTS

98%
of the asset portfolio looked-through
92.5%
of collective investment funds

35%
of the portfolio is made up of ESG assets

13%
in directly held sustainable bonds

2.4 °C
2100 temperature of the financial portfolio (direct and delegated management)

PRI Principles for Responsible Investment

100%
of delegated assets managed by asset management companies that are **signatories to the PRI**

61%
of commercial buildings with an environmental label

CCR Starquest

November 2024: CCR and STARQUEST launch an Article 9 investment fund dedicated to innovation for the prevention of natural disasters, the **CLIMATE CHANGE RESILIENCE FUND (CCR-F)**.

100%
of residential and commercial buildings powered by green energy

OBJECTIVES FOR COMBATING CLIMATE CHANGE
Summary of our commitments and KPIs

Asset class	Assets under management €bn[1] (%)	Objectives	As at end-2024	Note
Entire portfolio	€10.6 bn (100%)	Application of CCR's SRI Charter, Exclusion Policy (Appendix 1) and Fossil Fuel Policy (Appendix 2)	Ongoing commitment	
		Temperature below 2 °C by 2100	2.4 °C	Below the Euro Corporate and Euro Equity benchmark indices
In direct management: sovereign and quasi-sovereign bonds; corporate bonds; equities and holdings; and: In delegated management: dedicated funds	€6.7 bn (63%)	Phasing out of thermal coal by 2030	As at 31 December 2024, issuers linked to coal accounted for less than 1% of the portfolio	
		Phasing out of unconventional hydrocarbons by 2030	As at 31 December 2024, issuers linked to oil and gas accounted for less than 2% of the portfolio (including less than 1% in unconventional hydrocarbons)	
In direct management: corporate bonds	€3.2 bn (31%)	50% reduction in Scope 1-2-3 carbon footprint by 2030 versus 2020 (i.e. target of 82 tCO_2e/€m EV[2])	136tCO_2e/€m EV.	
		50% reduction in Scope 1-2 carbon footprint by 2030 versus 2020 (i.e. target of 16 tCO_2e/€m EV)	10,6tCO_2e/€m EV.	Target achieved in 2023, to be redefined in 2025
Directly held commercial real estate	€0.23 bn (2%)	Tertiary Decree: reduction in final energy consumption: -40% by 2030, -50% by 2040, and -60% by 2050 versus the reference year	-23%	The share of commercial buildings having received an environmental label or certification continued to grow between 2023 (55%) and 2024 (61%)

1 At market value
2 tCO_2e/€m EV: tonnes of CO_2 equivalent per million euros of Enterprise Value

CONTENTS

This report presents the information required by Decree No. 2021-663 of 27 May 2021 issued pursuant to Article 29 of Law No. 2019-1147 of 8 November 2019 on energy and climate, for CCR's portfolio as at 31 December 2024. It also provides the information recommended by the Task Force on *Climate-related Financial Disclosures (TCFD)*.

A

CCR'S OVERALL APPROACH
on the consideration of environmental, social and governance (ESG) criteria

A. CCR'S OVERALL APPROACH on the consideration of environmental, social and governance (ESG) criteria

A.1 CCR's Profile and Activities

CCR – Caisse Centrale de Réassurance – created in 1946, is the public reinsurer that operates in France to ensure the insurability of extreme and emerging risks.

CCR offers reinsurance cover, backed by a State guarantee, to French insurers, and advises public authorities, as well as stakeholders involved in risk prevention and management, on prevention, modelling and adaptation.

CCR is also responsible, on behalf of the State, for the accounting, financial and, where applicable, administrative management of several public funds related to insurance.

CCR combines physical, actuarial and economic modelling capabilities with multiple areas of expertise to develop knowledge of natural and anthropogenic risks, their prevention, and the adaptation of the territories. As a central player in the natural catastrophe scheme, CCR also covers other extreme risks such as nuclear operator liability and terrorism risk.

CCR shares its knowledge with public authorities and its clients to support better prevention and adaptation to climate change. Reinsuring and advising are CCR's two strategic pillars for meeting the challenges of climate change.

By protecting insurability today, CCR enables everyone to build a sustainable and inclusive future. In doing so, CCR helps strengthen the resilience of our society in an uncertain environment.

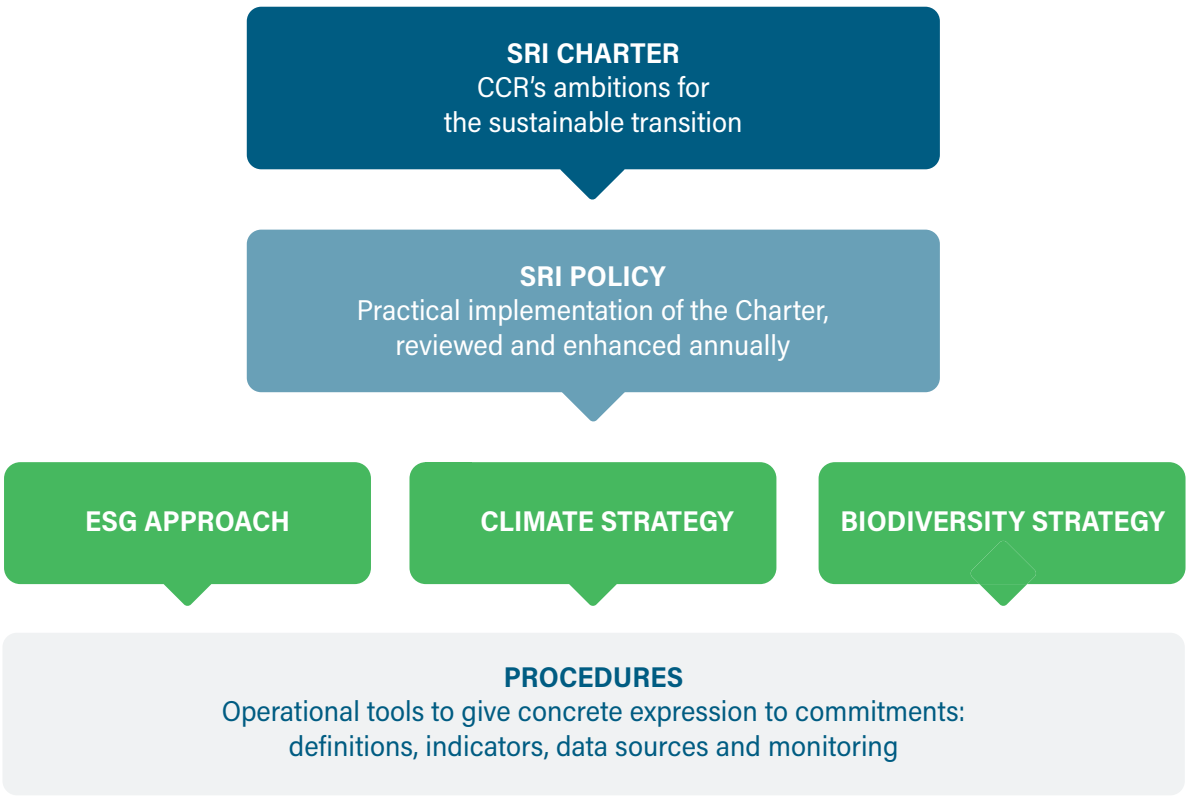
CCR's *raison d'être*: protecting insurability to enable everyone to build a future.

A.2 Responsible Investment Strategy

Strategy

Established in 2019, CCR's SRI Charter sets out its strategy and Socially Responsible Investment Policy.

Figure 1: Operational implementation of the SRI Charter



This Charter is built on three pillars: the prevention of transition risk, adaptation to physical risks, and support for the societal transition.

Through this Charter, CCR has chosen to strengthen ESG risk management by integrating them into its investment policy, by measuring their impact on its portfolios, as well as measuring the impact of its portfolios on the environment, while contributing to the financing of initiatives that support the environmental and societal transition.

The Responsible Investment Policy is based on the definition of an ESG risk management framework specific to each of the three pillars, and on a targeted responsible investment programme aimed at generating long-term financial performance.

Figure 2: SRI Charter: General objective of contributing to CCR's long-term performance

CCR'S AMBITION

COMMIT	**to reducing negative impacts, in particular greenhouse gas emissions and biodiversity loss.**
MEASURE	**the impact of its investments.**
FINANCE	**the ecological, energy and societal transition.**

	SRI CHARTER		
PILLARS	**Prevention of Transition risk**	**Adaptation to physical risks**	**Support for the societal transition**
RISK MANAGEMENT	**Fossil fuel Policy** ▪ Phasing out of coal and unconventional hydrocarbons by 2030 ▪ Exclusion of expansion projects (Appendices 1 & 2) **Climate analysis** ▪ Carbon footprint – Scopes 1, 2 and 3 ▪ Temperature alignment by 2100 ▪ Green share (Taxonomy) and brown share **Biodiversity analysis** ▪ Biodiversity footprint ▪ Qualitative impact matrix	**Climate analysis** ▪ Financial asset portfolio: quantitative measurement based on an estimate of Value at Risk (VaR) ▪ Directly held properties: exposure analysis, vulnerability assessment and cross-analysis **Biodiversity analysis** ▪ Qualitative dependency matrix	**ESG analysis** ▪ ESG risk ▪ Monitoring of controversies ▪ Sector-based and name-based exclusions
INVESTMENTS	▪ **Green bonds** (directly held and via funds) ▪ **Environmental impact funds**	▪ Financing **of assets contributing to climate change adaptation**	▪ **Social and sustainable bonds** (directly held and via funds) ▪ **Social impact funds** ▪ Encouraging asset management companies to vote **at general meetings**

Portfolio structure and looked-through analysis

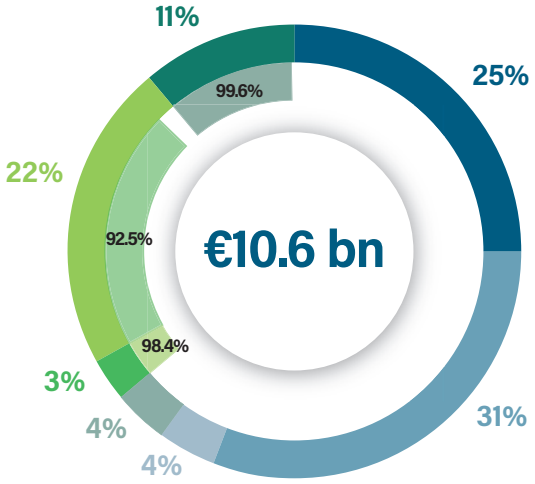
CCR considers it essential to use comprehensive and high-quality data.

A detailed understanding is required at two levels:
- Monitoring of investments: knowing which issuers are held, including within open-ended collective investment funds. To this end, the entire portfolio is subject to looked-through analysis;
- Monitoring of data providers' methodologies and the correct integration of data into internal systems.

CCR is committed to a process of transparency and continuous improvement.

As at 31 December 2024, CCR manages a portfolio of €10.6 bn (at market value). CCR's asset management is primarily driven by liability constraints within a prudent management framework.

Figure 3: CCR's portfolio structure as at 31 December 2024 and looked-through analysis (in % by investment category; market value)



98% of the portfolio, across all asset classes, was looked-through in 2024.

Sovereign and quasi-sovereign bonds (directly held)	*25%*
Corporate bonds (directly held)	*31%*
Shares and equity holdings (directly held)	*4%*
Real estate (directly held)	*4%*
Dedicated funds – traditional management	*3%*
Delegated management excluding dedicated funds – traditional management	*22%*
Money market (money market funds, negotiable debt securities, term deposits)	*11%*

Note: throughout this document, for the sake of simplified wording where not otherwise specified, the "sovereign bonds" asset class refers to the combined portfolios of sovereign and quasi-sovereign bonds.

Furthermore, in 2024, the "shares and equity holdings (directly held)" asset class was separated out to provide greater transparency. In 2023, this class had been merged with the "corporate bonds (directly held)" asset class.

CCR has chosen to apply a looked-through analysis[1] to all assets under delegated management, in order to trace back to the ultimate issuer-level positions. This enables managers to monitor the issuers held within collective and dedicated funds, so as to identify any positions that would run counter to the SRI Policy. This looked-through process and the verification of issuers are carried out at least quarterly.

Thus, as at December 2024, 98% of the portfolio, across all asset classes, is looked-through. The remaining 2% corresponds to funds of funds or newly invested funds.

This approach ensures overall consistency in sustainability indicators across the entire portfolio: collective investment funds are thus treated and considered as a pool of directly held assets, for which all investment lines are known.

This detailed knowledge of the portfolio is considered essential for risk monitoring.

1 The looked-through analysis applied is Level 1: a fund is broken down into direct and delegated investment lines. Thus, when a fund is invested at X% in another fund (e.g. a money market fund), that X% will appear as not looked-through.

The ESG Approach

The management teams integrate ESG criteria into their day-to-day investment process. The approaches vary depending on the management method.

Figure 4: Summary table of sustainability analyses by asset class

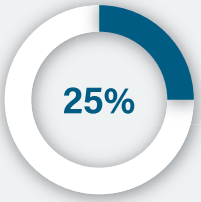
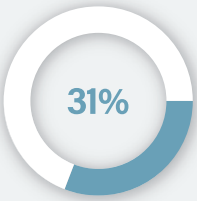
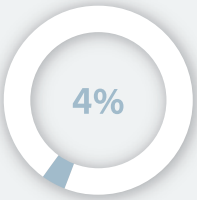
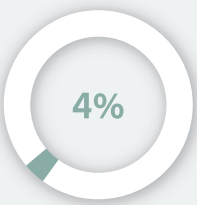
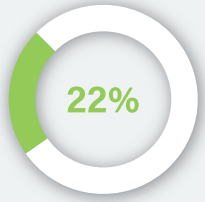
DIRECT MANAGEMENT	ESG	CLIMATE	BIODIVERSITY
SOVEREIGN AND QUASI-SOVEREIGN BONDS 	Covered by Sustainalytics: 93% ESG score and controversies Proprietary analysis: 100% Sustainable bonds	Covered by Carbon4Finance (C4F): 89% Transition risk: Carbon Impact Ratio and temperature Covered by CLIMAFIN: 100% Physical risk: Value at Risk (VaR) Transition risk: Value at Risk (VaR) Proprietary analysis: 100% Green share and fossil fuel exposure Green bonds	
CORPORATE BONDS (INCLUDING FINANCIALS) 	Covered by Sustainalytics: 100% ESG score and controversies Proprietary analysis: 100% Sustainable bonds	Covered by C4F: 94% Transition risk : Carbon Impact Ratio and temperature Covered by CLIMAFIN: 100% Physical risk: VaR Transition risk: VaR Proprietary analysis: 100% Green share and fossil fuel exposure Climate analysis of issuers Green bonds	Covered by C4 : 94% Transition risk: Biodiversity footprint Proprietary analysis: 100% Qualitative footprint and dependencies (ENCORE and Sustainalytics)
SHARES AND EQUITY HOLDINGS 	Study integrated into the overall portfolio analysis	Study integrated into the overall portfolio analysis	Study integrated into the overall portfolio analysis
REAL ESTATE 	Proprietary analysis: 100% 20 indicators (Based on the OID materiality matrix)	Proprietary analysis: 100% Energy consumption: audit and water consumption monitoring Carbon footprint	Development and rehabilitation of green spaces

Figure 4 (continued): Summary table of sustainability analyses by asset class

DELEGATED MANAGEMENT	ESG	CLIMATE	BIODIVERSITY
DEDICATED FUNDS TRADITIONAL MANAGEMENT[2] **Level of looked-through analysis: 98.4%** 	Covered by Sustainalytics: 92% ESG Score and controversies Proprietary analysis: 100% Integration of ESG criteria into the policies of asset management companies and those applied to the funds	Covered byC4F : 86% Transition risk: Carbon Impact Ratio and temperature Covered by CLIMAFIN: 100% Physical risk: VaR Transition risk: VaR Proprietary analysis: 100% Green share and fossil fuel exposure Climate analysis of issuers	Covered by C4F: 73% Transition risk: Biodiversity footprint Proprietary analysis: Qualitative footprint and dependencies (Sustainalytics)
DELEGATED MANAGEMENT EXCLUDING DEDICATED FUNDS – TRADITIONAL MANAGEMENT **Level of looked-through analysis: 92.5%** 	Covered by Sustainalytics: 75% ESG Score and controversies Proprietary analysis: 100% Integration of ESG criteria into the policies of asset management companies and those applied to the funds	Study integrated into the overall portfolio analysis	Study integrated into the overall portfolio analysis
MONEY MARKET	**ESG**	**CLIMATE**	**BIODIVERSITY**
MONEY MARKET FUNDS, NEGOTIABLE DEBT SECURITIES, TERM DEPOSITS **Level of looked-through analysis: 99.6%** 	Study integrated into the overall portfolio analysis	Study integrated into the overall portfolio analysis	Study integrated into the overall portfolio analysis

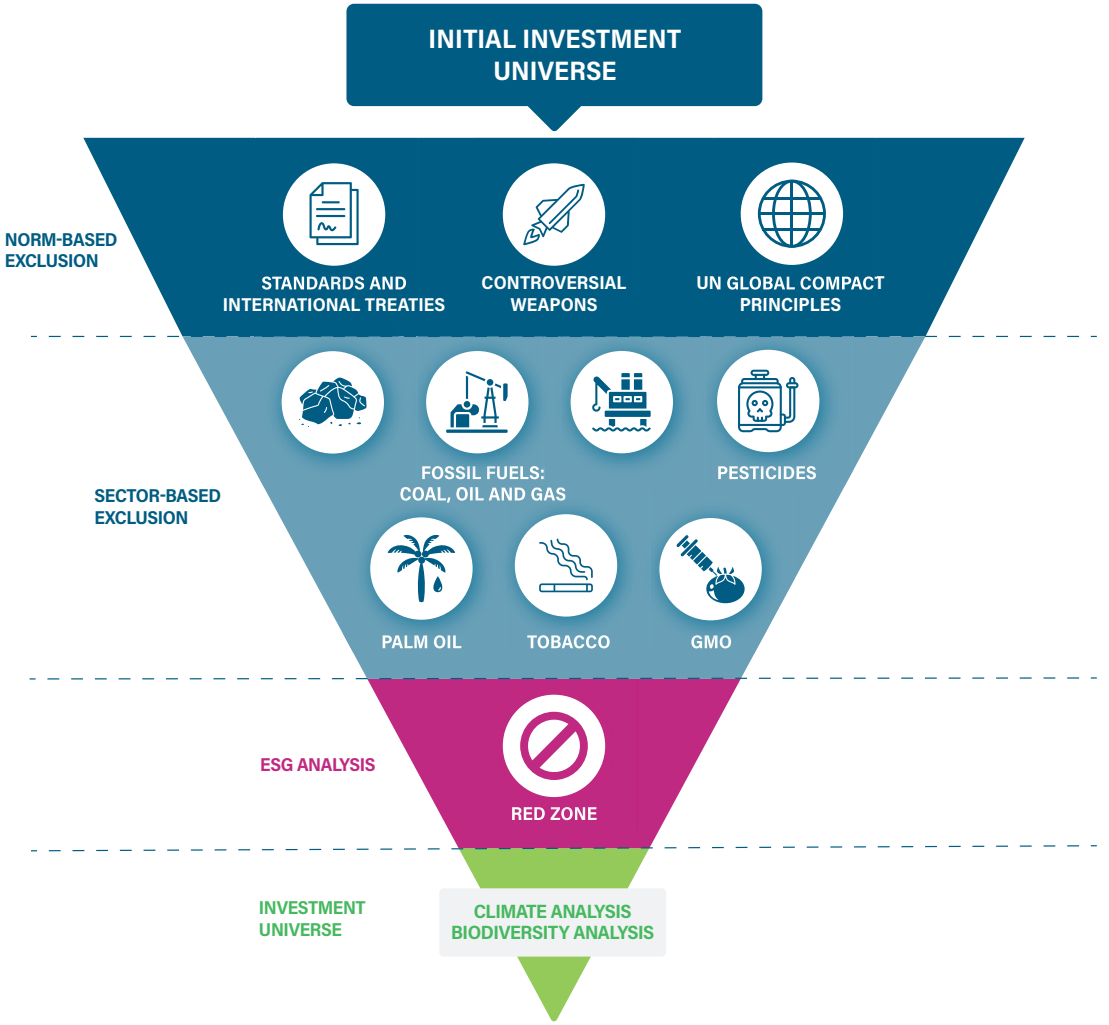
The indicated coverage rate reflects the data provider's coverage of the entire asset class held by CCR.

2 Excluding hedge funds and legacy private equity funds.

a. Direct financial investments

The responsible investment process for directly held securities combines exclusions and extra-financial analysis[3].

Figure 5: ESG Approach



ESG Analysis

Each new investment is subject to ESG analysis, following the approach outlined in Figure 5. Access to Sustainalytics' fundamental research since 2022 has enabled a better understanding of each issuer's ESG risks, thereby improving the quality of information available to portfolio managers for their analysis[4].

For sovereign issuers:

- ***Country Risk Rating*** combines ESG and economic analyses to assess sovereign risk.

For private issuers:

- ***ESG Risk Rating****:* measures the residual risk to which the company is exposed (gross risk minus risk management). It is assessed on a scale from 0 to 100, where 0 indicates no risk and 100 indicates maximum risk.
- ***Controversy analysis:*** assesses the impact of contentious events or actions on stakeholders and, consequently, on the company's own operations. A low controversy rating (from 1 to 2 on a scale of 5) indicates a limited impact of the event.

3 See Appendix – CCR Exclusion Policy
4 Previously, portfolio managers only had access to ESG risk scores via the Sequantis™ platform

Analysis of sustainable bonds

As with any investment, when investing in sustainable bonds, the management team optimises the risk-return profile. In this case, it is supplemented by the requirement that the bond demonstrates "environmental, social or sustainable" quality.

To meet this requirement, the management team continuously enhances its analysis methodology specific to sustainable bonds. This methodology is based on issuance-stage analyses (of both the issuer and the projects financed), along with ongoing monitoring of allocation, impact, and transparency indicators related to the financed projects, up to the maturity of the bond (or its sale). (See box – Focus: so-called sustainable investments, page 17.)

b. Investments under delegated management

During the selection process, the delegated management teams pay particular attention to extra-financial criteria. Where performance (risk-return profile) and objectives are equivalent, managers give preference to funds with a robust SRI Policy.

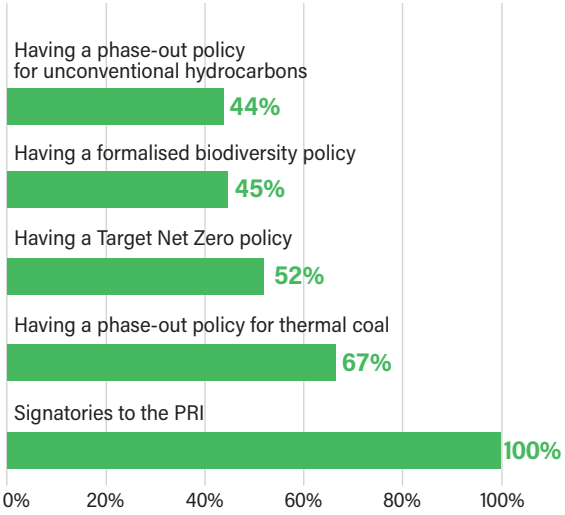
A rigorous selection based on best practices

All assets under delegated management are entrusted to asset management companies that are signatories to the Principles for Responsible Investment (PRI). Since 2022, this has been a prerequisite for any new investment. Such adherence is a guarantee that ESG criteria are taken into account in the management process.

A selection process reinforced by proprietary analysis

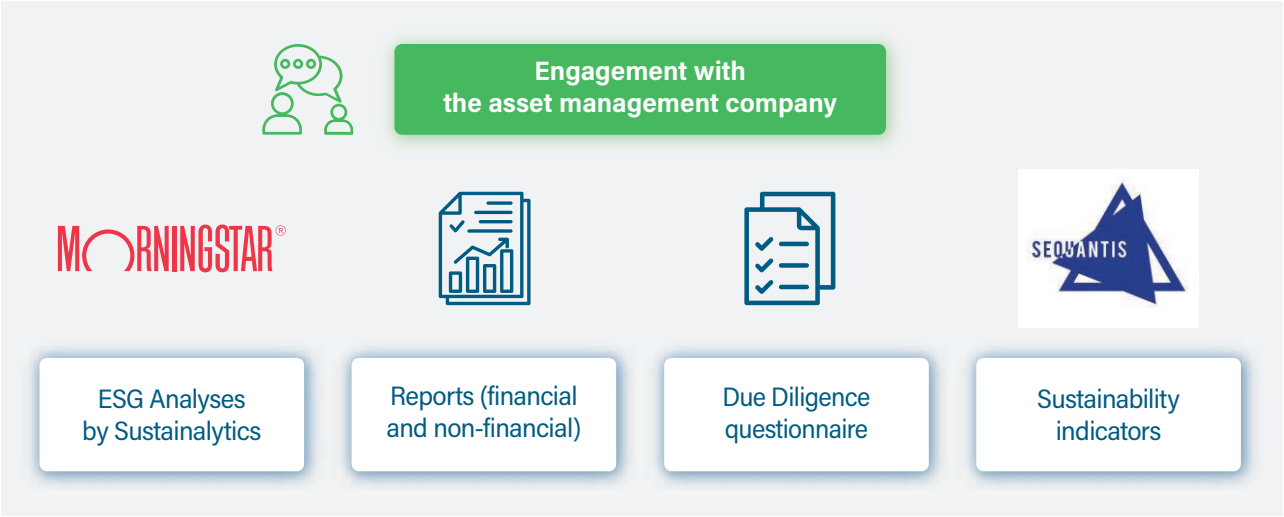
Managers carry out their own qualitative analysis of the integration of ESG criteria within each strategy, drawing on a range of complementary sources.

Figure 6: Share of assets under delegated management entrusted to asset management companies (% of delegated assets)



Source: Proprietary questionnaire

Figure 7: Information sources



Since 2021, managers have relied on two proprietary Due Diligence questionnaires to support their objective of transparency and better understanding of the ESG practices and policies of asset management companies and the funds in the portfolio.

These questionnaires serve both as a tool for measuring progress (sent annually) and as a selection tool (sent prior to any new investment). They also enable managers to carry out consistency checks between the practices of asset management companies and what is actually implemented in the funds.

CCR has nevertheless observed inconsistent responses regarding asset management companies' biodiversity strategies, indicating a lower level of maturity compared with climate-related issues.

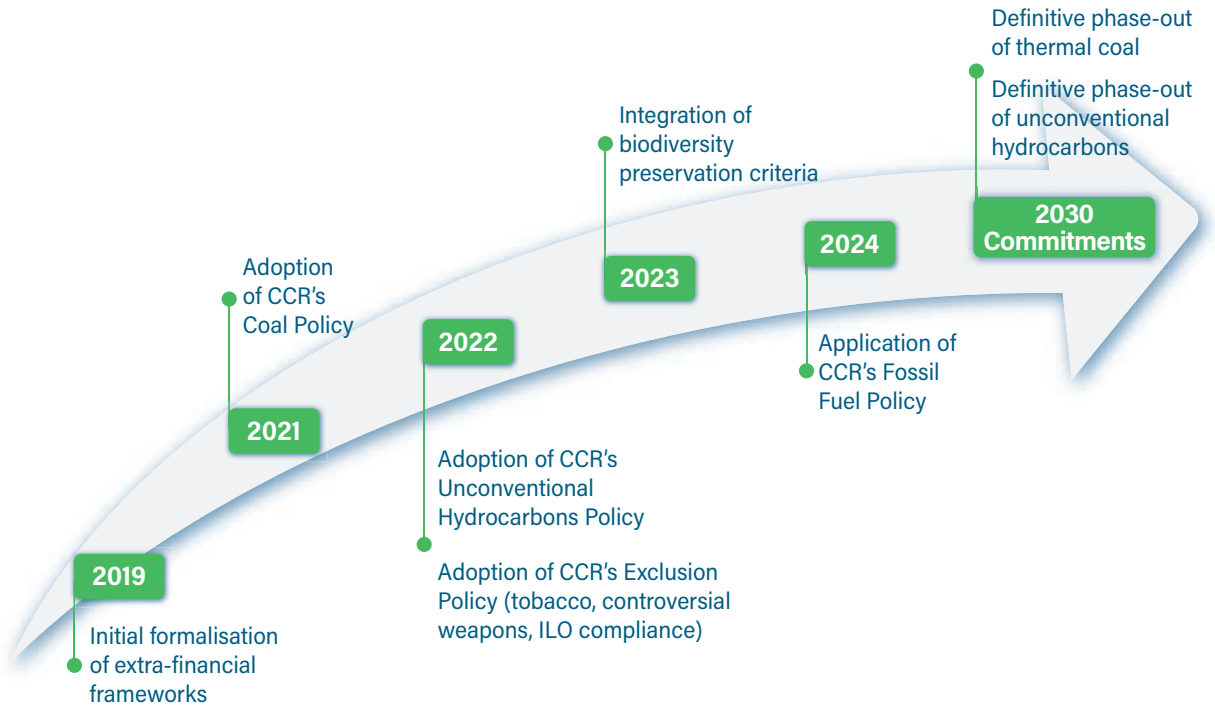
Until now, the questions have been reviewed annually to ensure their relevance in light of changes in CCR's commitments, market best practices, and scientific and regulatory recommendations.

However, as part of an optimisation effort, CCR contributed in 2024 to the questionnaire of the French Association of Institutional Investors (Af2i), and is now transitioning to the use of this industry-standard questionnaire.

Dedicated funds: a constructive partnership with asset management companies

Since 2021, CCR has encouraged asset management companies to reflect its commitments in their dedicated funds[5].

Figure 8: Strengthening of the extra-financial policy of dedicated funds



The sharing and application of CCR's Fossil Fuel Policy, often more restrictive than that of the asset management companies, contribute to the dissemination of best practices and alignment with a low-carbon trajectory. Similarly, the expertise of asset management companies enables CCR's teams to develop and deepen their knowledge, and also to improve the extra-financial profile of the funds.

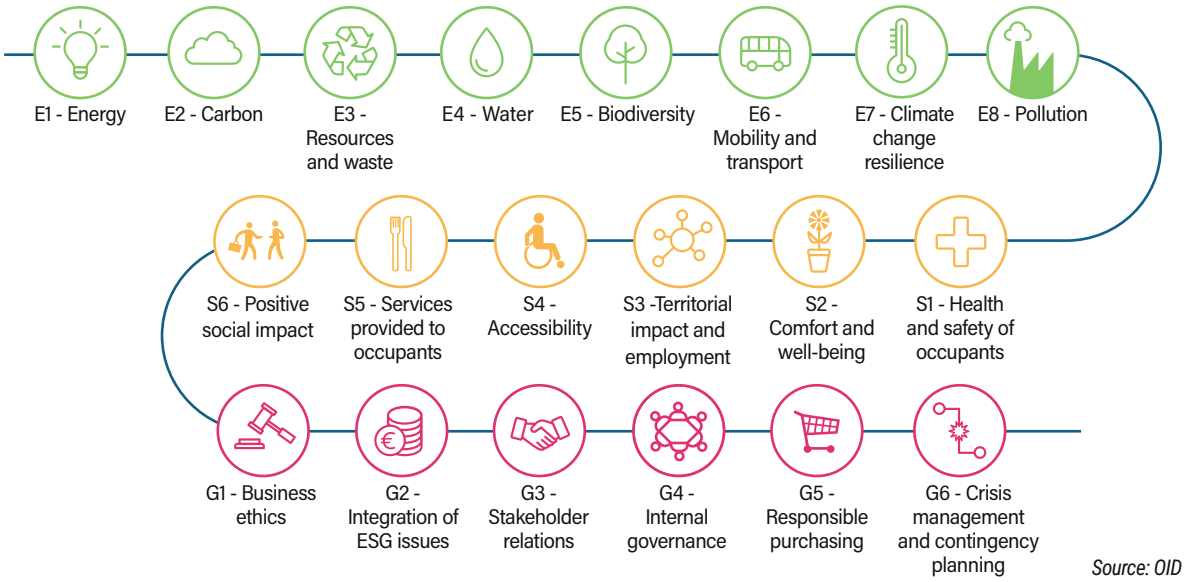
5 Three traditional management funds (bond and equity funds).

c. Direct real estate investments

CCR's directly held real estate portfolio consists of 13 properties, including 7 residential buildings and 6 office buildings, located mainly in Paris.

Since 2019, CCR has analysed its real estate assets using the materiality matrix developed by the Sustainable Real Estate Observatory (OID)[6], which incorporates the three ESG pillars through 20 indicators.

Figure 9: ESG issues defined in the OID materiality matrix



Source: OID

During the acquisition phase: ESG criteria are systematically integrated into the ex-ante evaluation. CCR has set itself the objective of ensuring that all new acquisitions of newly built or renovated office buildings obtain an environmental label or certification. In 2024, this was the case with the restructuring of the building located in Boulogne-Billancourt, which received the *"BREEAM Very Good"*, *"BiodiverCity"*, and *"WiredScore"* labels.

During the management phase: various actions are carried out to address:

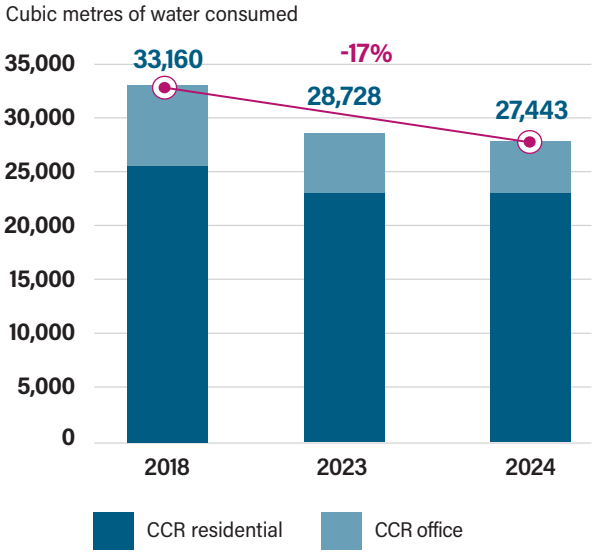
- The quality of governance among the teams responsible for building operations, by involving them in meeting ESG objectives;
- social impact, through the measurement and improvement of occupant comfort (e.g. thermal and acoustic comfort). The social dimension also includes the safety and health of occupants in their day-to-day activities within the buildings;
- energy efficiency (through usage and renovation), as well as the energy mix used by the buildings. This includes green energy contracts (electricity and gas), connection to district heating systems, and increased budgets dedicated to improving energy performance.

6 The OID materiality matrix is based on a market study of materiality matrices published by around thirty real estate stakeholders (listed property companies, investors, developers, and users) between 2013 and 2018, and on a cross-analysis of French and international normative and regulatory frameworks.

Thus:

- 100% of office buildings benefit from green energy contracts (electricity and gas).
- Over 50% of buildings are connected to district heating (60% of the residential portfolio); the target set in 2020 to have half of the buildings connected to the CPCU by 2023 has been achieved. Studies are currently underway to set a more ambitious target by 2030.
- Every restructured office building is certified. The proportion of office buildings with an environmental label or certification continued to increase from 55% in 2023 to 61% in 2024.
- 100% of energy consumption is monitored (for both common and private areas).
- In 2024, water consumption fell by 4.47% versus 2023 and by 17% since 2018.

Figure 10: Water consumption across the office and residential property portfolio



FOCUS: SO-CALLED SUSTAINABLE INVESTMENTS

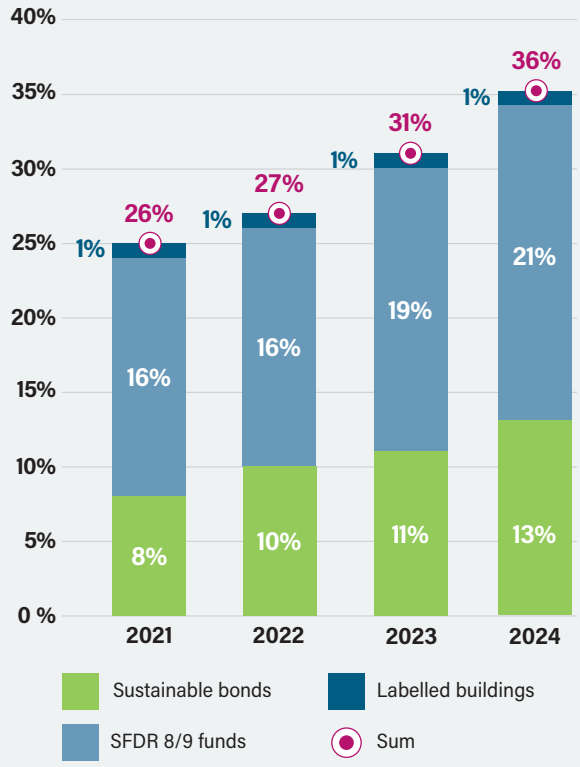
As part of its commitment to transparency and a better assessment of its responsible investments, CCR has defined specific criteria to qualify its investments as sustainable.

For sustainable bonds (green, social, sustainable bonds) they must, at a minimum, comply at issuance with the standards of the International Capital Market Association (ICMA) and must have received a favourable Second Party Opinion. In addition, quarterly portfolio monitoring, via various sources (Bloomberg, Sustainalytics, Sequantis...), makes it possible to track different indicators (temperature alignment, ESG rating, etc.) and monitor any potential controversies.

For real estate investments, the sustainability criterion is the attainment of a recognised environmental label.

Finally, Article 8 and 9 funds under the SFDR Regulation complete CCR's range of "ESG assets", alongside assets with recognised labels and certifications. As at December 2024, these assets represent €3.8 billion, or nearly 36% of the portfolio.

Figure 11: Allocation to ESG assets (% of assets under management)



In accordance with the publication requirements set out in point 1, subparagraph c, section III of Article D. 533-16-1 of the French Monetary and Financial Code, the list of financial products referred to under Articles 8 and 9 of the Disclosure Regulation (SFDR) is provided in Part I.

A.3 Entity's adherence to a charter, code or initiatives

CCR seeks not only to stay informed but is also committed to sharing its own experience with responsible investment best practices. To that end, CCR is a member of several initiatives and takes part in various industry working groups. Thus, in 2024, CCR is:

PRI Principles for Responsible Investment

SINCE 2021

A signatory to the PRI (Principles for Responsible Investment)

Under the auspices of the United Nations, this initiative encourages investors to integrate ESG issues into the management of their portfolios.

CCR has thus gained access to theoretical resources supported by practical case studies, and, thanks to the reporting exercise, is better able to identify the strengths and weaknesses of its responsible investment management

CDP DRIVING SUSTAINABLE ECONOMIES

SINCE 2022

A signatory to CDP (formerly Carbon Disclosure Project)

CDP encourages investors, companies and cities to measure and understand their environmental impacts. The organisation maintains the largest database on environmental performance, making it a valuable resource for the qualitative analysis conducted on the issuers held in CCR's portfolio.

Moreover, CDP contacts a large number of companies each year on behalf of its signatory investors, including CCR, to request disclosure of their data on climate, water and deforestation.

OID ŒUVRER POUR L'IMMOBILIER DURABLE

SINCE 2023

A member of OID (Observatoire de l'Immobilier Durable)

OID aims to accelerate the ecological transition of the real estate sector in France.

By joining this association, CCR gains access to resources and analytical tools that cover its entire directly held real estate portfolio (exclusively located in France).

Contributor to industry-wide discussions on the integration of ESG issues, as:

- **a member of the Sustainable Development Commission of France Assureurs:** a commission that serves as a source of information and regulatory monitoring;
- **a member of the ESG-Climate Working Group of France Assureurs:** which conducts regulatory monitoring and interpretation debates. Being a member also allows CCR to take part in drafting guides and/or recommendations, and to contribute to the publication *Chiffres Finance Durable*;
- **a participant in Af2i workshops within the Responsible Investment Commission:** thereby contributing to the creation and updating of questionnaires for asset management companies;
- **a participant in ACPR roundtables:** notably on the governance of climate change risk.

B

INTERNAL RESOURCES deployed by CCR

B. INTERNAL RESOURCES deployed by CCR

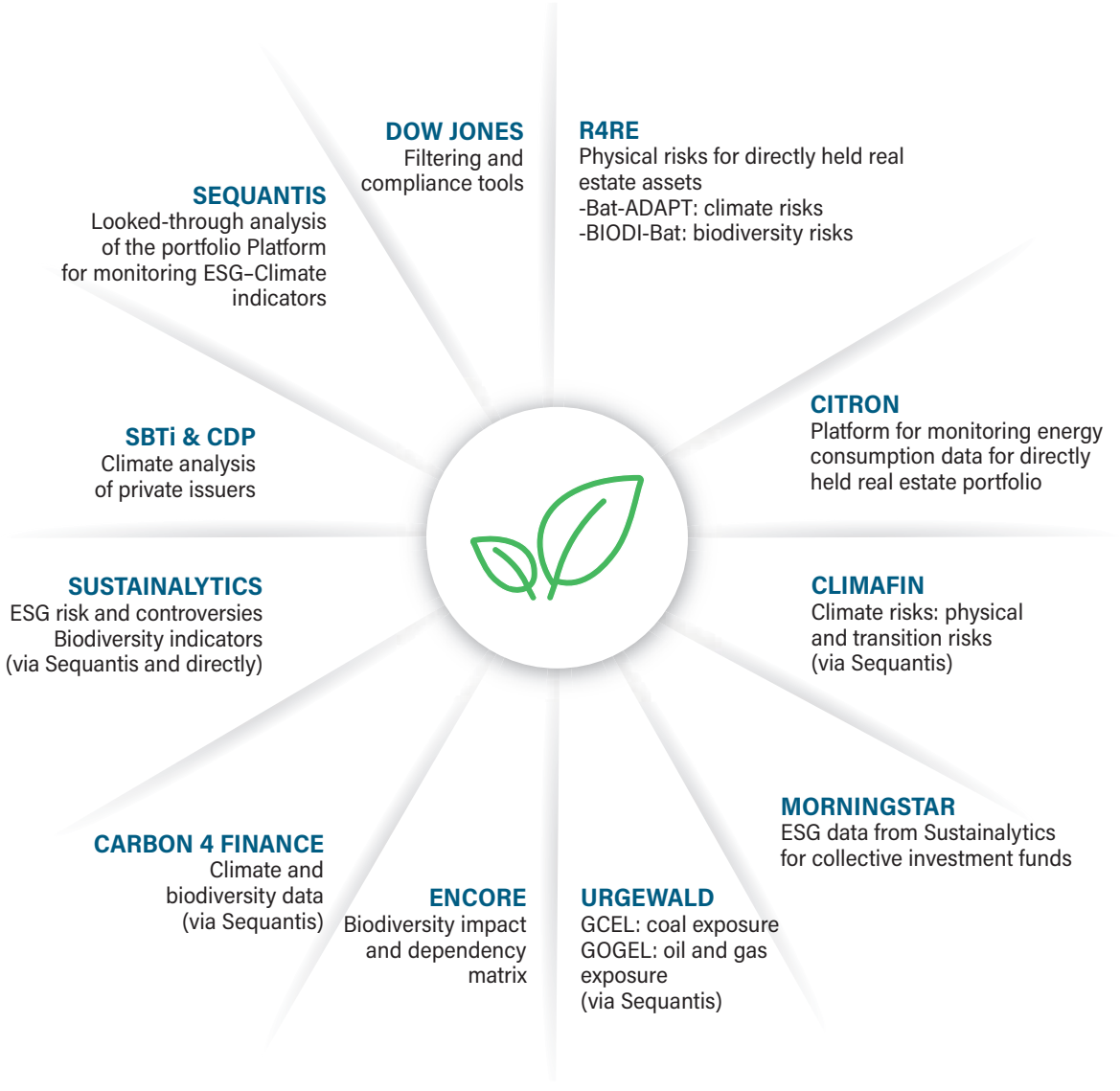
B.1 Description of resources dedicated to the consideration of ESG criteria in the investment strategy

The integration of extra-financial criteria into asset management is driven by the entire Investment Department team, including directors, portfolio managers and the ESG analyst and, with the support of the Finance Department / Back Office team, this amounts to an estimated 4 full-time equivalents (FTEs).

To incorporate sustainability criteria into the investment process, CCR uses the Sequantis Transition Monitor (STM) platform, which enables the tracking of ESG–Climate–Biodiversity indicators across directly held portfolios (excluding directly held real estate) and looked-through delegated portfolios. In 2024, CCR allocated an annual budget of €250k to ESG-related services and data, particularly in the areas of climate and biodiversity.

In parallel with external data providers, proprietary analyses are also developed to strengthen the qualitative assessment of issuers (see Figure 5: ESG approach, page 13).

Figure 12: ESG data providers and sources



B.2 Resources deployed for a better understanding of ESG issues

Since 2019, the portfolio management teams have received annual training in sustainable finance from certified institutions, covering a range of topics: regulatory monitoring of the European framework (Novethic), and training on impact investing and biodiversity (Moonshot Consulting). In 2024, this included the practical application of knowledge acquired in 2023.

In addition, specific ad hoc sessions are regularly organised to:
- strengthen expertise on accessible data (e.g. from Sustainalytics);
- explore a specific topic in depth and decide on the integration of a new data source;
- ensure ongoing regulatory and competitive intelligence.

C

GOVERNANCE : Approach to the consideration of ESG criteria

C. GOVERNANCE : Approach to the consideration of ESG criteria

The members of CCR's Board of Directors are regularly involved in addressing the consequences of global warming in the context of reinsurance activities.

Several board directors are recognised for their expertise in climate-related issues (two of them work at the Ministry for the Ecological Transition and the General Inspectorate for the Environment and Sustainable Development).

In addition, members of the Executive Committee participate in the Climate and Sustainable Finance Commission of the Prudential Supervision and Resolution Authority (ACPR) and contribute to monitoring and exchange platforms on cutting-edge ESG and climate topics.

The SRI strategy, its objectives, and its implementation are presented to and approved by the Board of Directors. This body is consulted at least twice a year on ESG-Climate-Biodiversity issues:

- for the ex-ante review and approval of the investment policy, on the recommendation of the audit, risk and accounts committees;
- for the ex-post review of the previous year's SRI report ahead of its publication, in order to recap the full scope of the regulatory report's content and discuss the implementation and follow-up of the measures mentioned.

In 2024, following the sale of CCR Re, CCR — with the support of its Board of Directors — restructured its organisation to reflect its strategic priorities and to implement its *raison d'être*. Among the major developments was the creation of a CSR department to anticipate CSRD regulations.

Figure 13: SRI Committees structure

INVESTMENTS COMMITTEE

Objectives: ensure monitoring of the Investment Policy approved by the ALM Committee.

Members: Director and Deputy Director of the Investment Department, Director of Finance, Director of Risk and ALM, Director of Accounting.

SRI WORKING GROUP

Objectives: design the SRI Policy, quarterly monitoring of key indicators, drafting of regulatory reports, etc.

Membres: Director of Investments and Deputy Director, Heads of Financial and Real Estate Management, Financial and Compliance Manager, ESG Analyst.

D

ENGAGEMENT STRATEGY with issuers and asset management companies, and its implementation

D. **ENGAGEMENT STRATEGY** with issuers and asset management companies, and its implementation

Shareholder engagement or dialogue is defined as a medium- to long-term process through which an investor seeks to influence the behaviour of companies in which it invests by interacting with them. Motivated by a sustainability objective, shareholder engagement can contribute to transforming the activities of actors in the real economy.

CCR does not hold shares directly[7] and therefore does not currently have a formalised engagement or voting policy. However, engagement is carried out indirectly through:
- its partner asset management companies: review of their voting policies, monitoring of annual reports, etc.;
- participation in roadshows organised by public and private issuers;
- membership in CDP;
- adherence to and compliance with the PRI principles.

According to monitoring of the equity asset managers in CCR's portfolio:
- 100% of these AMCs have a voting policy;
- they participated, on average, in 98% of the general meetings concerned;
  - of which 19% were attended in person;
  - and 79% via proxy;
- with an average opposition rate of 17%.

CCR considers that participating in collective engagement initiatives is more effective than sending individual voluntary letters to companies.

In addition, the decision to finance carbon-intensive issuers that have adopted a transition plan validated by an external third party and/or through green bonds is a way of expressing its commitment to a more sustainable economy.

7 Except for two legacy holdings, with minimal exposure.

E

EU TAXONOMY and fossil fuels

E. EU TAXONOMY and fossil fuels

E.1 Share of assets in alignment with the Taxonomy

The European Taxonomy is a classification system that distinguishes between eligibility and alignment with the "sustainable" designation. An eligible activity may be deemed "aligned" if it meets the following cumulative conditions:

- makes a substantial contribution to one of the six environmental objectives (and complies with the technical screening criteria);
- does not significantly harm the other objectives;
- complies with minimum social safeguards (e.g. human rights).

CCR uses actual data reported by companies (compiled by Sustainalytics via the Sequantis™ platform). To date, reported data primarily concern the objectives of climate change mitigation and climate change adaptation[8].

Data on eligibility and alignment with the four other environmental objectives (circular economy, pollution, aquatic and marine resources, and biodiversity) are still largely unavailable.

The analysis covers assets held under direct management (excluding real estate) and under delegated management (excluding non-looked-through funds), i.e. 94% of the total portfolio.

Figure 14: Further information on the portfolio and on exclusions in the numerator and denominator[9]

		0010
Share of **exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU,** relative to the total assets covered by the KPI	0030	57.5%
Share **of exposures to central governments, central banks or supranational issuers,** relative to the total assets covered by the KPI	0040	30.1%
Share of **derivative products,** relative to the total assets covered by the KPI	0050	0.2%

Figure 15: Share of assets in Taxonomy-eligible and non-eligible economic activities

		Regulatory ratio (mandatory), based on counterparty disclosures
Share of exposures to Taxonomy-eligible economic activities	0010	6.2%
Share of exposures to non-Taxonomy-eligible economic activities	0020	93.8%

Figure 16: Share of investments intended to finance Taxonomy-aligned activities

		0010
Weighted average value of all investments intended to finance or associated with Taxonomy-aligned economic activities, **relative to the total value of assets covered by the KPI,** with the following weightings for investments in companies:		
Based on turnover	0010	2.0%
Based on capital expenditure	0020	3.6%

8 These are activities that may be classified as low-carbon and/or adapted, transitional, or enabling/facilitating.
9 KPI = Key Performance Indicator as defined under the Taxonomy framework.

The previous tables concern CCR's portfolio of private companies (both subject and not subject to the CSRD), representing 70% of the analysed portfolio[10]. Within this scope, CCR is exposed at a rate of 6.2% to Taxonomy-eligible activities and 2% (based on company turnover) to Taxonomy-aligned activities, a result that shows progress compared with 2023.

Figure 17: Breakdown by environmental objective

		Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and reduction	Protection and restoration of biodiversity and ecosystems
		C0010	C0020	C0030	C0040	C0050	C0060
Weighted average value of all investments intended to finance or associated with economic activities that contribute significantly to the achievement of the environmental objective, relative to the total value of assets covered by the KPI							
Based on turnover	R0060	1.90%	0.01%	0.01%	0.02%	0.01%	0.00%
Based on capital expenditure	R0070	3.13%	0.01%	0.01%	0.01%	0.03%	0.00%

Source: Company data, compiled by Sustainalytics via Sequantis™

This last exercise remains incomplete due to the lack of published data from companies. While the share of Taxonomy-eligible activity as a percentage of turnover is generally disclosed, its breakdown by environmental objective is much less frequently reported.

Lastly, the specific report on exposures to nuclear and gas is submitted in the Excel file provided alongside this report via the ACPR regulator's OneGate platform, and it is similarly noted that very few companies currently publish this information.

E.2 Share of asset exposed to the fossil fuel sectors

Knowing its allocation to issuers linked to fossil fuels (coal, gas, and oil) allows CCR to measure its exposure to highly polluting assets that may become "stranded" due to the transition toward a low-carbon economy. This is therefore a first transition climate risk indicator, which CCR monitors on a quarterly basis to ensure it remains on a downward trajectory.

Indeed, CCR has committed to phasing out thermal coal and unconventional hydrocarbons by 2030[11].

To assess its exposure to fossil fuels, CCR uses data from Urgewald, an NGO that provides lists of companies active in the fossil fuel sector. These data are integrated into the Sequantis™ platform, enabling coverage of the entire portfolio.

The GCEL (Global Coal Exit List) covers companies involved in the coal value chain (exploration, drilling, mining, transport and logistics, engineering, trading, construction, maintenance, infrastructure, electricity production, etc.).

The GOGEL (Global Oil and Gas Exit List) covers the entire oil and gas sector, at both the upstream (extraction) and midstream (transport and processing) levels. The definition of unconventional hydrocarbons is consistent with that of the Scientific Advisory Committee of the Sustainable Finance Observatory, excluding methane hydrates.

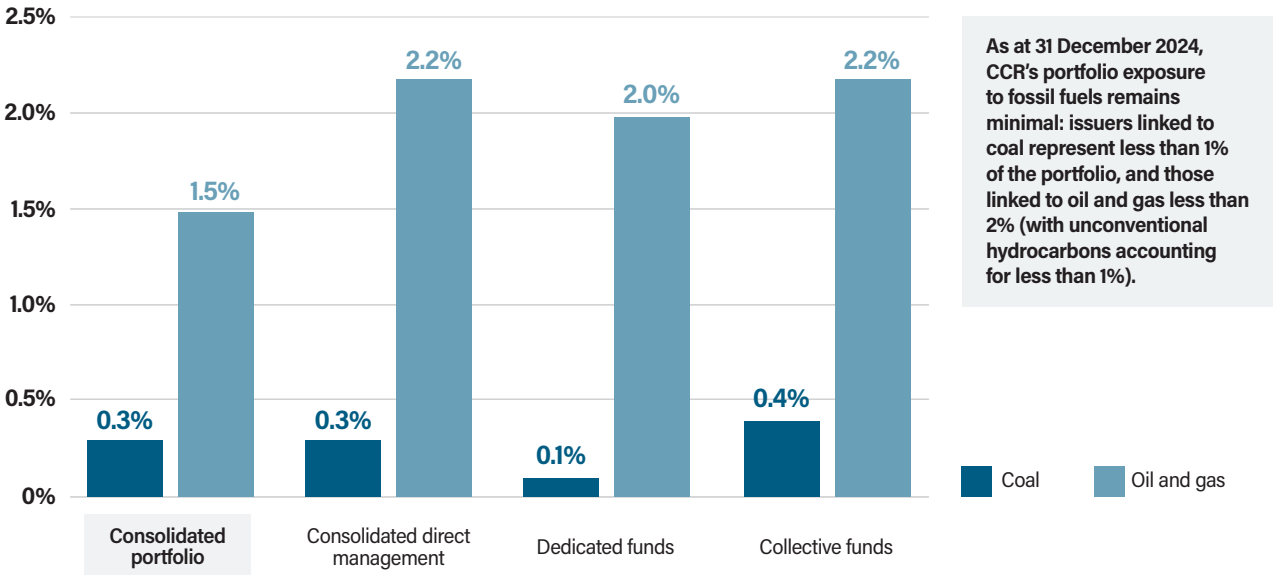
CCR analyses its entire financial asset portfolio (excluding real estate), which includes directly held issuers, dedicated funds, and looked-through collective funds — representing 92% of the total assets. Green bonds issued by fossil fuel-related companies are excluded from this scope, as CCR considers them part of a strategy to support the transition.

10 Pursuant to Article 7 of the Delegated Act under Article 8, sovereign exposures are excluded from the calculation of the investment KPI, both from the numerator and the denominator.
11 See Appendix – Fossil Fuel Policy..

The exposure is not adjusted for the share of fossil fuels in the issuers' turnover, and thus reflects investments in the companies concerned without adjustment, in line with ACPR recommendations.

Exposure via collective investment funds is the most complex to manage. CCR is working to select asset management companies that are most aligned with its Fossil Fuel Policy, notably through its extra-financial questionnaire.

Figure 18: Exposure to fossil fuels (% of relevant portfolio assets)



As at 31 December 2024, CCR's portfolio exposure to fossil fuels remains minimal: issuers linked to coal represent less than 1% of the portfolio, and those linked to oil and gas less than 2% (with unconventional hydrocarbons accounting for less than 1%).

Source: GCEL and GOGEL via Sequantis, CCR

Note: In 2024, for greater transparency, the direct management portfolio shown in this figure excludes sovereign and quasi-sovereign bonds.

IMPROVEMENT PLAN

In 2025, CCR will aim to clarify and further strengthen its Fossil Fuel Policy, as part of a continuous improvement approach based on best practices defined by regulators and scientific recommendations.

F

ALIGNMENT STRATEGY on the Paris Agreement

F. ALIGNMENT STRATEGY on the Paris Agreement

F.1 Commitment to a low-carbon economy

Since 2021, CCR has committed to aligning its portfolio with a trajectory of greenhouse gas emissions reduction consistent with the climate goals set out in the Paris Agreement:
"well below 2°C, and pursuing efforts to limit the temperature increase to 1.5°C [above pre-industrial levels by 2100]."

As part of this long-term objective, CCR aims to contribute to the global goal of carbon neutrality by 2050. This ambition is based on a continuous improvement approach, informed by best practices defined by regulators and by scientific recommendations[12].

CCR prioritises financing the energy transition and excluding highly emissive issuers that have not committed to a pathway of transformation toward a low-carbon economy.

CCR does not wish to focus solely on non-carbon sectors that would result in a portfolio currently aligned below 2°C, but with significant sectoral bias. On the contrary, CCR seeks to select committed issuers in order to finance the economy of tomorrow.

CCR therefore aims to:

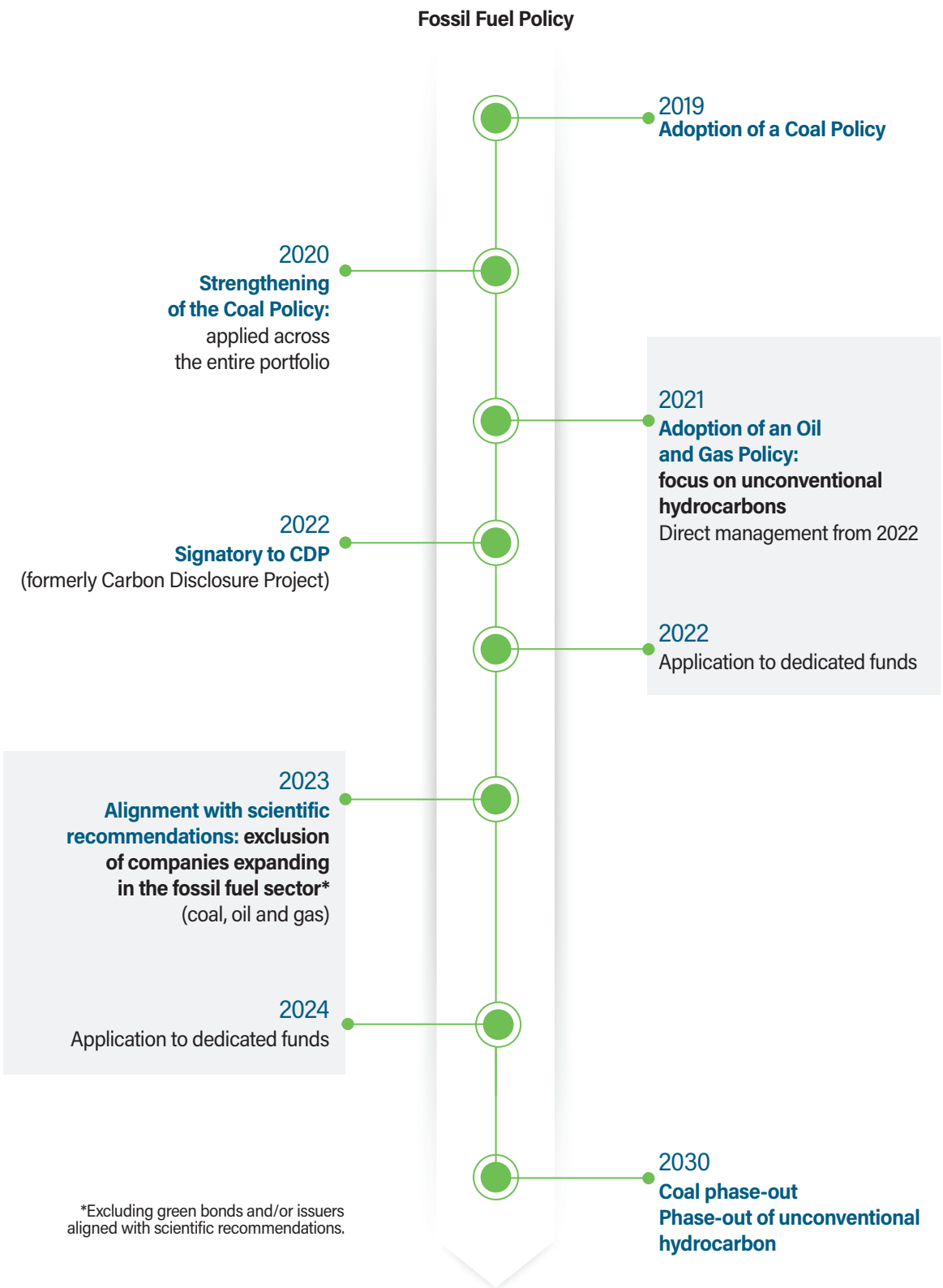
- **continue financing the transition** through green bonds (directly and via dedicated funds), climate-themed funds, and efforts to improve the energy performance and efficiency of its buildings;
- **reduce the carbon footprint of its financial and commercial real estate portfolios.** In particular, to reduce by 50% by 2030 the carbon footprint of its directly held corporate bond portfolio, using 2020 as the baseline (in tonnes of CO_2 equivalent per million euros invested, scopes 1, 2 and 3). This target will be reviewed every 5 years through to 2050. This target is necessary; it is also ambitious and can only be achieved if stakeholders, companies and states, actively implement a transition strategy;
- **engage stakeholders** around the global objective of carbon neutrality, through collective engagement initiatives and dialogue with issuers and asset management companies.

IMPROVEMENT PLAN

CCR is working to broaden the range of asset classes covered (dedicated funds, collective funds, residential real estate), along with the development of ambitious operational plans for each of them — including quantitative targets over the short, medium and long term, and the means to achieve them. The strengthening of CCR's strategy is expected to benefit in 2025 from the expansion of extra-financial transparency promoted by the CSRD and the Taxonomy.

12 International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector, published in May 2021. *France Assureurs* published a guide entitled *Carbon Neutrality and Investment Portfolios* in December 2022, which could help to enhance and/or clarify the policy in 2023.

Figure 19: Summary of fossil fuel commitments



The gradual implementation of a low-carbon economic model to limit global warming to below 2°C gives rise to transition risk for all economic actors, and especially for the financial system, which is at the heart of capital allocation. **According to the TCFD classification,** this risk is characterised in particular by:

- **legal and regulatory risk,** linked to the evolution of laws and standards aiming to steer economic actors towards a low-carbon economy;
- **technological risk,** arising from research and technological innovations that improve the energy efficiency of production processes and equipment;
- **market risk,** resulting from the impact of climate change on supply (e.g. the scarcity of certain resources) and on demand (e.g. changes in consumer behaviour);
- **reputational risk,** linked to the changing perceptions of all stakeholders — especially clients and consumers — regarding climate change issues and the positioning of economic actors in relation to them.

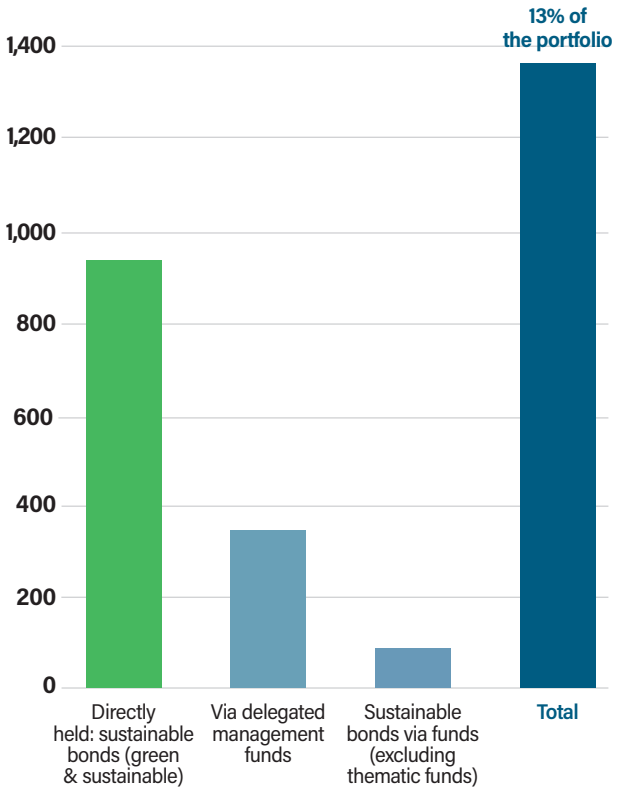
F.2 Financing the transition

CCR supports the energy transition in particular through investments in:

- green bonds, which differ from conventional bonds in that they exclusively finance environmentally beneficial projects. CCR considers so-called sustainable bonds, which combine environmental and social impact projects, to be equally valuable instruments for financing a fair low-carbon transition. These may be held either directly or via funds:
  - through funds: funds awarded an environmental label; unlabelled funds whose documentation outlines a strategy that incorporates environmental considerations (objectives and indicators); or infrastructure funds contributing to the transition;
  - through its real estate portfolio, which enables the monitoring and reduction of energy consumption as well as the improvement of energy performance (for example, through building refurbishment projects). In 2024, so-called "green" works accounted for 75% of the total value of real estate investment projects.

Investments in support of the transition have thus increased by more than 40% versus 2023, and this trend is reinforced by its inclusion in the calculation of the profit-sharing scheme for all employees.

Figure 20: Financial investments in support of the energy transition (in millions of euros)



F.3 Alignment with the Paris Agreement

Financial assets

CCR has committed to aligning its portfolio with a greenhouse gas emissions reduction trajectory consistent with the objectives of the Paris Agreement, "well below 2°C." CCR uses its fossil fuel exclusion policies and transition financing strategy as levers to achieve these targets.

Alignment with the Paris Agreement objectives is assessed using the Carbon Impact Analytics (CIA) methodology developed by Carbon4Finance, via the STM platform. The portfolio exposure analysis is carried out on the looked-through portfolio, which covers 98% of total assets.

CCR adopts a comprehensive approach: the analysis encompasses all asset classes as well as the full scope of greenhouse gas emissions (Scopes 1, 2 and 3).

This methodology measures four key indicators:

1. Avoided emissions:
Sum of avoided and reduced emissions

- Avoided emissions: emissions that would have occurred in the absence of the company's activities (based on a comparison with a reference scenario).
- Reduced emissions: based on the long-term efficiency of the production process (analysis of an issuer's carbon intensity).

The higher a company's saved emissions, the more it contributes to climate change mitigation.

2. Carbon footprint:
Emissions induced by investments

- High-impact sectors, which emit a significant share of greenhouse gases (such as energy, transport, and heavy industry), are analysed using a bottom-up approach that includes emissions from Scopes 1, 2, and 3 (as defined by the GHG Protocol).
- Low-impact sectors, which emit relatively few greenhouse gases, are subject to a simplified analysis: only Scope 1 and 2 emissions are taken into account (based on actual data where available, or otherwise recalculated using sector averages).

An adjustment for double counting is applied. The greater a company's carbon footprint, the higher its exposure to transition risk.

CCR has set a target to reduce induced emissions from these two sectors by 50% between 2020 and 2030.

3. Carbon Impact Ratio
The CIR is the ratio between avoided emissions and induced emissions.

The CIR reflects an entity's ability to reduce GHG emissions in relation to the emissions generated by its activities and products. As such, it represents a company's contribution to the transition to a low-carbon economy at a given point in time.

4. Portfolio temperature
This indicator is determined by positioning investments on a scale based on the average global rating of their underlying constituents, calibrated using two benchmark indices representing 2°C and 3.5°C "Business as Usual" trajectories[13]. A curve, based on these two benchmarks, starting at +1.5°C and capped at +5°C, is used[14], to assess the temperature rise of the investments through their average global score.

Target: below 2°C.

83% of eligible assets were covered by the CIA methodology (70% using the detailed approach and 13% using the simplified approach).

13 The "Euronext Low Carbon 100" index represents the 2°C trajectory. It was specifically designed to reflect investment requirements to reach a 2°C world, based on IEA projections. The Business as Usual scenario is based on the IPCC SSP3-7.0 scenario.
14 Corresponding to the IPCC SSP1-1.9 and SSP5-8.5 scenarios

Figure 21: Summary of CCR's 2024 Climate Indicators

	Carbon footprint tCO_2/M€ EV)	Avoided emissions (tCO_2/M€ EV)	Carbon Impact Ratio	Temperature (°C in 2100)
2024	125	10.4	0.08	2.4

Source: Carbon4Finance via SequantisTM, CCR

Carbon footprint, avoided emissions (tCO_2e/M€ Enterprise Value) and Carbon Impact Ratio

Figure 22: Carbon footprint, avoided emissions and Carbon Impact Ratio results

	CCR		Euro corporate index	Euro equity index
	2023	**2024**	**2024**	**2024**
CARBON FOOTPRINT (tCO_2/M€ EV)	148	125	140	140
AVOIDED EMISSIONS (tCO_2/M€ EV)	13.9	10.4	16.7	16.9
Carbon Impact Ratio	0.09	0.08	0.12	0.12

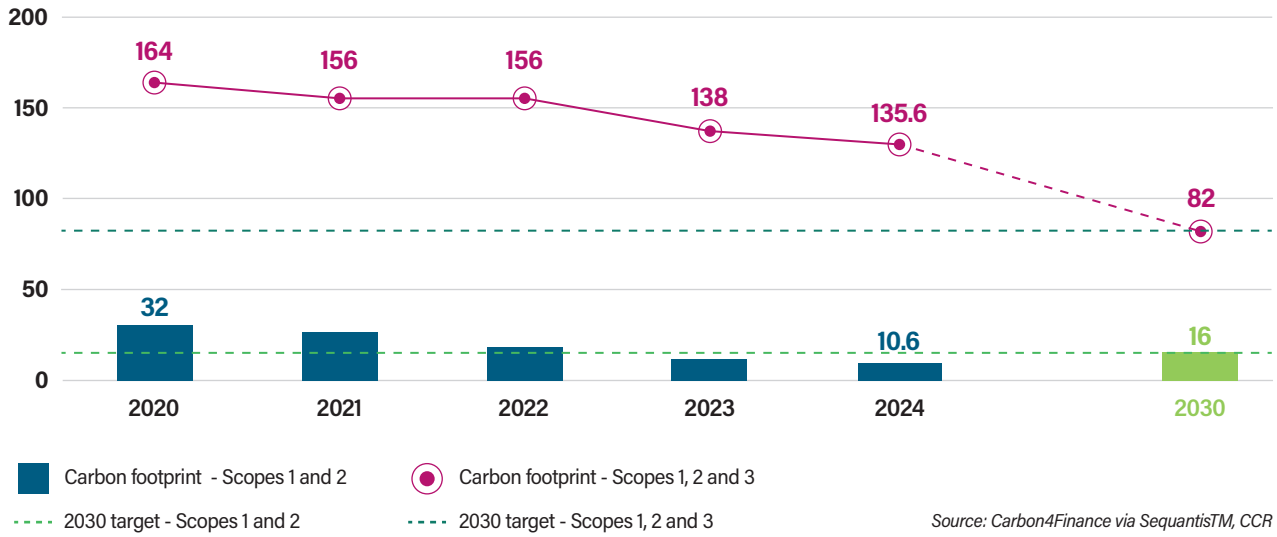
Source: Carbon4Finance via SequantisTM, CCR

The carbon footprint of the portfolio, which includes all asset classes (excluding directly held real estate and non-looked-through funds), continued to decline significantly: down 15% versus 2023 (Scopes 1, 2 and 3), and well below that of the benchmark indices.

Avoided emissions decreased slightly. CCR continues to invest in low-carbon transport projects (rail infrastructure, buses, electric vehicles, cycle paths), in renewables (electricity generation, transmission and distribution, energy efficiency), and in the building sector (construction and refurbishment).

As a result, the portfolio's Carbon Impact Ratio remained broadly stable compared with 2023. However, CCR notes that the numerator (avoided emissions) is open to debate — as it depends on a reference scenario that may be subjective — and that it is often more impactful to reduce the denominator, i.e. the carbon footprint (induced emissions).

Figure 23: Carbon Footprint Results – Direct Management (private issuer bonds in $tCO_2e/M€$ EV)



Source: Carbon4Finance via SequantisTM, CCR

The target to reduce the carbon footprint (Scopes 1 and 2) by 50% by 2030 compared with the 2020 baseline was achieved ahead of schedule, in 2023. CCR will revise this target in 2025.

The carbon footprint (Scopes 1, 2 and 3) declined by only 2% versus 2023, highlighting the ongoing effort required. As its investment universe is primarily European, CCR considers that the upcoming application of the CSRD regulation will bring more private issuers into scope and help reduce the portfolio's carbon footprint. In addition, the European Union's "Fit for 55" roadmap[15] is expected to improve the energy mix of member countries, and consequently, the energy profile of companies.

Temperature

Figure 24 : Temperature results

	CCR		Euro corporate index	Euro equity index
	2023	2024	2024	2024
Temperature (°C in 2100)	2.4	2.4	2.6	2.8

Source: Carbon4Finance via SequantisTM, CCR

CCR's portfolio is aligned with a 2.4°C trajectory, a performance level that is more favourable than the Business as Usual scenarios (3.5°C) and the benchmark indices. CCR's goal, through the levers of its fossil fuel exclusion policies and transition financing strategy, is to meet the objectives of the Paris Agreement by limiting global warming to below 2°C.

15 In June 2021, the European Climate Law set a more ambitious target of a 55% reduction in greenhouse gas (GHG) emissions by 2030 compared with 1990 levels.

Qualitative Analysis of Transition Plans

Aware of the methodological limitations of the quantitative approaches outlined above, CCR is working to assess the trajectory of its portfolios using qualitative methods, in line with the recommendations of the Observatory for Sustainable Finance[16].

To this end, CCR evaluates the transition plans of private issuers. Initially, this analysis has focused on the directly managed portfolio of corporate bonds. It may later be extended to include dedicated funds.

The analysis of private issuers' transition trajectories is based on two criteria:
- Transparency and disclosure of their greenhouse gas emissions (data source: CDP)
- Ambition and credibility of their climate targets (data source: SBTi)

CCR observed significant changes between 2023 and 2024 in the CDP and SBTi assessments. This appears to be linked to a wave of corporate disengagement from these initiatives. This trend will be monitored in 2025 to assess whether these two criteria remain relevant or whether alternative indicators should be considered.

Companies responding to the CDP questionnaire are assigned a rating based on their level of engagement and climate risk management ("Leader" being the highest, "Reporting" the lowest):
- **leader :** a company fully aware of environmental issues and its impact, and actively taking strong, concrete action;
- **management:** a company managing its impact and resource use (with heightened awareness);
- **awareness:** a company aware of environmental issues but not integrating them into its strategy;
- **reporting:** a company providing the bare minimum to respond to the questionnaire, where ecological concerns are not a strategic priority.

Figure 25: CDP Mapping: 2024 Climate Score

2024 Climate Score	Number of issuers	"Allocation (number of issuers)"	"Allocation (exposure in market value)"
Covered	**170**	**91%**	**88%**
Leader	58	31%	28%
Management	35	19%	16%
Awareness	16	9%	11%
Reporting	1	1%	0%
In reporting process	60	32%	33%
Not covered	**17**	**9%**	**12%**

88% (by exposure) of the directly held corporate bond portfolio is covered by the CDP questionnaire. Nearly three-quarters of the issuers score well, demonstrating either the application of environmental best practices (28% by exposure), or the implementation of actions to address environmental issues, minimise risks and seize opportunities (16% by exposure).

16 Publication_de_recos_n3_Indicateurs_du_Comite_Scientifique_dExpertise_de_lOFD_v2.pdf (observatoiredelafinancedurable.com)

Figure 26 : SBTi Mapping

The Science Based Targets initiative (SBTi) has so far provided a reference standard for corporate transition targets, offering the first globally recognised scientific benchmark aligned with the 1.5°C pathway. The validation of targets is normally subject to strict, sector-specific criteria, ensuring that investors can rely on ambitious, credible, and achievable commitments. The first step is a formal written commitment by the company, which then has two years to have its targets validated.

	"Allocation (number of issuers)"	"Allocation (exposure in market value)"
SBTi Committed	**48%**	**42%**
Target validated	44%	32%
Committed	4%	10%
Not committed to SBTi	**52%**	**58%**
Not committed but members of the NZBA alliance	**10%**	**24%**

As of now, 42% of the directly managed portfolio is credibly engaged in the transition: 32% of issuers already have a trajectory validated by SBTi, and a further 10% are in the process of constructing their roadmap and aiming to obtain validation within the next two years. Among the 58% not yet engaged, CCR identifies issuers that may have committed to other initiatives (such as the Net Zero Asset Managers initiative) and others for which SBTi has not yet developed a methodology, allowing a more nuanced interpretation of this result.

The directly held corporate bond portfolio is therefore on a natural decarbonisation trajectory (assuming that companies committed to SBTi follow through on their pledges).

However, CCR notes with concern a possible wave of corporate disengagement from SBTi, which may explain the decline in the number of engaged issuers versus 2023, despite no significant changes to CCR's portfolio.

IMPROVEMENT PLAN

CCR is currently developing a climate screening tool partially based on this qualitative data. This would complement the ESG analysis by focusing upstream on the existence and credibility of an issuer's transition plan before any direct investment. However, the stabilisation and continued credibility of CDP and SBTi assessments will be essential for this tool to be implemented effectively.

Real estate

CCR is committed to improving the energy performance of the buildings it owns, dedicating a significant portion of its renovation budget to this objective. Additionally, CCR has commissioned energy audits for each of its buildings to identify improvement levers and to develop a multi-year renovation plan.

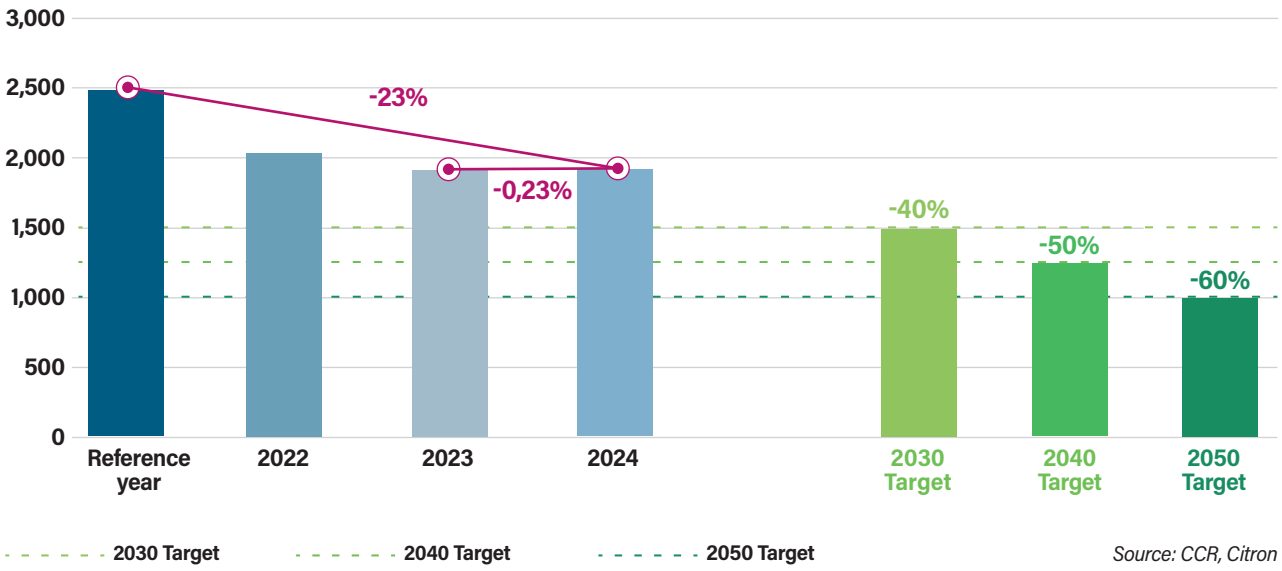
Office real estate

A partnership has been renewed with the company *Citron® Énergie*, which centralises and analyses energy consumption data from the buildings. This allows CCR to prepare its energy reduction actions in line with the provisions of the "Eco Énergie Tertiaire" decree[17].

The Eco *Énergie Tertiaire* scheme has now entered its operational phase. In application of Article 175 of the Élan Law, the objective is to achieve a reduction in final energy consumption of 40% by 2030, 50% by 2040, and 60% by 2050 compared to a reference energy consumption level, or by reaching a fixed threshold of final energy consumption in absolute terms.

The regulation set 31 December 2022 as the deadline for property owners or tenants of commercial buildings over 1,000 m² to report their energy consumption data for 2020 and 2021, as well as their reference year, on the OPERAT platform.

Figure 27: Tertiary decree performance (MWh)



Source: CCR, Citron

The final energy consumption of CCR's office real estate has decreased by 23% versus the reference year and remained stable compared with 2023. The remaining margin to reach the 2030 target is close to 15%, and progress is now levelling off due to the presence of a data centre in one of the buildings.

17 The Tertiary Decree sets out the obligation to implement actions aimed at reducing final energy consumption in existing buildings for tertiary use, in order to achieve at least a 40% reduction by 2030, 50% by 2040, and 60% by 2050 compared with 2010.

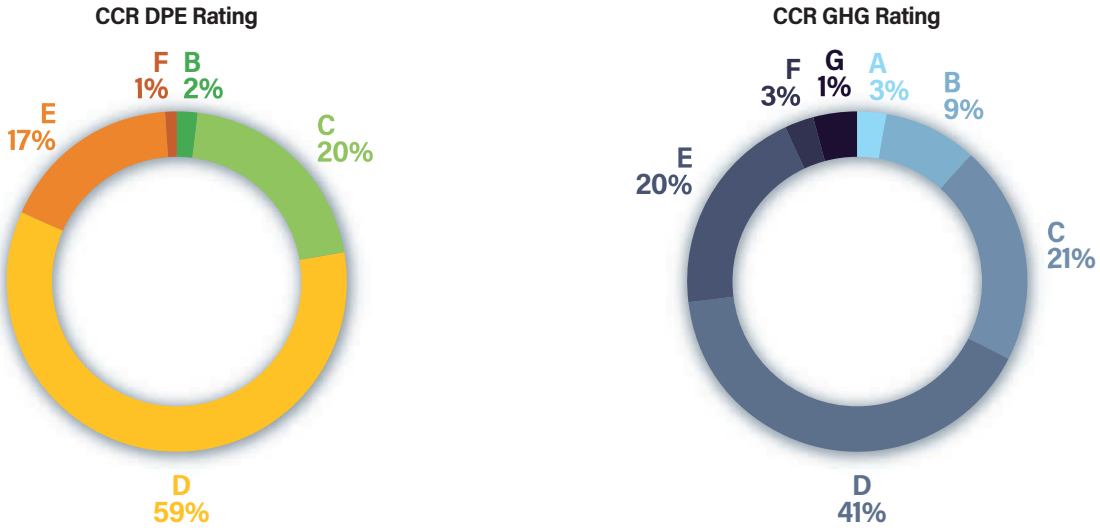
Residential real estate

CCR intends to include residential real estate in its strategy for alignment with the Paris Agreement and plans to rely on Energy Performance Certificates (DPE)[18] for this purpose.

The DPE serves to determine whether a dwelling is energy-efficient and provides a reference indicator (notably regarding the rental or sale of properties with high energy consumption, also known as "energy sieves").

The importance of the DPE has significantly increased since the 2021 Climate Law. In particular:
- it affects the sale price, since potential buyers take the energy label into account as well as the cost, complexity and timeline of renovation work required to make the dwelling energy efficient;
- it impacts the rental market, as the result determines whether the dwelling may be rented and affects how the rent is set.

Figure 28: Breakdown by unit according to DPE classification



99% of the DPE ratings fall between A and E.

94% of the GHG (greenhouse gas) ratings fall between A and E.

With a 15% increase in the number of DPEs carried out between 2023 and 2024, CCR owns no properties rated G, and continues to have a majority of its portfolio rated D.

CCR has identified several challenges:
- linked to the instability of the DPE assessment methodology;
- linked to the nature of its residential real estate portfolio: mainly Haussmann-style buildings in the heart of Paris, where renovation and refurbishment work is more complex (especially when buildings are occupied).

18 The Energy Performance Certificate (DPE) provides information on the energy and climate performance of a dwelling or building (rated from A to G), by assessing its energy consumption and its impact in terms of greenhouse gas emissions. .

G

BIODIVERSITY STRATEGY
for alignment with long-term objectives

G. BIODIVERSITY STRATEGY for alignment with long-term objectives

For several years now, scientific reports, including those from l'IPBES[19], have been warning of the accelerating deterioration of biodiversity and raising corporate awareness of the risks associated with biodiversity loss, and the need to monitor their impacts or pressures on ecosystems and species diversity.

These pressures, mapped out by IPBES, fall into five categories: land use, overexploitation of resources, pollution, climate change, and invasive alien species.

The 1992 Earth Summit in Rio[20] and the 2011–2020 Aichi Strategic Plan set the framework for a sustainable future ahead of COP15. This framework "aimed, by 2030 and towards 2050, to take whole-of-society action to conserve and sustainably use biodiversity[21]".

COP15, the Biodiversity Conference of the Parties, held in Kunming in October 2021 (first session) and concluded in Montreal in December 2022, established a new post-2020 global biodiversity framework[22] with 23 targets to be achieved by 2030 to ensure harmony with nature by 2050.

The most notable targets include protecting 30% of land, oceans, and coastal areas; halving the risks associated with pesticides and hazardous chemicals; reducing harmful subsidies to biodiversity; and mobilising $200 billion per year by 2030, including $30 billion in aid for developing countries.

COP16, held in Cali, Colombia, at the end of 2024 and concluded in Rome, Italy, in February 2025, endorsed the adoption of a five-year work plan to establish a permanent financial mechanism by 2030, along with the adoption of rules and indicators to assess collective progress towards the Kunming-Montreal Framework goals[23].

G.1 Biodiversity protection in the investment strategy

In line with its commitments, CCR enhanced its Responsible Investment Policy by incorporating the concept of biodiversity and adopted a biodiversity strategy in 2022.

To define and structure its commitments, CCR relied on two objectives of the 1992 Convention on Biological Diversity: the conservation of biodiversity and the sustainable use of its components. To further clarify its goals, CCR also referred to COP15. This approach forms part of a continuous learning and improvement process and is also informed by best-practice guidelines[24].

Since 2022, CCR has committed to four objectives to align its strategy with the international framework:

1. Understanding and familiarising with biodiversity-related concepts and methodologies
2. Identifying, assessing and measuring dependencies and impacts in order to analyse the biodiversity-related risks and opportunities
3. Reducing the impact of portfolio investments on biodiversity (Target 7 of COP15)
4. Financing solutions that contribute to the conservation or restoration of biodiversity (Targets 2 and 19)

19 *IPBES: Intergovernemental Science-Policy Platform on Biodiversity and Ecosystem*, equivalent institution to the IPCC for biodiversity.
20 https://www.cbd.int/doc/legal/cbd-fr.pdf
21 https://www.cbd.int/doc/c/d40d/9884/b8a54563a8e0bf02c1b4380c/wg2020-03-03-fr.pdf
22 The 20 Aichi targets adopted in 2010 ended in 2020.
23 https://www.ecologie.gouv.fr/rendez-vous/cop16-biodiversite/cop16-2
24 Guides from France Invest (*"Integrating biodiversity into private equity"*) and France Assureurs (*"Insurance and biodiversity: challenges and outlook"*).

To meet these four objectives, CCR draws on several levers of action:

Regulatory and scientific monitoring	Qualitative and quantitative measurement of the portfolio (biodiversity-related impacts and dependencies)	Development of a biodiversity reference framework, particularly in high-impact sectors	Dialogue with companies through the CDP's collective engagement programme

Hence, CCR is working on defining sector-specific policies, targets, and action plans.

Financing and exclusion policies

- **Policy for excluding issuers not aligned with a sustainable approach:**
  As a first step, CCR chose to focus on palm oil, due to the widespread deforestation caused by its cultivation and the resulting consequences on local ecosystems, species, communities, and livelihoods. Issuers with more than 5% of revenue from palm oil who are not RSPO-certified are excluded from the investment universe.

  Starting in Q1 2024, in line with COP15 Target[25], CCR also excludes companies that derive more than 10% of revenue from the manufacture or sale of pesticides, due to their role in biodiversity loss and ecosystem disruption through the direct or indirect disappearance of certain animal or plant species[26].

  Additionally, from Q1 2024, CCR excludes companies generating more than 10% of revenue from genetically modified organisms (GMOs), due to their negative impact on biodiversity and the social harm often associated with production methods.

- **Policy for financing solutions that support biodiversity conservation:**
  This policy is primarily reflected through investment in sustainable bonds. Although the market specifically focused on this area remains underdeveloped to date, CCR considers that green bonds, through the "climate–biodiversity nexus"[27] have a positive impact on biodiversity preservation.

  Credible funds focused on biodiversity preservation and/or funds with a sustainable environmental investment objective related to biodiversity are also subject to investment analysis.

  In real estate management, several areas are explored: greening of buildings, reuse of resources, and BiodiverCity® certification.

25 "Reduce by at least half the overall risk from pesticides and highly hazardous chemicals" by 2030.
26 See the 2022 INRAE report "Impacts of phytopharmaceutical products on biodiversity."
27 Term used by the *Banque de France* to explain the biodiversity–climate nexus. *Biodiversity, macroeconomics and finance: what we know, what we do not yet know, and what we need to do | Banque de France (banque-france.fr).*

G.2 Identifying biodiversity-related impacts and dependencies

CCR considers that, when taking into account the entire value chain of activities, 100% of its assets depend on biodiversity and are at risk from its degradation.

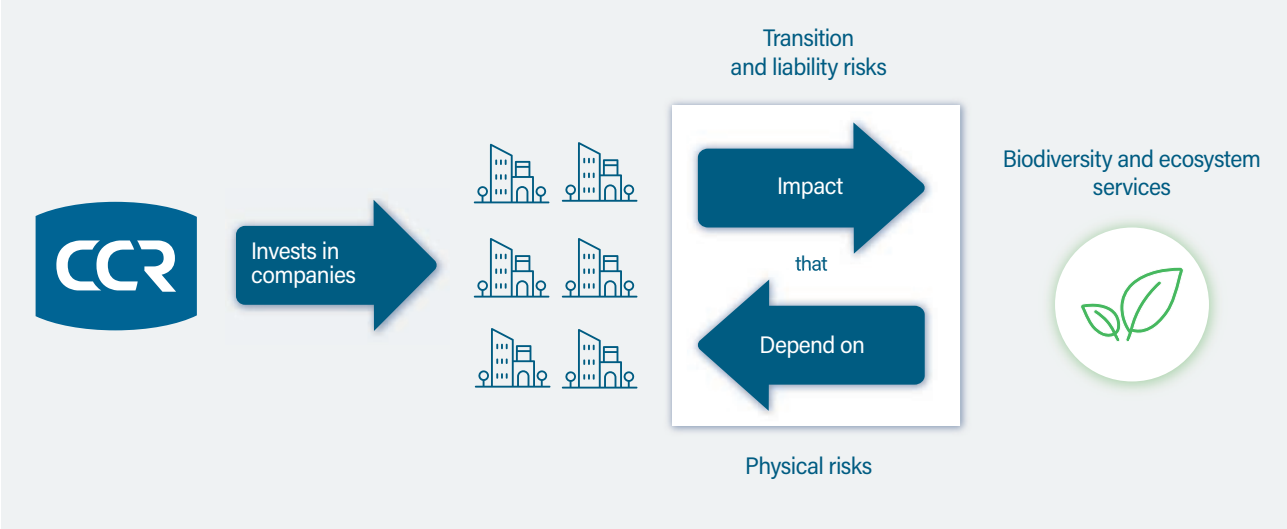
As Achim Steiner, Head of the United Nations Development Programme (UNDP), reminded us during COP15: *"Biodiversity is interconnected, intertwined and indivisible from human life on Earth. Our societies and economies depend on healthy and functioning ecosystems. There can be no sustainable development without biodiversity."*

CCR does not wish to use a single indicator to capture the multi-dimensional nature and complexity of biodiversity.

Indeed, biodiversity encompasses not only ecosystems and forms of life, but also the relationships and interactions between the various organisms inhabiting the biosphere, as well as between those organisms and their environment. "It is illusory to hope to describe biodiversity by a single indicator" (Chevassus-au-Louis et al., 2009).

Reflecting this complexity, academic research offers a wide range of quantitative and qualitative indicators. Rather than comparing or opposing them, **CCR has opted for a complementary approach by tracking a quantitative indicator (biodiversity footprint) while maintaining a qualitative analysis of these issuers.**

Moreover, in order to best align with a double materiality approach, the focus has been placed on both the dependencies of portfolio companies on ecosystem services and the pressures these companies exert on biodiversity.



Qualitative measures

Methodology

CCR has chosen to use the ENCORE tool, *Exploring Natural Capital Opportunities, Risks and Exposure, which offers a general approach*. This tool was developed by the Natural Capital Finance Alliance in partnership with the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). ENCORE underwent significant improvements in 2024.

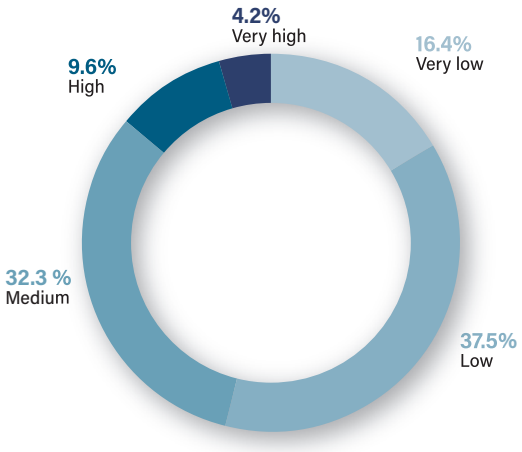
ENCORE addresses biodiversity through a double materiality approach: exposure to biodiversity-related risks via the *dependency* indicator, and negative impacts on biodiversity via the *impact* indicator.

Covering a wide range of economic sectors (271), ENCORE enables the identification, for each sector, of its level of *impact* on the (13) natural capital assets and its level of *dependency* on (25) ecosystem services. The materiality of impact and dependency is assessed on a scale from 0 to 5 (from negligible to very high). The dependency score is calculated as the product of two factors: the degree of disruption to economic sectors if the ecosystem service were to disappear, and the expected financial losses resulting from that disruption.

Results

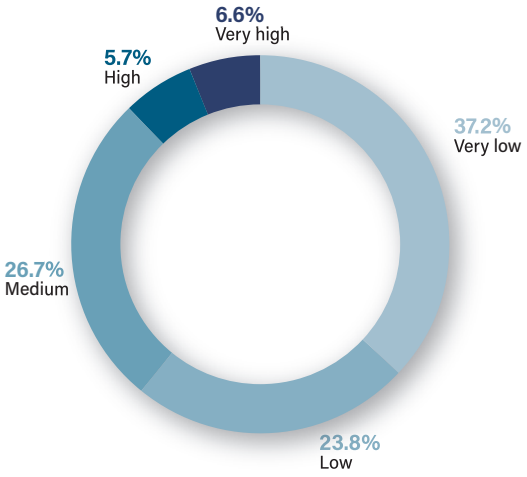
The study was conducted on the portfolio of directly held equities and corporate bonds (representing 31% of the total portfolio), with a coverage rate of 85.9%.

Figure 29 : Impact on biodiversity of CCR's directly held portfolio



Impact: only 13.8% of the assets under management have a high (9.6%) or very high (4.2%) impact on biodiversity. This is an improvement versus 2023, although it may be attributable to changes in the ENCORE methodology.

Figure 30: Dependencies on biodiversity of CCR's directly held portfolio



Dependencies: only 12.3% of the assets under management show a high or very high dependency on biodiversity.

Limitations

The main limitation of the ENCORE methodology is that it remains – despite significant improvements in 2024 – highly general. It does not take into account the diversity of corporate activities, their location (and associated regulations), or the quality of their production processes. As a result, there is a significant sectoral bias.

The methodology provides a general understanding of biodiversity-related risks, but does not include any notion of company performance, initiatives, actions, or mitigation efforts.

Quantitative measure

To assess the quantitative impact of its investments on biodiversity, CCR used data from Carbon4Finance, which, in partnership with CDC Biodiversité, developed a joint methodology: *Biodiversity Impact Analytics - Global Biodiversity Score* (BIA-GBS).

The impact of investments is assessed through the biodiversity footprint, which is the equivalent of a carbon footprint: the greater a company's footprint, the higher its exposure to transition risk.

Methodology

The GBS tool enables a quantitative assessment of companies' contributions to the various pressures on biodiversity and translates these pressures into potential impacts using the GLOBIO model. Carbon4Finance then applies this tool to the portfolio through BIA.

The GBS calculates the biodiversity footprint of an economic activity, measured by the Mean Species Abundance (MSA), which represents the ratio between observed biodiversity and its pristine state. The MSA assesses the ecological integrity of ecosystems on a scale from 0% to 100%. As pressure increases, the percentage decreases. Thus, a pristine natural forest will have an MSA of 100%, whereas a concrete slab will have an MSA of 0%.

This assessment is carried out across the entire value chain. Scope 1, 2 and 3 impacts on operational sites and upstream (suppliers, distribution chain, etc.) are covered in this study (downstream impacts assessed on a case-by-case basis).

The GBS has introduced the MSA.m² equivalent, which reflects both the quality and quantity of biodiversity: the loss of 1 MSA.km² is equivalent to the complete destruction of 1 km² of originally intact natural area. This metric introduces two levels of aggregation: the combination of terrestrial and aquatic biodiversity (MSAppb), and the combination of static and dynamic impacts (MSAppb*). In this way, both stock and flow impacts are accounted for: the accumulation of past impacts represents static impacts, while ongoing impacts correspond to dynamic impacts.

This measure has certain limitations, notably due to the lack of availability of the data required for its calculation, as well as the use of approximations and the exclusion of some pressures identified by the IPBES (such as the marine environment and invasive species).

Result: biodiversity footprint - intensity

To enable comparison of portfolio impacts, it is necessary to use the intensity indicator MSA.m²/k€, which relates the biodiversity footprint to the amount invested.

This study was carried out using the Sequantis™ platform and focused on directly held corporate bond and equity portfolios, as well as dedicated funds treated using a look-through approach (representing 33% of total assets at market value)[28]. Coverage was 94% and 78% respectively for each portfolio.

28 The current methodology overestimates impacts for sovereign bonds (as it does not deduct the impact of exports when calculating a country's impacts). CCR has therefore chosen not to include them within the scope of this year's study. This will be reconsidered once the methodology has evolved and been stabilised.

Figure 31: Biodiversity footprint and breakdown of the overall score by IPBES pressure

	Direct management	Dedicated funds
Intensity MSA.m²/k€		
Aquatic – dynamic	0.0	0.0
Aquatic – static	4.3	5.0
Terrestrial – dynamic	3.2	3.0
Terrestrial – static	62.9	70.4
IPBES breakdown		
Land and sea use change	19%	22%
Climate change	70%	67%

Source: Carbon4Finance via SequantisTM, CCR

This analysis shows that the biodiversity impacts of the portfolios mainly affect the terrestrial ecosystem.

Climate change and land use are the predominant pressures exerted by the companies in which the portfolios are invested. These results support CCR's initial approach of addressing biodiversity through the fight against global warming, although this conclusion should be qualified given the lack of comprehensive data on other pressures.

IMPROVEMENT PLAN

As in 2023, CCR aims to pursue a continuous improvement approach in terms of understanding the concepts and applying scientific and market recommendations. Several areas for improvement have thus been identified in the assessment of risks linked to biodiversity loss, helping to enrich the overall strategy:

- **Enhancing the quantitative approach through the application of the SFDR and Taxonomy regulation:**
  - The SFDR regulation incorporates biodiversity-related issues, notably through the "Principal Adverse Impacts" (PAIs). These pressure indicators can feed into the biodiversity analysis framework for funds (for example, through the mandatory PAI "activities negatively affecting biodiversity-sensitive areas");
  - The sixth objective of the Taxonomy Regulation concerns "the protection and restoration of biodiversity and ecosystems." It will provide a common framework for identifying activities that contribute to ecosystem conservation or improvement ("contribution" approach), as well as those significantly reducing pressures on ecosystems ("mitigation" approach).

- **Setting quantitative targets.** CCR will follow scientific and market recommendations once a consensus has been reached regarding a key indicator to monitor and will make the necessary commitments where applicable.

H

ESG RISK MANAGEMENT:
Approach to the consideration of ESG criteria, including physical, transition and liability risks related to climate change and biodiversity

H. ESG RISK MANAGEMENT: Approach to the consideration of ESG criteria, including physical, transition and liability risks related to climate change

H.1 Identification of sustainability risks

The European SFDR Regulation defines sustainability risks as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment."

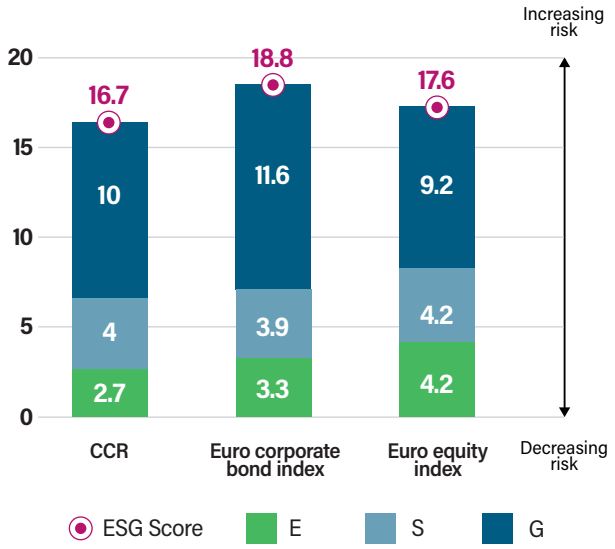
The identification, assessment and monitoring of these sustainability risks are carried out on a regular basis by the Investment Department: prior to any investment and subsequently on a quarterly basis for the existing portfolio.

The integration of ESG criteria into investment decisions is operationalised through exclusion policies and the selection of issuers based on an analysis of their ESG risk and the monitoring of controversies (environmental, ethical, regulatory compliance, safety, etc.). Monitoring covers all financial asset classes within CCR's portfolio.

H.2 ESG Analysis results (excluding direct real estate)

The ESG risk of the financial portfolio is based on data from Sustainalytics (via the Sequantis™ platform) and covers assets held under direct management (excluding real estate) and delegated management (excluding funds not subject to look-through), representing 92% of the portfolio's assets. Sustainalytics coverage extends to 87.7% of this scope.

Figure 32: ESG risk of CCR's portfolio and comparison with benchmark indices



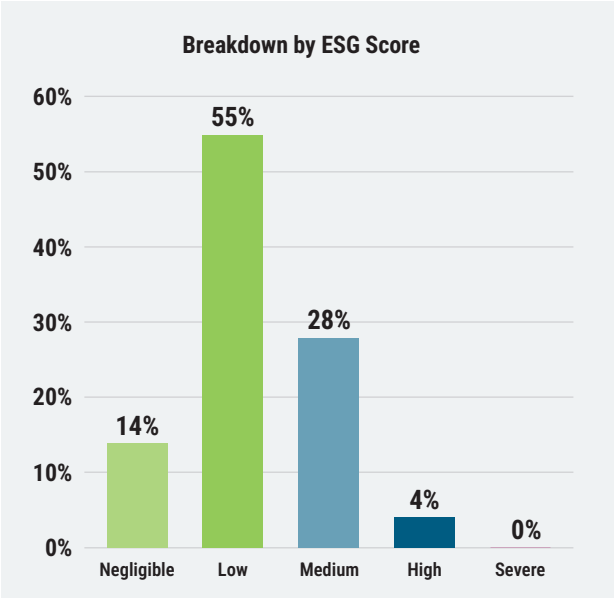
Source: Sustainalytics via SequantisTM, CCR

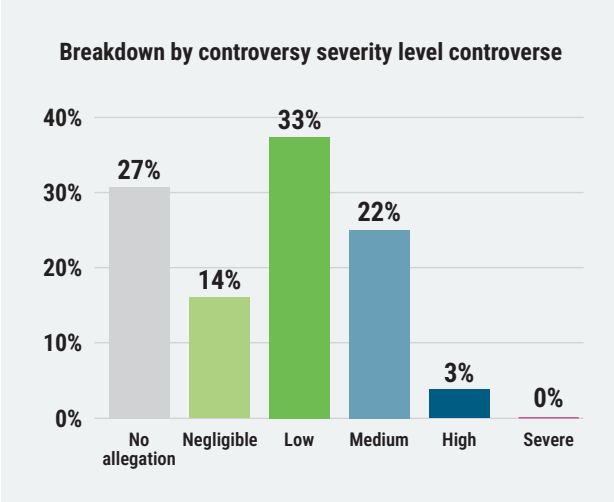
The ESG risk of the portfolio is considered low and under control

Sustainalytics' ESG risk rating applies at issuer level. The type of investment held in the portfolio is not taken into account. For a given issuer, the ESG score associated with sustainable bonds should be higher than that of a conventional bond. As a result, the ESG risk of the portfolio may appear overstated: the ongoing investment effort in sustainable bonds is not reflected in this assessment.

Nevertheless, the portfolio's ESG risk is low, at 16.7/100, below the benchmark indices (eurozone corporate bonds and equities), and has improved versus 2023.

Figure 33: Portfolio breakdown by ESG scores and controversy level





Source: Sustainalytics via Sequantis, CCR

Risk scale

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	>40

Figure 34: Geographic and sector allocation of the ESG score

	Weight	ESG risks	Contribution
Europe	81%	16.5	13.4
North America	10%	20.1	2.0
Asia/Pacific	3%	18.3	0.6
Africa/ Middle East	0%	24.3	0.1
Latin America and the Caribbean	1%	24.7	0.3
Supranationals	4%	7.1	0.3
	100%		**16.7**

	Weight	ESG risks	Contribution
Finance	**35%**	19.0	**6.7**
Public sector	**35%**	12.1	**4.2**
Industrial	7%	19.9	1.3
Consumer discretionary	4%	17.3	0.7
Consumer staples	4%	21.0	0.9
Utility	4%	21.0	0.7
Information technology	3%	15.3	0.4
Healthcare	3%	19.8	0.5
Materials	2%	20.9	0.4
Real estate	2%	10.8	0.2
Energy	**1%**	30.5	**0.4**
Telecommunications	1%	18.0	0.2
	100%		**16.6**

Source: Sustainalytics via Sequantis, CCR

The low level of ESG risk in the portfolio is explained in particular by its geographic allocation and the high weighting of European issuers.

The risk mainly stems from governance risk, which is concentrated in the financial and public sectors, each representing a significant share of the analysed portfolio (35%). Moreover, CCR has only marginal exposure to sectors considered high risk: less than 1% in energy.

A quantitative estimate of the financial impact of ESG risks is not currently available. However, as a first approach and proxy, CCR uses the share of its portfolio invested in high-risk issuers and/or issuers facing severe controversies.

The ESG risk breakdown shows that the portfolio has very low exposure to issuers with high or severe risk levels (i.e. scores above 30). Similarly, exposure to issuers subject to severe or high-level controversies (level 4) and very severe or acute controversies (level 5) is extremely limited.

H.3 Climate risks

The valuation of assets may be affected by climate change through transition risks and physical risks, also referred to as "climate risks."

To estimate the financial impact of these two types of risk, CCR has chosen to use the methodology developed by Climafin. This choice is justified by the scientific robustness of their approach, which is recognised and used by EIOPA, and it has been applied to CCR's entire portfolio treated using a look-through approach.

Transition risks

Transition risk refers to the financial risks associated with the adjustment process toward a low-carbon economy, including regulatory changes, market shifts, innovation, and technological disruption.

This transition to a low-carbon economy may generate economic shocks, particularly if it is implemented in a disorderly manner, that is, insufficiently anticipated, poorly coordinated, or delayed.

The sectors exposed to this risk are those with high greenhouse gas emissions (fossil energy, energy-intensive industry, agriculture, transport, etc.).

CLIMAFIN makes it possible to translate the NGFS[29] climate transition scenarios into financial shocks and, in doing so, provides investors with risk metrics[30]. Their methodology covers listed equities, corporate bonds and loans, as well as sovereign bonds.

CLIMAFIN is a fintech founded by three global experts in climate risks: S. Battiston, A. Mandel and I. Monasterolo. They notably developed a methodology that integrates climate scenario projections into financial valuation models.

This methodology has been the subject of a series of scientific publications[1], is referenced in the latest IPCC report, and has been used by European regulators[2].

1 Notably Battiston et al., "A climate stress-test of the EU financial system," published in Nature Climate Change; Mandel et al. (2021), "Risks on Global Financial Stability Induced by Climate Change," published in Climatic Change; and Battiston et al., "Accounting for finance is key for climate mitigation pathways," published in Science.

2 See EIOPA's December 2019 Financial Stability Report, which uses the CLIMAFIN methodology: Financial Stability Report – December 2019 (europa.eu). The PRI also cites CLIMAFIN as one of the providers of climate risk data: Providers of Scenario Analysis and Climate Risk Metrics | PRI Web Page | PRI (unpri.org).

29 Network for Greening the Financial System, a network of central banks aimed at accelerating the greening of the financial system. Since June 2020, the NGFS has been developing climate scenarios exploring different possible pathways for the transition to a low-carbon economy (by simulating more or less ambitious climate policies with varying levels of planning), along with associated physical impacts. NGFS Scenarios Portal.

30 The methodology is based on the Climate Stress-test developed by Battiston et al. (2017), a widely recognised academic reference tool.

CLIMAFIN METHODOLOGY

The transition risk model developed by CLIMAFIN considers orderly[1] and disorderly[2] scenarios compatible with a temperature rise of between 1.5°C and 2°C. The model simulates changes in economic and technological pathways following the introduction of climate policies, compared with a central scenario (here, the CDN[3] trajectory). Iderives the impact on the value of a financial asset based on the sectoral and technological characteristics of the issuer.

For a given issuer, the shock depends on five factors:
- the degree of planning and the level of ambition of the Greenhouse Gas (GHG) Emissions Reduction Policy;
- the model used to translate climate targets into macroeconomic variables[4],
- the time horizon (2030, 2040, 2050, and 2080);
- the issuer's country of registration: each country has its own current energy mix, ambition for 2050–2100, and a specific level of credibility;
- the economic sector[5].

The model produces a distribution of shocks, with each shock representing the difference between the central scenario and the simulated scenario (orderly or disorderly). The shock may be positive for sectors that benefit from the transition, or negative for sectors penalised by it.

1 Orderly transition: ambitious climate policies introduced early and strengthened gradually.
2 Disorderly transition: climate policies are delayed, leading to a more abrupt and disruptive transition in order to meet the Paris Agreement targets (2015).
3 NDC trajectory (Nationally Determined Contributions): GHG emission reduction commitments made by countries under the climate COP framework..
4 Also known as IAMs (Integrated Assessment Models). CLIMAFIN uses the IAMs REMIND-MAgPIE 1.7-3.0 and MESSAGEix-GLOBIOM 1.0, as well as the computable general equilibrium model GEM-E3..
5 Issuers are classified according to the CPRS (Climate Policy Relevant Sectors) taxonomy, defined by CLIMAFIN based on the materiality of public climate policy impacts on each sector (this materiality depends on three dimensions: contribution to GHG emissions, role in the energy value chain, and sensitivity to the cost of public policy action).

Figure 35: Transition risk stress-test results to 2030

Shock by sector 2030	Shock under disorderly transition		Contribution under orderly transition
CPRS* Sector	**Weight**	**Shock**	
Fossil energy	1.47%	(10.74%)	(0.16%)
Utilities	1.84%	(2.43%)	(0.04%)
Energiy-intensive sectors	6.97%	1.85%	0.13%
Real estate	8,73%	2.,21%	0.19%
Transport	6.60%	1.12%	0.07%
Agriculture	0.25 %	1.62%	0.00%
Finance	30.42%	2.05%	0.63%
Scientific R&D	0.02%	0.25%	0.00%
Other	30.45%	0.74%	0.23%
Total	**86.76 %**		**1.05%**

(*) CPRS (Climate Policy Relevant Sector)

Shock by sector – 2030	Shock under disorderly transition		Contribution under orderly transition
CPRS Sector	Poids	Choc	
Fossil energy	1.47%	(21.86%)	(0.32%)
Utilities	1.84%	2.56%	0.05%
Energy-intensive sectors	6.97%	1.55%	0.11%
Real estate	8.73%	2.12%	0.19%
Transport Agriculture	6.60%	0.77%	0.05%
Finance	0.25%	1.79%	0.00%
Scientific R&D	30.42%	1.70%	0.52%
Other	0.02%	0.23%	0.00%
Fossil energy	30.45%	0.57%	0.17%
Total	**86.76%**		**0.76%**

By 2030, CCR's portfolio would not lose value under either an orderly or disorderly transition. On the contrary, its value would increase relative to its market trend value (+1.05% under an orderly transition and +0.76% under a disorderly transition), demonstrating the portfolio's resilience, unlike certain benchmark indices, which would experience negative shocks under a disorderly transition (–0.28% for the eurozone corporate bond index and –1.15% for the eurozone equity index).

Its diversification helps to smooth shocks, particularly as the portfolios are well exposed to low-carbon activities that support the transition.

The most negatively affected sector is the fossil energy sector, which is directly impacted by transition risk. However, due to its low weighting in the portfolio, it does not generate an overall negative shock.

Physical risks

Physical risk refers to damage caused to assets, people and natural capital as a result of climate events, which may take two forms:

- Gradual changes in climatic conditions (sea level rise, progressive temperature increases, soil degradation, etc.), corresponding to **chronic risks;**
- Sudden and unpredictable climate events (cyclones, wildfires, droughts, etc.), whose intensity and frequency are expected to increase, corresponding to **acute risks.**

The TCFD identifies two main transmission channels through which these shocks will spread to the economy: the degradation of physical assets and the disruption (or even interruption) of operations (value chain, workforce, sales, etc.).

METHODOLOGY

CLIMAFIN currently covers four physical risks[1]:

- Coastal flooding
- River flooding
- Cyclone
- Wildfire

To simulate asset losses for each counterparty, CLIMAFIN relies on the geolocation of production sites[2] and on sectoral activity data (including the breakdown between intangible and tangible assets) provided by Sequantis. These losses are modelled as losses in production assets and future cash flows, and consequently, in the valuation of the affected issuers[3].

In 2024, Sequantis updated its methodology to account for changes in issuer profiles over time. For example, when an issuer commits to exiting coal by a given horizon, an initial calculation is carried out based on the current perimeter, followed by a second calculation excluding coal. The final result is a time-weighted average of the two outcomes. In 2023, the calculation was based solely on the issuer's current profile.

1 For each of these risks, CLIMAFIN relies on climate impact models developed by leading scientific consortia: DIVA, Hinkel et al. (2018) for coastal flooding; GLOFRIS, Ward et al. (2018) for river flooding; Ranson et al. (2014) for cyclones; Howard (2014) for wildfires.
2 Geographic granularity: 50×50 km.
3 Vulnerability is reflected differently depending on asset class. For example, for sovereign bonds, the shock translates into a change in tax revenues and public spending, while for corporate bonds, the shock translates into a change in default probability (see CLIMAFIN Handbook: Pricing Forward-Looking Climate Risks Under Uncertainty by Stefano Battiston, Antoine Mandel, Irene Monasterolo: SSRN).

Figure 36: Physical risks: estimated loss[31] by 2030 under an RCP 4.5 scenario, by hazard

"RCP 4.5 - 2030 Physical hazards"	CCR	Eurozone corporate bond index	Eurozone equity index
Coastal flooding	0.05%	0.07%	0.34%
River flooding	0.13%	0.21%	1.05%
Wildfire	0.00%	0.01%	0.01%
Cyclone	0.05%	0.06%	0.52%
Total	**0.23%**	**0.35%**	**1.92%**

Source: CLIMAFIN via SequantisTM, CCR

The portfolio's value at risk due to climate-related physical risks is low by 2030. It stands at 0.23% under an RCP 4.5 scenario (corresponding to a temperature increase of between 1.1°C and 2.6°C). The main risk to which the portfolio is exposed is river flooding, while wildfire risk is negligible.

The portfolio thus appears highly resilient, particularly when compared with benchmark indices. Indeed, the geographic and sectoral diversification of the portfolio helps to limit the severity of the shock.

31 Value at Risk at 99%: product of counterparty exposure (capital intensity and geographic distribution of assets) × hazard (based on IPCC climate scenario and adaptation scenario) × vulnerability (damage intensity according to climate impact models).

Figure 37: Sectoral allocation of physical risk – RCP 4.5 scenario and 2030 horizon, main sectors

Sector	Weight	Total	Coastal	River	Wildfire	Cyclone
Financial activities	34.70%	0.04%	0.01%	0.02%	0.00%	0.01%
Manufacturing	13.50%	0.09%	0.01%	0.05%	0.00%	0.03%
Real estate	8.70%	0.02%	0.00%	0.01%	0.00%	0.00%
Gaz and electricity distribution	3.35%	0.02%	0.01%	0.01%	0.00%	0.00%

Source: CLIMAFIN via SequantisTM, CCR

Note the addition of the "gas and electricity distribution" sector compared with 2023.

Figure 38: Geographic allocation of physical risk – RCP 4.5 scenario and 2030 horizon, main countries

Country	Weight	Total	Coastal	River	Wildfire	Cyclone
France	28.40%	0.03%	0.01%	0.02%	0.00%	0.01%
United-States	8.41%	0.05%	0.00%	0.04%	0.00%	0.00%
Germany	6.59%	0.02%	0.00%	0.01%	0.00%	0.00%

Source: CLIMAFIN via SequantisTM, CCR

Moreover, these insights are based on an analysis whose accuracy depends on the level of granularity of the available information (sectoral/geographic breakdown). 13.3% of the portfolio benefits from a detailed breakdown[32], 10.3% from an intermediate breakdown[33] and 76.4% from a basic breakdown[34]. As issuer data continues to be compiled, the results will be further refined.

Financial risks related to climate are subject to uncertainties both in terms of the implementation and consequences of collective action, and in terms of climate change itself and its effects.

Nonetheless, CCR considers that raising awareness and strengthening internal expertise are at least as important as the results of the risk assessment itself.

32 Geographic locations at the level of production sites and primary activities.
33 National-level location and primary activities.
34 National-level location and a NACE code.

Exposure of directly held real estate to climate risks

Definition

The climate risk to which a building is exposed depends on both its exposure to the various climate hazards that may affect it and its vulnerability to those hazards.

For a given climate hazard, the building's exposure is assessed based on the nature, intensity and frequency of the hazard, as well as environmental factors that may amplify or mitigate it.

The building's vulnerability depends on its sensitivity (linked to technical criteria such as construction choices) and on usage-related factors, including adaptation measures and crisis management processes.

The risk associated with a climate hazard can therefore be assessed through a cross-analysis of exposure and vulnerability.

Risk assessment for buildings in France

To assess the exposure of its real estate portfolio to climate risks, CCR has chosen to use the Bat-ADAPT tool, recently integrated into the R4RE platform of the Sustainable Real Estate Observatory *(Observatoire de l'Immobilier Durable, OID)*.

This tool uses several types of data:

- Exposure levels are determined by combining forward-looking climate indicators (climate risk projections under various warming scenarios);
- Territorial indicators are not forward-looking (they reflect known existing parameters of the territorial context related to the risk in question, as of today) and depend on the location.

Bat-ADAPT assesses medium-term exposure (to 2050), under the IPCC Business as Usual scenario (i.e. RCP 8.5 or SSP5-8.5), to multiple hazards including: heatwaves, droughts, precipitation and flooding, as well as extreme cold events.

As for vulnerability and cross-analysis, these concern only two hazards: heatwaves and flooding.

The cross-analysis of a building's exposure to climate risks and its vulnerability provides a risk level by hazard (the higher the score, the greater the risk).

			Exposure		
Vulnerability	**0 - 20%**	**20 - 40%**	**40 - 60%**	**60 - 80%**	**80 - 100%**
0 - 20%	Very low	Very low	Low	Low	Medium
20 - 40%	Very low	Low	Low	Medium	High
40 - 60%	Low	Low	Medium	High	High
60 - 80%	Low	Medium	High	High	High
80 - 100%	Medium	High	High	Very high	Very high

Figure 39 : Exposure, vulnerability and cross-analysis of the real estate portfolio (residential and commercial) to physical risks: heatwaves and flooding

CROSS-ANALYSIS HEATWAVE

	Exposure				
Vulnerability	**Very low**	**Low**	**Medium**	**High**	**Very high**
Very low					
Low					7%
Medium					93%
High					
Very high					

CCR's entire real estate portfolio is located in the Île-de-France region, which has a very high exposure to the heatwave hazard.

Vulnerability is low for 7% of its buildings and medium for 93% of the portfolio.

The cross-analysis indicates a high level of risk related to the heatwave hazard.

CROSS-ANALYSIS FLOODINGS

	Exposure				
Vulnerabily	**Very low**	**Low**	**Medium**	**High**	**Very high**
Very low					
Low					
Medium					7%
High		50%	43%		
Very high					

Only 7% of CCR's buildings have a very high exposure to the flood hazard, 43% have medium exposure, and 50% have low exposure.

Vulnerability is high for 93% of the portfolio, due to the presence of basements which significantly influences this result, and medium for 7%.

The cross-analysis indicates a risk level for the flood hazard ranging from medium to high.

Based on its expertise in modelling physical risks, CCR applies a more detailed and comprehensive approach to flood risk, incorporating additional indicators such as surface runoff.

Proprietary tool integrating CCR's modelling and data from the Bat-ADAPT tool

The "CCR Real Estate Dashboard" is a tool developed using a web application from *Portal for ArcGIS Enterprise* (ESRI technology), created by CCR's Transformation Department.

The probabilistic flood hazard zones under current climate conditions are provided by the Modelling Department:

Probabilistic overflow hazard

CCR's overflow model simulates water flow rates and depths for a selection of major gauged rivers in mainland France, i.e. rivers equipped with measurement stations. Non-gauged or intermittent rivers are not covered by the overflow model (surface water runoff from these is simulated using CCR's runoff model). When a river exceeds its banks and spreads beyond its minor bed, the water levels reached in the floodplain are calculated using a Digital Elevation Model at a 25-metre resolution.

The probabilistic overflow modelling makes it possible to measure the financial exposure of CCR and its cedants to events that have not yet occurred but remain plausible. This modelling is based on a catalogue of thousands of simulated synthetic events generated using a flow generator, which takes as input the full historical record of flow measurements from hydrometric stations (HYDRO database). The probability of overflow occurrence at any given point is represented by a map of hazard return periods. For example, an area affected by a 10-year return period overflow is likely to be flooded on average at least once every 10 years.

Probabilistic runoff hazard

CCR's runoff model simulates surface water flows across all points in mainland France. This phenomenon occurs when precipitation intensity exceeds soil infiltration and water retention capacity. Surface runoff is distributed across the slopes of the Digital Elevation Model, based on the magnitude of simulated flows for each 25-metre grid cell. The runoff simulation also allows for the inclusion of numerous non-gauged or intermittent rivers not captured by the overflow model (either because they are not covered in the HYDRO database or lack sufficient flow history). The runoff hazard thus helps integrate into the exposure analysis most of the risk-prone areas not covered by the overflow modelling.

The probabilistic runoff modelling enables CCR and its cedants to assess their financial exposure to events that are plausible but have not yet occurred. This modelling is based on the simulation of a catalogue of 1,000 synthetic events spread over 400 years of precipitation data from Météo-France's ARPEGE-Climat model. The probability of runoff occurrence is represented by a map of hazard return periods. For example, an area affected by runoff with a 10-year return period is likely to experience flooding, on average, at least once every 10 years.

A global score out of 8 is calculated, summing the exposure to overflow and runoff hazards. A hazard with a return period of:

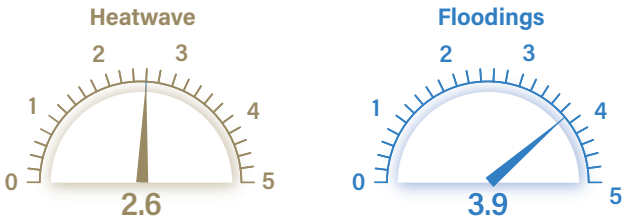
- 20 years corresponds to a score of 4/4
- 50 years corresponds to a score of 3/4
- 100 years corresponds to a score of 2/4
- 200 years corresponds to a score of 1/4

Results

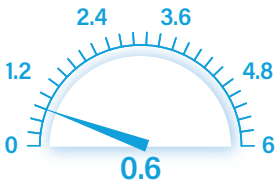
The real estate portfolio has a medium vulnerability score (the lower the score, the more favourable the result). This exercise in physical risk mapping and assessment helps identify areas for improvement to preserve asset value and occupant well-being.

Figure 40: Vulnerability scores

Bat-ADAPT



CCR Dashboard
Cumulative risks : floodings, coastal floodings, overflow and runoff



Source: CCR, Bat-ADAPT, CCR Real Estate Dashboard

IMPROVEMENT PLAN

An analysis of the exposure of CCR's buildings in the context of climate change may also be carried out to better understand its potential impact on the assets. This analysis would rely on hazard modelling to 2050 under two climate scenarios: RCP 4.5 and RCP 8.5, drawn from CCR's climate study.

H.4 Risks related to biodiversity loss

Three categories of risk are associated with biodiversity loss:

- Physical risks, which result from the potential loss of ecosystem services on which economic activities depend. These risks may be chronic (long-term, stemming from changes in environmental conditions) or *acute* (resulting from a one-off event);
- Transition risks, defined as exposure to changes driven by the ecological transition. These arise when the actions of an economic actor are not aligned with stakeholder expectations regarding biodiversity. Such risks may be political, market-related, technological, or reputational;
- Liability risks, which stem from legal action under regulations or case law relating to the protection of nature.

The purpose of risk analysis is to identify the financial materiality for the company of its impacts and dependencies on biodiversity, based on specific characteristics of the risk: its nature (current or emerging, exogenous or endogenous to the company), occurrence, intensity, and time horizon.

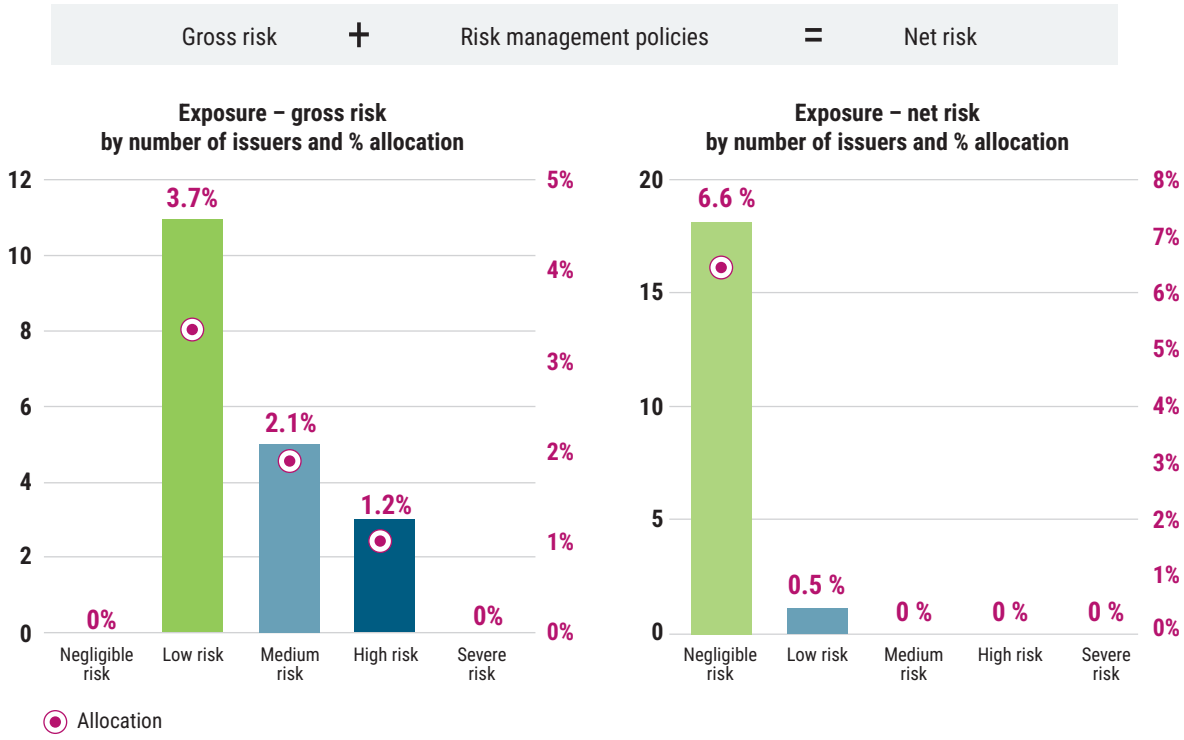
Particular attention must be paid to the distinction between the gross risk faced by the company and the processes in place to manage and/or mitigate this exposure, in order to determine the net risk.

To quantify biodiversity-related risks financially, CCR has chosen, as a first step, to identify the share of its portfolio at risk as well as the amounts invested in high-impact sectors, using data provided by Sustainalytics. This risk analysis is carried out quarterly on the portfolio of privately issued securities held in direct management.

CCR presents here the analysis performed on listed private issuers within the portfolio of directly held bonds (representing 31% of CCR's total assets). The chosen approach is conservative and prudent, as CCR does not distinguish between green bonds and non-green bonds. Since it may be invested in an issuer through various financial instruments, CCR has preferred to analyse the issuer as a whole rather than differentiate by bond type, which may slightly overestimate the risk.

The analysis focuses on exposure to the "Land Use and Biodiversity" risk as assessed by Sustainalytics, as well as on how effectively this risk is managed. This issue centres on how companies manage the impact of their own operations on land, ecosystems and wildlife. Topics covered include land conversion, land rehabilitation, forest management, and the protection of biodiversity and ecosystems. This issue is considered material for several industries: commercial services, food products, consumer services, chemicals, diversified metals, oil and gas producers, paper and forestry, precious metals, refiners and pipelines, steel, traders and distributors, utilities, and transport infrastructure.

Figure 41: Exposure by number of issuers and share of the portfolio to biodiversity risk (gross and net))



As in 2023, only 19 issuers, representing 7.1% of this portfolio's allocation, are materially exposed to the issue of "land use and biodiversity".

The gross exposure is mainly categorised as low risk (11 issuers accounting for 3.7% of the portfolio), and CCR does not hold any companies facing severe risk. All issuers demonstrate strong management, resulting in a limited residual risk level that becomes negligible, with the exception of one issuer whose risk becomes low. Indeed, the risk may be mitigated by good practices existing within the sub-sectors (specific programmes, certifications, transparency, engagement with local communities, etc.).

CCR chose to supplement this approach by identifying issuers in the portfolio concerned by:

- an environmental controversy related to their own operations or their supply chain concerning these issues. The controversies relate to two topics: "land use and biodiversity" (incidents involving failure to comply with sustainable land use practices, resulting in negative impacts on land or ecosystems) and "water use" (incidents of excessive water use associated with a company's operations in water-scarce areas);
- an activity significantly detrimental to biodiversity. This includes palm oil, fur and leather, pesticides, and genetically modified organisms.

CCR holds no issuer facing a significant environmental controversy[35], and no issuer deriving substantial revenue from significantly detrimental activities[36].

IMPROVEMENT PLAN

CCR is seeking to expand the scope of assets covered by the analysis of biodiversity loss-related risks: to issuers held in dedicated funds (through portfolio look-through), and to real estate assets (through the development of the Biodi-Bat tool on OID's R4RE platform).

CCR will also seek to refine its analysis by using forward-looking scenarios, for which it depends on the development of appropriate methodologies.

35 A controversy is considered significant if it is classified as level 4 or 5.
36 Revenue is considered substantial if it exceeds 25% of total turnover.

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LIST OF ARTICLE 8 AND 9 FINANCIAL PRODUCTS
under the Disclosure Regulation (SFDR)

I LIST OF ARTICLES 8 AND 9 FINANCIAL PRODUCTS under the Disclosure Regulation (SFDR)

In accordance with the disclosure requirements under Article 29 of the French Energy and Climate Law, referring to the information specified in point 1° of c) of III of Article D. 533-16-1 of the French Monetary and Financial Code, the list of financial products referred to under Articles 8 and 9 of the Disclosure Regulation (SFDR) is provided below:

Name	SFDR classification as at 31/12/2024
Alba Valeur	Article 9
Best Business Models SRI IPC	Article 9
Pictet-Water I EUR	Article 9
responsAbility Micro&SME FinDb I-II EUR	Article 9
LF RESIDENCES SENIORS SPPICAV	Article 9
2i Sélection	Article 8
AXA IM Novalto Gaia III-C-2 EUR	Article 8
AXAIMFIIS US Short Dur HY A Cap EUR H	Article 8
AXAWF Global Conv I Cap EUR pf	Article 8
B & G Convertible I EUR	Article 8
BDL Convictions I	Article 8
BGF ESG Multi-Asset I2 EUR	Article 8
BNP Paribas Mois ISR IC	Article 8
Comgest Growth Emerging Mkts EUR I Acc	Article 8
Comgest Growth Europe EUR I Acc	Article 8
DNCA Invest Alpha Bonds I EUR	Article 8
Echiquier Agenor Euro SRI Mid Cap I	Article 8
Fidelity European Growth Y-Acc-EUR	Article 8
Franklin European Ttl Ret I(acc)EUR	Article 8
G Fund Alpha Fixed Income IC EUR	Article 8
G Fund - European Convertible Bd IC EUR	Article 8
ICG Total Credit B EUR Acc	Article 8
Janus Henderson Hrzn Strat Bd GU2 HEUR	Article 8
Janus HndrsnAbsolute Return I2 HEUR	Article 8
JPM Emerg Mkts Strat Bd I perf (acc)EURH	Article 8
Lazard Actions Euro IC	Article 8
Lazard Convertible Global PC H-EUR	Article 8
Lazard Credit Opportunities PC EUR	Article 8
Lazard Patrimoine SRI PC EUR	Article 8
Lazard Small Caps Euro SRI I	Article 8
LO Funds All Roads EUR IA	Article 8

Nom	Classification SFDR 31/12/2024
LO Funds Convertible Bond EUR NA	Article 8
M&G (Lux) Em Mkts Bd Cl H EUR Acc	Article 8
M&G (Lux) Glb Macro Bd Cl EUR Acc	Article 8
M&G (Lux) Optimal Income Cl EUR Acc	Article 8
MS INVF Asia Opportunity ZH EUR	Article 8
Pictet-Security HI EUR	Article 8
PIMCO GIS Capital Scs Ins EUR H Acc	Article 8
RobecoSAM Global SDG Credits IH €	Article 8
Schroder ISF Glb Clmt Chg Eq C Acc EUR	Article 8
Vontobel TwentyFour StratInc HI Hdg EUR	Article 8
Homa Impact Social France SI EUR	Article 8
BNP Paribas Glbl Cnvrt I RH EUR C	Article 8
Ellipsis European Convertible Fund I EUR	Article 8
Ofi Invest Energy Strategic Metals XL	Article 8
Vontobel TwentyFour Abs RetCrdt HI HEUR	Article 8
PICT.SH.T.EM.COR.BDS HI EURC5D	Article 8
M&G (Lux) Fixed Mat Bd 2 WI EUR Acc	Article 8
AXA IM Euro Liquidity SRI	Article 8
CCR Credit Nouveau	Article 8
Eleva UCITS Eleva Abs Ret Eurp I EUR acc	Article 8
Groupama Entreprises IC	Article 8
LO Selection TargetNetZero EUR Crdt BdNA	Article 8
PIMCO IRL Shrt-Dur Euro HY II Ins € Inc	Article 8
CM-AM Cash ISR IC	Article 8
BNP Paribas Money 3M IC	Article 8
AXAWF Euro Credit Total Ret I Cap EUR	Article 8
IVO Fixed Income EUR I Acc	Article 8
ARDIAN REAL ESTATE EUROPEAN FUND	Article 8
NEXT ESTATE INCOME II CL.A C.	Article 8
LOGISTIS A SPPICAV	Article 8
LOGISTIS SA LUXEMBOURG	Article 8
Prêt LOGISTIS SA Luxembourg	Article 8
GINKGO FUND II FCPI	Article 8
GINKGO FUND SCA SICAR	Article 8
AXA C EUR A1D EUR D.	Article 8
FID IN RE ESRE DNAD EUR D.	Article 8

J

APPENDICES

CCR'S EXCLUSION POLICY

The Group's exclusions apply:
- to new investments: there may be issuers related to the excluded theme still held in the portfolio, as these positions predate the adoption of the exclusion in question,
- to directly managed assets. The implementation across dedicated funds follows a specific timeline, and any problematic positions are reviewed in collaboration with the asset management companies.

Norm-based exclusions	Adoption year
 ▪ Controversial weapons: that is, companies involved in the production, use, storage, marketing, or transfer of anti-personnel mines or cluster bombs, as these weapons are prohibited under the Ottawa (1999) and Oslo (2010) Conventions	2020
 ▪ Companies or countries subject to an embargo or financial sanction: that is, companies and States that do not comply with regulations on anti-money laundering and counter-terrorist financing, States under embargo, and jurisdictions considered non-cooperative in tax information exchange by the Financial Action Task Force (FATF)	2020
 ▪ Companies that violate the principles of the UN Global Compact (since 2020, this exclusion was initially limited to ILO principles, and has been extended since 2023).	Initiée 2020
Sector-based exclusions	**Adoption year**
 ▪ Tobacco: tobacco producers (2020)	2020
 ▪ Fossil fuels: companies expanding in the coal, oil, and gas sectors; in addition, specific thresholds and criteria apply to thermal coal (notably companies generating more than 1**0% of their revenue** from coal mining or coal-fired power generation).	Launched in 2020
 ▪ Unsustainable palm oil: issuers deriving more than 5% of their revenue from palm oil and not certified by the Roundtable on Sustainable Palm Oil (RSPO)	2022
  ▪ Pesticides and GMOs: issuers deriving more than 10% of their revenue directly from either of these two products	2023
ESG Exclusion	**Adoption year**
 ▪ Issuer in a red zone: that is, one with acute ESG risk (above 40 on the Sustainalytics scale) and facing a very severe controversy (level 5 according to Sustainalytics)	2022

CCR'S FOSSIL FUEL POLICY

Exclusions apply to new investments: there may be issuers related to the excluded theme still held in the portfolio, as these positions predate the adoption of the exclusion in question.

Fossil fuels: coal, oil, and gas

As of 2022, CCR no longer finances issuers developing expansion projects in fossil fuels (infrastructure expansion plans, mines, power plants, or production, processing, and transport capacities, all segments of the value chain are therefore concerned: upstream, midstream, and downstream).
This exclusion has already been applied to the coal sector since 2021 and to unconventional hydrocarbons since 2022.

Possible exception: issuer committed to a greenhouse gas reduction pathway aligned with the Paris Agreement objective of limiting global warming to below 2 °C, or if the financing concerns a financial vehicle dedicated to the energy transition (green bond).

Covered scope: direct management (2023) and dedicated funds under delegated management (2024).

Specific Thermal Coal Policy: coal phase-out by 2030 across all portfolios

Application conditions:
- Exclusion of companies for which coal-related activities account for more than 10% of their revenue, except in the case of a green bond or if the issuer has a credible transition plan.
- Exclusion, until 2025, of companies whose installed coal-fired power capacity exceeds 10 GW. From 2026 onwards, this threshold will be reduced to 5 GW.

Covered scope: Direct management (2020) and dedicated funds under delegated management (2022).

Specific Policy on Unconventional Hydrocarbons: phase-out by 2030

Application conditions:
- Exclusion of issuers producing unconventional hydrocarbons (upstream phase), except in the case of a green bond and/or if the issuer has a credible transition plan.

Covered scope: Direct management (2022) and dedicated funds under delegated management (2023)

Definition of unconventional hydrocarbons:
Coalbed methane or coal seam gas; tight oil and gas; oil shale and shale oil; shale gas and shale oil; oil from oil sands; extra-heavy oil; ultra-deep offshore oil and gas; and fossil oil and gas resources in the Arctic (as defined by the Arctic Monitoring and Assessment Programme). This definition is consistent with that of the Scientific and Expert Committee and is based on the geological characteristics of hydrocarbon reservoirs (notably the viscosity and permeability of the reservoirs), as well as extraction methods.

BIODIVERSITY: ENCORE TOOL

ENCORE *(Exploring Natural Capital Opportunities, Risks and Exposure)* is a free online tool that helps organisations explore their exposure to nature-related risks and take initial steps toward understanding their dependencies and impacts on nature.

ENCORE provides a set of files enabling the analysis of activity-related dependencies and impacts on biodiversity. These files have been integrated by Sequantis into the Transition Monitor, thereby allowing a portfolio to be analysed through the lens of biodiversity dependency and impact.

Some definitions:

Dependencies: elements of the services provided by nature that an organisation needs in order to operate.

Ecosystem service: benefits that ecosystems provide to human activities, such as water purification or crop pollination. (A comprehensive list of ecosystem services is provided by the European Environment Agency (CICES)).

A dependency is a specific need of an organisation to function, whereas an ecosystem service is a broader benefit that nature provides to human activities.
Example: A farm depends on bees to pollinate its crops and produce fruit, this is its dependency. However, the same bees also pollinate other plants, providing a broader ecosystem service.

Ecosystem components: the elements that make up an ecosystem, such as water, soil, and species.

Impacts: changes caused to nature by human activities, which may affect nature's ability to provide benefits to humans.

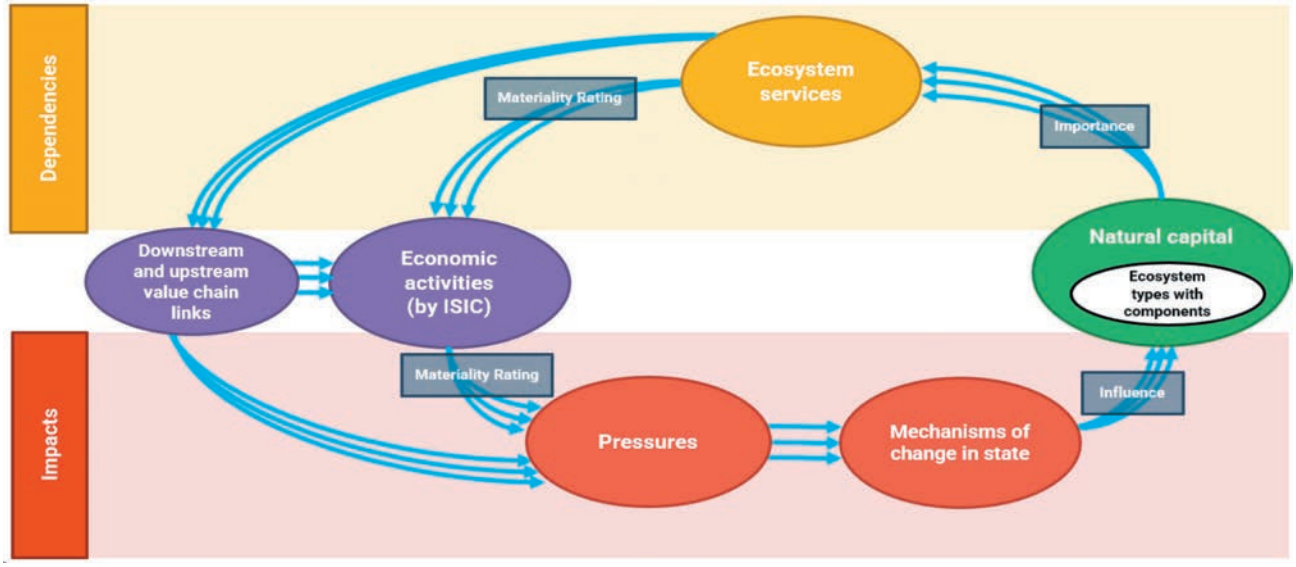
Pressure: human activities that place stress on natural resources, such as water use or pollutant emissions.

Materiality: a dependency or impact is considered material if it is significant enough to influence an organisation's decisions.

Difference between impacts and pressures: pressures are human actions or activities, while impacts are the consequences of those actions on the environment.

Difference between ecosystem components and ecosystem services: ecosystem components are the parts of the ecosystem, whereas ecosystem services are the benefits we derive from them.

Figure 42: structure of the updated ENCORE knowledge base (source : https://encorenature.org/en).



LIST OF FIGURES

More information at **www.ccr.fr**

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