

2022 Report

ESG-CLIMATE GROUPAMA

ARTICLE 29 OF THE FRENCH ENERGY
AND CLIMATE LAW
JUNE 2023



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EDITORIAL

After the health and economic turmoil of 2020 and 2021 caused by the COVID pandemic, 2022 saw the rise of economic, geopolitical, and climate risks. Phenomena that we called exceptional in the past now tend to become the norm, and each new year brings its share of firsts. The “climate bill” in France alone reached more than €10 billion for insurers, a record level for the 21st century, with intense hailstorms affecting one in two municipalities at a record cost of €5 billion.

Insurance can’t make hazards disappear. It allows risks to be pooled so that the victims of a covered incident can be compensated. However, for this to work, two prerequisites must be met: not everyone can be affected at the same time, and insurance premiums must be affordable for those who have to pay them. Otherwise, economic players will stop taking out insurance. What is new in the case of the COVID pandemic, as with global warming, is that the majority of the population is affected. In other words, insurers no longer just have to manage frequency risks. Mass risks are increasing significantly, reaching thresholds that make risks less poolable than before.

In such a situation, the insurer’s role is to reduce the economic consequences of hazards, which also means taking part in the fight against global warming and encouraging policyholders to step up the prevention of the risks to which they are exposed. Then, of course, we must stand by our policyholders when the risk arises. This perfectly reflects our group’s corporate purpose: “We are here to help as many people as possible build their lives with confidence”. This purpose is the foundation of our 2022–2024 CSR strategy. Groupama has developed a strategic framework specific to its social responsibility based on three priorities, the combination of which is unique on the market: developing a human, proactive, and responsible customer relationship, while offering protection solutions responding to the transitions underway and making an active contribution to the sustainable development of local life. Expanding on these priorities are two fundamental foundations that meet the requirements of exemplarity and commitment as an employer and sustainable investor.

In 2022, we continued our work to roll out a clear, public, Group-wide sustainable savings and investment policy, resulting in the adoption of a sustainable investment charter by all Group entities, stronger marketing of sustainable savings products, and the Groupama group’s adherence to the United Nations Principles of Responsible Investment and the Net-Zero Asset Owner Alliance.

This framework for exercising our corporate social responsibility allows us to decide on concrete community actions to promote sustainable growth.

CYRIL ROUX

Group Financial Director
Deputy Chief Executive Officer

GROUPAMA, A COMMITTED GROUP

GROUPAMA'S KEY FIGURES – FRANCE AND OUTSIDE FRANCE

A mutual insurance group mainly present in France alongside 6.5 million customers and members

12 million

members and customers worldwide

27,000

elected representatives in France

6.5

million customers and members in France

FRANCE



No.1

insurer in the **agricultural world**
(% of contributions)

No.2

individual **health insurer**
(in premium income)

No.3

home insurer
(in premium income)

No.4

motor insurer
(in premium income)

No.4

individual **protection insurer**
(in premium income)

...but also internationally in three main markets (Italy, Hungary, Romania) and present in a total of nine countries abroad (Greece, Bulgaria, Slovenia, Croatia, Tunisia, China)

WORLDWIDE



Present in

10
countries

31,000

employees worldwide

15.9

billion in revenue

16%

of the Group's revenue is generated outside France

Three main markets



ITALY
Groupama Assicurazioni

No.9

non-life insurer

€1,2 billion in premium income



HUNGARY
Groupama Biztosító

No.4

non-life insurer

€0,4 billion in premium income



ROMANIA
Groupama Asigurari

No.1

non-life insurer

€0,6 billion in premium income

OUR BUSINESS MODEL

Mutual insurer of the territories, aiming to provide comprehensive, lasting support for members and customers

OUR RESOURCES

RESOURCES

31,000 employees
27,000 elected representatives of members

FINANCIAL

Premiums: **€15.9 billion**
Investments: **€78.7 billion** in assets under management
Group's IFRS Equity: **€7.5 billion**
Mutual certificates: **€637 million**
Balance sheet size: **€94.7 billion**

ORGANISATIONAL AND INTELLECTUAL

- 3-level mutualist organisation based on elective membership and the internal reinsurance system:
- **2,600** local mutuals
- **13** regional and specialised mutuals
- **1** national reinsurance mutual, Groupama Assurances Mutuelles, professional agricultural organisation

- Expertise (e.g. actuarial models), know-how (120 different business lines)

- Economic, academic, and institutional partnerships in all regions

- Companies and networks using a "phygital" approach:
- **2** complementary brands
- **40** companies (regional mutuals, national mutual, and business line-specialised or distribution subsidiaries)
- **3,000** Groupama and Gan branches; complete multi-channel distribution
- Regional decision-making centres and information systems, call centres in France
- In 10 countries abroad : employee networks, agents, brokers

>> a dense territorial network, human, close-knit, solidarity-focused support communities, as close as possible to the needs of members and customers

OUR VALUE CREATION

RESOURCES

€1.5 billion paid in salaries and benefits
9 out of 10 employees trained per year
81% engagement rate (2021 internal survey)

FINANCIAL

Positive net income: **€454 million**
Positive operating income: **€349 million**
Combined ratio: **99.4%**
IFS rating: **A+**, Stable Outlook
Solvency ratio: **282%** (with transitional measure)

SOCIAL AND SOCIETAL

- Protection of as many as possible **12 million** policyholders (members and customers)
- **€12 billion** in benefits paid
- **14,000** prevention missions
- France :
 - **Number 1** insurer for agriculture (60% of farmers) and local authorities (18,000 municipalities)
 - **Number 1** in individual health insurer
 - **Number 2** in home insurance (3.5 million homes)
 - **Number 4** in motor insurance (3.8 million vehicles)

- Contribution to the territories: **25,000** jobs in France
- Territorial economic contribution: **€40 million**
- **€9M** paid for philanthropy

- Italy, Hungary, Romania: **in the top 10**

ENVIRONMENTAL

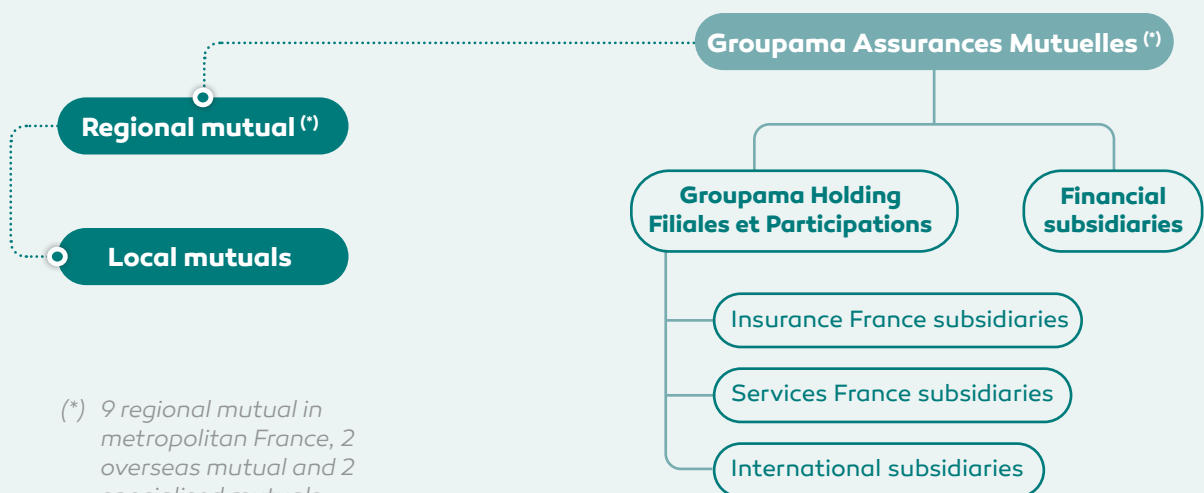
€93.5 billion managed in Responsible Investments (ESG criteria, GAM outstanding assets)
€1.2 billion invested in sustainable investments (2022-2024)
-4% in energy consumption compared to 2021
10.5 Mt of CO₂ stored in **21,882 ha** of sustainably managed forests



Data 2022

> GROUPAMA, A GROUP WITH DIVERSIFIED ACTIVITIES

This report covers all Groupama entities and the regional mutuals for 100% of their activities.



(*) 9 regional mutual in metropolitan France, 2 overseas mutual and 2 specialised mutuals.

..... Reinsurance relationship

(**) as reinsurer of the regional mutual under a quota treaty, Groupama Assurances Mutuelles covers around 30% of the portfolio of the regional mutuals

The Groupama group operates in three main business sectors:

1. **Property and casualty insurance:** motor, home, agricultural insurance, services, businesses, professionals, and local authorities
2. **Life and health insurance:** individual health, individual protection, individual savings/pensions, and group insurance
3. **Financial services:** asset management, property, and employee savings

On the French market, the group relies on two major insurance brands, whose positions are well differentiated and complementary:

- Groupama – the general insurance brand focused on local services in France
- Gan – “Expert Monitoring”, Gan is the short and sweet, adapted expression of the Gan brand’s positioning. This promise is a concrete expression of our commitment to our customers and is characterised by four fundamental pillars: advice, availability and responsiveness of appropriate solutions, and monitoring over time, the basis of a relationship built on trust.

Abroad, the Groupama brand is exclusively represented through its subsidiaries.



Driven by its mutualist values, Groupama’s commitment at the heart of its approach



Since it was founded in 1900, Groupama has been a mutual insurer with unwavering values of commitment and solidarity. In France, members participate in Groupama’s institutional life by electing their 27,000 representatives to the Group’s supervisory and decision-making bodies. It is this model, without shareholders and closely very connected to its members, that has been Groupama’s strength for more than a century. It ensures a local presence through 2,600 local mutuals and nine regional mutuals, two overseas mutuals, and two specialist mutuals, solidarity through risk-sharing and mutual aid mechanisms, and responsibility through the monitoring of both economic and non-financial performance.

Groupama’s mutual movement was born out of the need to protect farmers from the uncertainties of life. It has been able to diversify, reinvent itself, and evolve to adapt to changes in society by strengthening the solidarity implemented for the millions of men and women who are members today. The mutual insurer model itself, without shareholders to pay, means that all our resources can be used to serve our customers/members. In addition, as a player in the Social and Solidarity Economy (SSE), Groupama is deeply rooted in the regions, with a strong regional history and all its jobs maintained in France.

Mutual insurance is a model for the future. Even though 85% of surveyed individuals from 18 to 35 years old say they do not really know much about it and are more likely than their elders to look to individual commitment, very many of them (70%) trust it and acknowledge its human values, and even more (84%) believe it is useful for society.

The increase in non-financial issues for companies and in social expectations only reinforces the place and prospects of mutual insurance as an economic model.

Throughout these past few years of crisis, Groupama’s 31,000 employees have worked tirelessly to support its members and customers, with the support of its mutualist elected representatives.

> A CSR STRATEGY ORGANISED AROUND FIVE COMMITMENTS

Groupama's CSR strategy was redefined in 2021 to mobilise the entire group around high-value-added CSR to serve the Group's strategic transformation challenges and its corporate purpose. The development of the CSR strategy involved a large number of employees, elected representatives, and stakeholders.

Through more than 120 interviews and numerous sharing and construction sessions, this work showed that priorities were aligned between external and internal stakeholders. The general outline of the CSR strategy for 2022–2024 was validated by the Board of Directors of Groupama Assurances Mutuelles on 16 December 2021.

Drawing on Groupama's corporate purpose and strengths and as part of a sustainable growth economic model, the CSR strategy sets out five commitments:

01 A people-centred, attentive, responsible relationship with its customers

02 Protection solutions that respond to environmental and lifestyles changes

03 An active contribution to the sustainable development of local life

04 A clear, public, and common sustainable savings and investment policy for the entire Group

05 A committed group in which everyone acts with pride in line with our values
(reduction of carbon footprint, responsible management, "native" CSR approach)




.....

In 2022, CSR governance was reinforced: CSR actions and indicators are now managed according to the Group's strategic plan, with sponsorship of the chairpersons of the regional mutuals and members of the Steering Committee (CEG). In 2022, the CEG Ethics Committee became the Ethics and Sustainability Committee. It now meets four times a year. In addition, CSR issues are regularly on the agenda of all major governance bodies (elected or executive) of the group.

Groupama thus has an inclusive model, with a desire to build and take action to provide all responsible players with efficient, sustainable solutions. The group remains true to the original spirit of the mutual founded by entrepreneurial farmers. It requires civic mobilisation around the drive to take action to address risk events and to create confidence.

.....



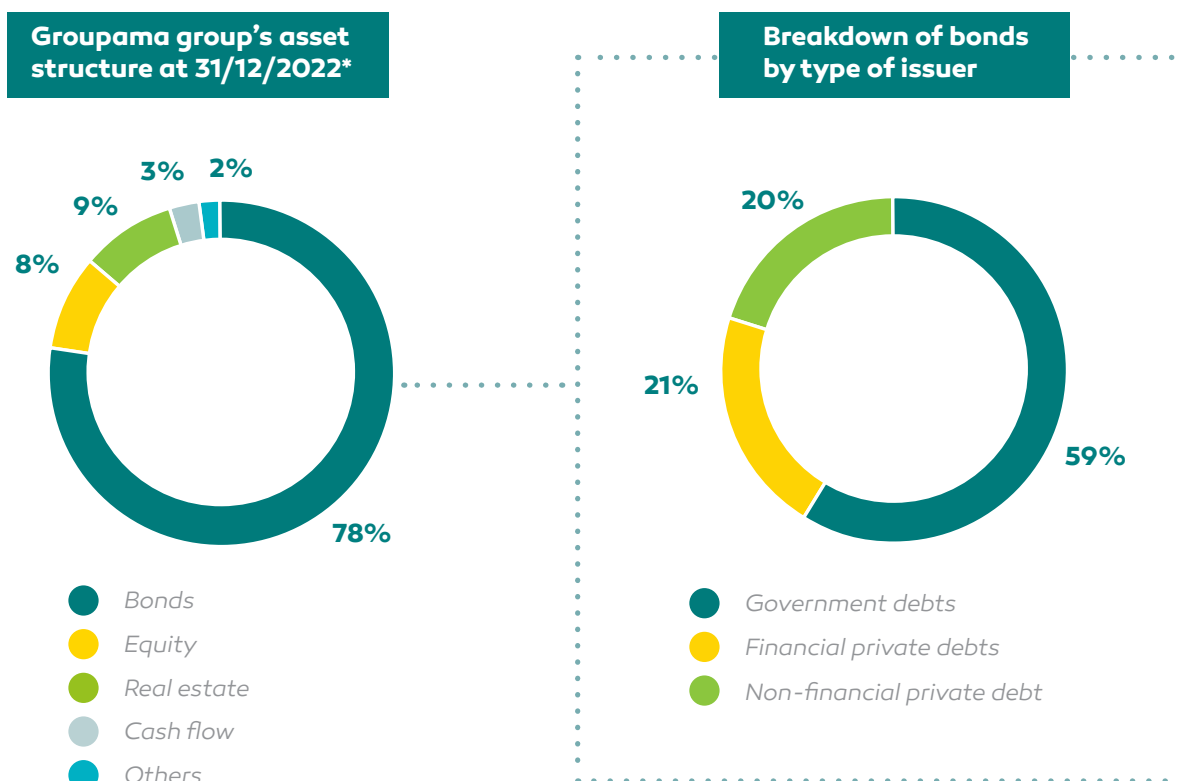
The priority ESG (Environment, Social, and Governance) and Climate issues for Groupama are elaborated on in its Non-Financial Performance Statement (DPEF), included in the Universal Registration Document:

- HR issues, with regard to Group employees: employability, “working well together”, diversity and parity, and respect;
- Societal challenges for members and customers: quality of advice, customer satisfaction, coverage of protection needs including prevention, data protection, responsible purchasing, and socially responsible investment;
- Environmental and climate issues in investments, offered products and services, and the underwriting policy. The DPEF also includes actions to reduce the ecological footprint of Groupama’s organisation.

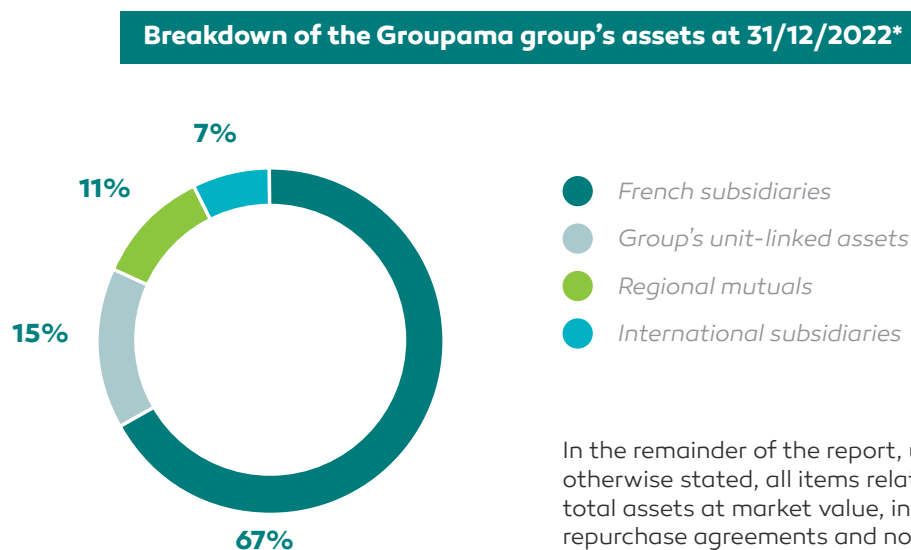
The environmental issue is becoming increasingly important, particularly as a result of climate change. Climatic hazards are a decisive factor in insurance risk, such as storms, increased heat, drought, rainfall, or coastal flooding. The Group takes full account of climate change in its policies by including storm risks and climate risks on harvests in its risk management system.

> OVERVIEW OF THE GROUPAMA GROUP'S FINANCIAL ASSET ALLOCATION

At 31 December 2022, Groupama's assets under management totalled €65.1 billion in market value (€76.8 billion at end-2021). The decline in 2022 was mainly due to the rise in interest rates on the financial markets, which led to a drop in the value of bonds.



*Breakdown of assets at market value, excluding unit-linked items, repurchase agreements, and non-controlling interests.



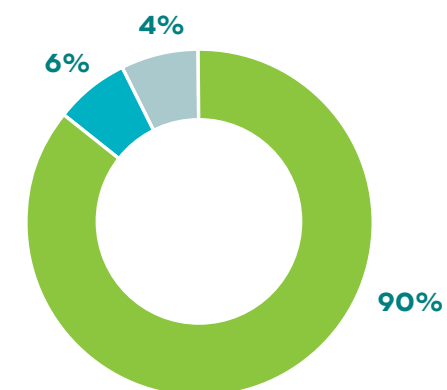
In the remainder of the report, unless otherwise stated, all items relate to total assets at market value, including repurchase agreements and non-controlling interests and excluding unit-linked items, for a total of €66.6 billion.

*Breakdown of assets including unit-linked items, which represent €11.9 bn.

ORGANISATION OF ASSET MANAGEMENT (FINANCIAL DELEGATION)

Groupama's assets are managed primarily by its subsidiaries Groupama Asset Management and Groupama Immobilier.

Breakdown of asset management (€66.6 billion)



- Groupama Asset Management
- Groupama Immobilier
- Others



OVERVIEW OF OUR SUSTAINABLE INVESTMENT STRATEGY

Portfolio overview:
Key investment indicators

A committed ESG approach

91%

vs 87% in 2021

Percentage of assets applying **ESG filter** at the Group level

36%

vs 48% in 2021

Percentage of **certified building assets** (by area)

32%

vs 83.6% in 2021

Percentage of general meetings of **investee companies** at which **at least one resolution was rejected**

Managing our exposure to climate change risks and opportunities

2.8°C

Estimated **temperature** induced by our equity and corporate bond portfolio (SB2A)

149 teqCO₂ / M€ CA

Carbon intensity (scopes 1 and 2) of the equity and corporate bond portfolio (Group)

60%

Percentage of **dialogues** with companies that addressed climate-related issues

11 kgeqCO₂/m²

Average carbon intensity of offices monitored by Deepki

Measuring our biodiversity footprint

-0.14 km².MSA/€M revenue

Monetary intensity of biodiversity in the equity portfolio

-0.08%

Land use

-0.01%

Air pollution

-0.03%

Water pollution

-0.01%

Global warming

Breakdown of the biodiversity footprint of the global portfolio, company by pressure (based on the CBF - Corporate Biodiversity Footprint - measurement tool).

> OUR CLIMATE COMMITMENTS

Groupama has committed to making €1.2 billion in sustainable investments between 2022 and 2024, particularly in infrastructure, property, and green bonds. To date, 83% of this target has been achieved. In 2021, Groupama also committed to quantified targets to contribute to the objectives of the Paris Agreement, with a 50% reduction in the carbon intensity (Scope 1 & 2) of its private bond and listed equity portfolios. To date, 25% of this target has been achieved.

Targets

€1.2
billion

Between 2022 and 2024

of additional sustainable investments, particularly in infrastructure, real estate and green bonds

-50%

Between 2021 and 2030

of the carbon intensity (tCO₂eq/€mn of sales) scope 1 and 2 of equity and corporate bond portfolios (Group scope), on a trajectory of alignment with the objectives of the Paris Agreement

Achievement rate

83%

25%

GROUPAMA HAS STRENGTHENED ITS COMMITMENT BY JOINING THE NET ZERO ASSET OWNER ALLIANCE

In 2022, Groupama strengthened its responsible investment policy and its commitments to the energy transition by joining the **Net-Zero Asset Owner Alliance**, supported by the United Nations. Groupama has also become a signatory to the **Principles for Responsible Investment (PRI)** on behalf of the Group.

Inaugurated at the United Nations Climate Action Summit in September 2019, the Net-Zero Asset Owner Alliance is an international group of investors committed to leading the transition of their investment portfolios to carbon neutrality by 2050. The Alliance's ambition is firmly rooted in the implementation of the Paris Agreements to limit global warming to 1.5 °C.

MAPPING OF INFRASTRUCTURE INVESTMENTS

In addition, to achieve its objectives, Groupama has worked to define **a map of infrastructure investments**. This approach makes it possible to obtain a precise allocation of infrastructure investments by sector and to identify the energy mix financed by Groupama so that it can be compared with benchmarks. The objectives are to identify potential redirections in infrastructure investment flows and to assess the relevance of setting up more precise allocation targets to best meet **the objective of sustainable investment and the needs of the transition**.



> A strengthened biodiversity strategy

In 2022, Groupama stepped up its work on biodiversity. This work enabled an in-depth analysis of the pressures and dependencies of the portfolios relating to biodiversity as well as the definition of an approach to deploying a strategy to align portfolios with the long-term objectives of preserving biodiversity. In line with the global objectives set at COP 15, Groupama is guiding its biodiversity strategy by prioritising 3 of the 23 Kunming-Montreal targets:

- **Minimise the impact of climate change**
- **Monitor and disclose the impacts of companies financed by Groupama**
- **Contribute to the estimated €200bn/year funding requirement for biodiversity between now and 2030.**

> Group joint sustainable investment charter

In 2022, Groupama continued its work to roll out a clear, public, and Group-wide sustainable savings and investment policy, resulting in the adoption of **a sustainable investment charter by all Group entities.**



Objectives of the report and disclaimers

Through this report, Groupama undertakes to provide a transparent disclosure of its commitments and actions in favour of the energy and environmental transition, including the alignment of its investment strategies with the objectives of limiting climate change and preserving biodiversity and the inclusion of sustainability risks in its investment strategy. This report aims to be clear and transparent about the data and methodologies used.

All figures in this report exclude unit-linked (UL) products unless otherwise stated.

This report is prepared on a voluntary basis for the Groupama group. The mandatory report concerns the Group's life insurance entity, Groupama Gan Vie (GGVIE). The French insurance subsidiaries, including GGVie, fully delegate the management of their assets to the Financial Operations and Investments Department (DOFI) of Groupama Assurances Mutuelles.

The DOFI is responsible for the management of unlisted assets (corporate private equity, infrastructure, and diversification property funds) where it has deployed Group vehicles in which the mutuals and the international subsidiaries invest. For the rest of the scope, the DOFI delegates:

- **To Groupama Asset Management (GAM) most of the management of listed assets with mandates specifically incorporating ESG guidelines**
- **To Groupama Immobilier (with mandates) the management of property assets**

> SUMMARY OF OBJECTIVES, MECHANISMS, AND MEASURES PRESENTED IN THE REPORT AND SCOPE

Scheme type	Scheme	Considered criteria	Amount in €m	Group balance sheet excluding unit-linked	Comments
TARGETS	50% reduction in carbon intensity (Scope 1 & 2)	E	27,729	42%	The objective covers private bonds and listed equities (in a transparent view, i.e. including those held in funds).
	1.2 billion in sustainable investment between 2022 and 2024	E - S	63,017	95%	At the end of 2022, our definition of sustainable investment does not cover unlisted debt, except for infrastructure and cash.
OPERATIONAL SCHEME	ESG analysis coverage	E-S-G	63,720	96%	
	List of major ESG risks	E-S-G	48,403	73%	List defined by GAM, for the Group on the perimeter of mandates, dedicated UCIs and non-dedicated GAM UCIs Art 8 or Art 9
	Coal exclusions	E	25,931	39%	This policy applies to all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated mutual funds managed by GAM (excluding index strategies) of the Groupama Group.
	Non-conventional fossil fuels exclusions	E	25,931	39%	This policy applies to all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated mutual funds managed by GAM (excluding index strategies) of the Groupama Group.
	Climate transition filter for fuel-intensive sectors	E	5,967	9%	Analysis carried out by GAM on the Group's assets held in mandates and dedicated UCIs, for issuers belonging to the 8 most fuel-intensive sectors (Oil & Gas; Materials; Capital Goods; Transport; Agriculture & Food; Automotive; Utilities, Real Estate) and for which the Group's holding exceeds €25m.
	Investor commitment policy	E-S-G	27,338	41%	Assets under management by GAM for Group entities (mandates, dedicated and open-ended mutual funds)
	Shareholder voting policy	E-S-G	1,277	2%	Voting policy is delegated to GAM for equities held in mandates or mutual funds.
MEASUREMENT (PERFORMANCE AND RISK)	Environmental performance indicators (CO2 intensity, NEC, SB2A temperature, biodiversity intensity)		27,729	42%	The indicators cover private bonds and listed equities (in a transparent view, i.e. including those held in funds).
	European taxonomy				
	IDL source	E	27,729	42%	The estimates of eligible and aligned green shares provided by Iceberg Data Lab cover only listed equities and corporate bonds (in a transparent view, i.e. including those held in funds).
	Groupama source	E	51,754	78%	The regulatory and voluntary investment ratios eligible for the Taxonomy published by the Group in its DPEF cover all assets including unit-linked assets, excluding exposures to central or local government (sovereigns), central banks or supranational issuers. The percentage is therefore expressed as a proportion of the balance sheet including unit-linked assets.
	BROWN SHARES	E	32,379	49%	Valuations cover private bonds and listed equities (in a transparent view, i.e. including those held in funds), as well as infrastructure exposures.
	ASSESSMENT OF BIODIVERSITY IMPACTS AND DEPENDENCIES	E	9,380	14%	Private equities and bonds held by Groupama Gan Vie in GAM mandates
	PHYSICAL AND TRANSITION RISK ASSESSMENT	E	27,729	42%	The indicators cover private bonds and listed equities (in a transparent view, i.e. including those held in funds).
	ND GAIN SCORE EVALUATION	E	28,086	42%	Direct holdings of sovereign bonds
	Real estate physical risk assessment	E	3,615	5%	Groupama Immobilier assets (managed for the Group) covered by BatAdapt

2 - GROUPAMA, A COMMITTED INSURER PLACING ESG AT THE HEART OF ITS STRATEGIC AMBITION

A. GROUPAMA'S GENERAL APPROACH TO TAKING INTO ACCOUNT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA

1. GROUPAMA, A RESPONSIBLE INVESTOR

The concept of **double materiality**, which is at the heart of the European strategy for directing financing towards the ecological transition, enables all stakeholders to be taken into account and aims to clarify the way in which sustainability aspects are taken into account in the investment process. The Sustainable Finance Disclosure Regulation (SFDR), which came into force in March 2021, requires investors to provide sustainability information on all their investments by financial product.

This definition makes it possible to address:

- The impact of ESG-related events on the value of investments
- The impact of investments on sustainability factors. These are the negative (called "Principal Adverse Impacts" in the regulation) and positive sustainability impacts



However, France's national regulation (Article 29 of the French Energy and Climate Law) go further than the European regulation, with particular emphasis on risks relating to climate change and biodiversity. Article 29 of this law also provides details on how sustainability risks are included in the investment decision-making process. For Groupama, the management of sustainability risks and the strategy to limit adverse impacts on sustainability are intrinsically linked. As an insurer and investor, the Group is exposed to sustainability risks on three fronts: its assets, its liabilities, and its business model. With a view to integrating double materiality, Groupama conducted an assessment of its principal adverse impacts in 2022 to identify and evaluate its impact, as detailed in *Part V – Assessment of the principal adverse impacts of investments*. In the longer term, this will enable us to limit the

adverse impacts of our activities, develop their positive impacts, and incorporate this development into the measurement of the value of our investments.

In 2022, Groupama updated its action plan by **building a Group-wide ESG framework** to ensure consistency of analysis on environmental, social, and governance issues. Groupama has developed a comprehensive charter that defines the Group's position and convictions in terms of sustainable investment, as well as the minimum standards and exclusions common to all its entities: Regional mutuals, French insurance subsidiaries, and international subsidiaries. In 2022, this sustainable investment strategy specifically focused on climate risk and was based on four pillars:

- A management of assets fully incorporating ESG criteria
- An exclusion policy to address the highest sustainability risks and eliminate the most harmful financing
- A shareholder engagement policy (voting at General Meetings and dialogue) contributing to, among other things, to the decarbonisation of portfolios
- Investments to finance transitions

This charter was adopted by the Board of Directors of the Group and of all of the Group's entities at the end of 2022.

2. OUR ESG APPROACH BY ASSET CLASS

The Group is made up of three distinct scopes:

The **French insurance subsidiaries**, the main one being Groupama Gan Vie, fully delegate the management of their assets to the Financial and Investment Operations Department (DOFI) of Groupama Assurances Mutuelles, which is responsible for defining their investment policy and ensuring its implementation. The DOFI is responsible for managing unlisted assets (corporate private equity, infrastructure, unlisted debt, and diversification property funds). In order to optimise the allocation of corporate private equity and infrastructure, intra-group vehicles in which the French subsidiaries invest as well as certain regional mutuals and international subsidiaries have

been developed. For most of the rest of the scope, the DOFI delegates:

- To Groupama Asset Management (GAM) most of the management of listed assets via mandates specifically incorporating ESG issues and guidelines in line with the Group's sustainable investment charter;
- To Groupama Immobilier the management of property assets via wealth management and property management mandates.

All of the management mandates of the French subsidiaries are entered into with Groupama Asset Management, including an appendix dedicated to the integration of ESG criteria in management. With external management companies, Groupama selects funds (using Group tools that include an ESG due diligence questionnaire) but does not currently allocate mandates directly from the insurer's balance sheet.

Scope	Responsible for implementation	Asset category	Assets covered in €m (31/12/2022)	Sustainability risk management			Energy transition financing
				Environmental Strategy		Other ESG strategies	
				Climate analysis	Sectoral exclusions		
French subsidiaries' investment strategy	Groupama Asset Management	Listed equities and bonds mandate	33,646	X	X	X	X
		Dedicated UCIs	8,217	X	X	X	X
	Groupama Assurances Mutuelles (DOFI)	Infrastructure (private debt and equity)	1,092	X	X	X	X
		Private equity corporate	705		X	X	
		Private corporate and real estate debt	514		X	X	
	Groupama Immobilier	Real estate	3,554	X		X	
		Forest	200	X		X	

The **regional mutuals** are responsible for the management of their assets with a party delegated to GAM on listed assets (via mandates similar to those of the French subsidiaries on ESG aspects). For unlisted assets, they invest in part in Group vehicles for which the DOFI is responsible for selecting funds and delegating part of their property management to Groupama Immobilier. For the rest of the assets, they are autonomous but must comply with the Group's sustainable investment charter.

The **international subsidiaries** operate in a more hybrid way: they are responsible for their own asset management but define their investment strategy jointly with the DOFI, give mandates to GAM for most of their listed assets, and invest some of their unlisted assets via group vehicles and some independently.



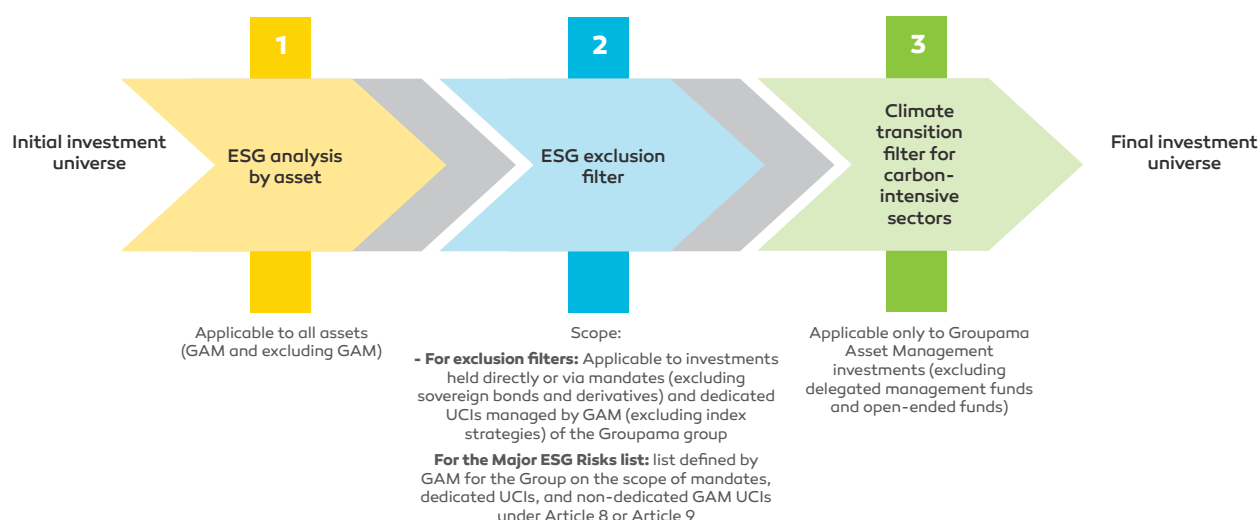
➤ INTEGRATION OF ESG INTO THE GROUP'S ASSET MANAGEMENT

What makes insurance management different is that it is a long-term management approach with the aim of optimising the adequacy between asset and liability flows. The management of risks – ESG risks in particular – is essential in this type of management. This integration of ESG risks is based primarily on the mobilisation of three filters applied successively:

- The integration of a global ESG analysis by asset class;
- An exclusion filter for the main ESG risks: Major ESG Risks list and application of sector-specific policies;

- The inclusion of a quantitative environmental component for companies belonging to the eight most fuel-intensive sectors and whose holdings at Group level at GAM exceed €25 million: oil and gas, materials, agricultural/agri-food goods, utilities, and property. The objective is to identify, within these sectors, the issuers best positioned to deal with the challenges of climate change.

Scope of the climate transition filter



The asset-specific ESG analysis and the exclusion specific to Major ESG Risks are discussed below. The sectoral climate policies and the climate transition filter for carbon-intensive sectors are presented in *Section III – Sector phase-out policy* of this report.

1. ESG analysis by asset class

ESG coverage at Groupama

At the end of 2022, Groupama increased its non-financial analysis coverage to the Group level to 91%.

In 2022, the existing methodology was improved to cover a larger scope and allow for more in-depth analysis. It now includes all asset classes with the exception of cash not placed in money market funds; for each type of asset, the existence of a non-financial analysis is measured in a specific way.

In 2022, the analysis tools dedicated to ESG in the selection of non-GAM funds were modified, strengthened, and secured, making the comparison of non-financial coverage between 2021 and 2022 irrelevant.

Different ESG analysis frameworks co-exist by asset class:

- For assets under mandates or in dedicated UCIs at GAM: GAM's analysis framework
- For assets managed by Groupama Immobilier: its specific analysis framework
- For assets invested in non-dedicated funds, five questionnaires were put in place according to the type of asset: listed assets, infrastructure, unlisted debt including property, corporate private equity, and property equity.

ESG analysis framework for funds not managed by Groupama Asset Management

For funds not managed by GAM, a common due diligence process has been established and deployed throughout the Group since June 2022. This process is broken down into separate questionnaires for each asset class: listed assets, infrastructure, unlisted debt including property, corporate private equity, and property equity.

Four themes are common to all questionnaires: the management company’s ESG policy, governance and risk management, the fund’s ESG policy, and reporting tools and data. In addition to these common themes, there is also a section dedicated to engagement and shareholder dialogue in the case of listed funds. The section dedicated to reporting tools and data looks at the management company’s ability to publish information on, for example, a green share, an ESG Climate report, the existence of a trajectory of alignment with the objectives of the Paris Agreement, or the production of Principal Adverse Impacts.

The forms and responses to the questionnaires will gradually be shared over the course of 2023 on a platform common to all Groupama entities in order to promote harmonised analysis throughout the Group.

ESG analysis framework for equity and bond investments managed by Groupama Asset Management as part of the management mandates entrusted to it by the various Group entities

Groupama Asset Management’s policy for analysing ESG risks and opportunities for equities and corporate bonds is based on three pillars:



Environmental criteria

They analyse companies’ positioning and adaptability in the face of the energy and ecological transition as well as the impacts of companies’ activities in terms of biodiversity protection, waste management, pollution, water management and quality, and the consumption of raw materials.

Social criteria

They bring together, on the one hand, the analysis of the company’s human capital (skills management, training, company culture, working climate, etc.) in relation to the three transitions and, on the other hand, the analysis of its societal impact (external relations with customers, suppliers, and communities) as well as its contribution to the Sustainable Development Goals.

Governance criteria

They cover the way in which the company is managed, administered, and controlled and the relationships it maintains with its shareholders, its board of directors, and its management, as well as the degree of integration of sustainable development issues. The governance analysis makes it possible to verify the proper execution of the strategy by the executives and whether they are working in the interest of all the shareholders and stakeholders of the company.

This integrated analysis allows Groupama Asset Management's research team to issue recommendations used by equity and credit managers. The analysts use external data sources (Moody's ESG and Iceberg Data Lab) to construct a quantitative score (from 0 to 100) based on the key ESG issues identified in the qualitative analysis. The approach to material ESG criteria combines top-down and bottom-up analysis:

- **The top-down study** starts with a macroeconomic analysis, based on the three transitions (environmental, digital, and ecological) that have been identified as structuring factors, and is broken down into a microeconomic approach at the sector and security

levels. This makes it possible to assess whether the company integrates changes in its ecosystem to measure its ability to adapt quickly.

- **The bottom-up study** of ESG criteria is conducted based on the quantitative indicators present in StarQube, which is the main decision-making tool for Research in ESG analysis.

The methodology also incorporates a very large majority of compulsory PAIs directly or via an equivalent indicator. The considered criteria are weighted according to their materiality and relevance for each sector.

ESG analysis framework for sovereign bond investments managed by Groupama Asset Management

Country risk assessment takes ESG risks and opportunities into account alongside economic and financial factors in particular. The ESG analysis aims to capture the potential impacts of environmental, social, and political factors in a country's business climate.

The ESG score is determined as the sum of the scores of the E, S, and G components:

- **The "governance" score** measures the quality of a country's power structures. It consists of six sub-pillars whose data are published by the World Bank: freedom of expression, quality of the regulatory system, government efficiency, control of corruption, political stability, and rule of law.
- **The "social" score** measures social and societal performance, particularly in terms of lifestyle, social cohesion, demography, and human capital.

- Lastly, **the "environment" score** measures performance in terms of carbon footprint, energy efficiency, green growth, and, since June 2022, biodiversity through variables assessing soil quality.

The "social" and "environment" sub-pillars are constructed by Groupama Asset Management from a selection of available macroeconomic data.

The ESG analysis methodology was updated in June 2022 to simplify, standardise, and improve the existing methodology. The coverage is now broader with a distinction between developed and emerging countries. A single data source, unique and automatable via *Datastream*, has been retained.

2. ESG exclusion filter: Major ESG Risks list

For all investment projects carried out by Groupama Asset Management, a prior pre-trade analysis checks that the assets in question do not include ESG risks. For open-ended Article 8 or 9 funds, major ESG risks are excluded from the investment scope. ESG analysts perform pre-trade checks.

Groupama maintains a Major ESG Risks list. This list includes companies for which ESG risks could jeopardise economic and financial viability and have a significant impact on the company's value, resulting in a substantial loss of market value or a significant downgrade of agency ratings. Each time an addition is made to the Major ESG

Risks list, phase-out triggers are determined. They are systematically reviewed every six months. The Major ESG Risks list classifies companies into two subsets:

- High level of controversy based on our data sources and validated by our research team;
- Governance failure scored by the analysts with 50% of criteria deemed downgraded.

Application of the list according to the type of fund:

- For **Article 8 or Article 9 open-ended funds** managed by GAM, companies on the Major ESG Risks list are automatically excluded. For dedicated funds and mandates, it is up to customers to exclude securities from the list.
- For **non-Article 8/non-Article 9 open-ended funds** managed by GAM, the Major ESG Risks list issues an alert to managers, who will have to justify the inclusion of these assets when purchasing them.
- For **the Group's management mandates**, reinvestment or investment in companies on the Major ESG Risks list is prohibited, with the aim of divesting the portfolio as soon as possible.

As part of its engagement policy (see *Part III – Accelerating transitions through shareholder engagement*), shareholder dialogue is initiated with issuers on the Major ESG Risks list during meetings with management.

In addition to these exclusion filters, filters are applied in line with Groupama's sector exclusion policies, which are detailed in *Section III – Sector phase-out policy*.



3. Integration of a quantitative environmental component: climate transition filter for carbon-intensive sectors

Since 2017, Groupama Asset Management's research team has developed and strengthened a methodology for analysing climate-related risks and opportunities. It applies specifically to securities held in the Group's portfolios, including dedicated UCIs, and belonging to the eight most carbon-intensive sectors (the methodology was initially developed for seven sectors, with property added in 2022). All issuers in these sectors whose overall position held at Group level is more than **€25 million** (mandates and dedicated UCIs) are analysed

by Groupama Asset Management's research team using an analysis methodology that aims to:

- Identify issuers whose business models are most exposed to climate change risks (physical and transition risks);
- Identify the issuers best positioned in terms of energy and ecological transition.

This analysis is based on the mobilisation of three complementary indicators dedicated to climate issues, which have been gradually integrated by Groupama and Groupama Asset Management:

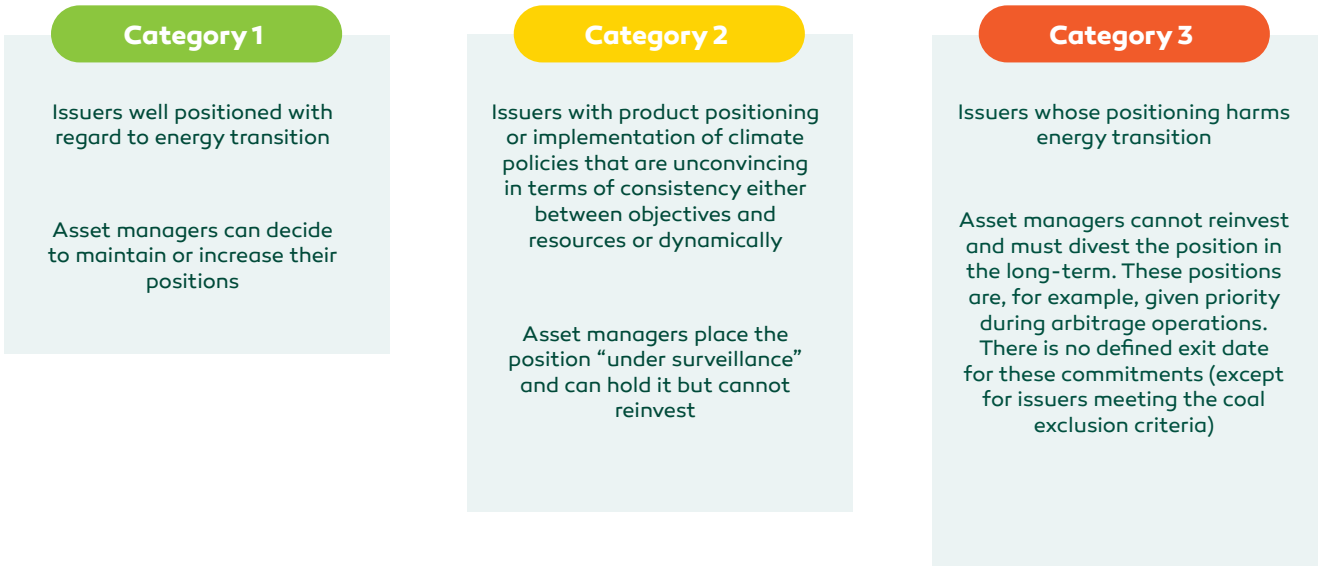
- **Carbon intensity:** measured in tCO₂/€M of revenue: carbon intensity measures the amount of GHG needed to produce €1 million of revenue. This carbon intensity is measured for scope 1 (direct emissions from fixed or mobile installations located within the company's scope of operations), scope 2 (indirect emissions relating to the electricity, heat, or steam consumption needed to manufacture the product), scope 3 upstream (other indirect emissions linked to the supply chain upstream of production)
- **NEC** (Net Environment Contribution): this indicator, calculated by Iceberg Data Lab, assesses economic activities according to their impact on the environment, on a scale of -100% to +100%, allowing economic players to identify contributors to the ecological

transition, presenting transition opportunities, and destroyers of natural capital, exposed to transition risks. 0% corresponds to the average global environmental footprint. It assesses the impact on climate, biodiversity, and resources. It is a relative measure that analyses the environmental impact of a product or service throughout its life cycle.

- **Alignment of portfolios** with the objective of maintaining the temperature below 2°C set by the Paris Agreement and measured according to the SB2A methodology, with the key sectors for the climate transition, an indicator provided by Iceberg Data Lab.

Based on these indicators, Groupama made commitments in 2021 that are managed internally. Their evolution is presented in this report.

The integration of these indicators was enhanced in 2022 to reflect the Group's ambitious carbon intensity climate targets: points are now added to or subtracted from the NEC scores, depending on the issuer's carbon intensity relative to its sector and its associated temperature compared with its sector. A global rating is therefore assigned to each company covered by the analysis, and the companies are thus classified into three categories:



This classification of Climate categories is used to identify those issuers whose business models are the most exposed to climate change risks. Issuers excluded as a result of the coal policy are in category 3, and those excluded as a result of the policy on unconventional fossil fuels are in category 2.

DETAILS ON ESG ANALYSIS BY ASSET CLASS

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GREEN BONDS: WHAT IS A GREEN BOND?

contributing to ecological transition (renewable energy, energy efficiency, climate change adaptation, etc.). It differs from a traditional bond through detailed reporting on the investments that it finances and the “green” nature of the projects financed. This bond is issued by an institution (corporate, public entity, bank, etc.) and finances projects carefully selected based on eligibility criteria and the methodology defined by the issuer. The Green Bond complies with guidelines for transparency and disclosure of information on the use and management of funds, the project selection and evaluation process, and reporting. A green bond must at least respect the principles established by the Green Bond Principles (ICMA) and at best refer to the taxonomies of green activities. The European standards for Green Bonds require alignment with the European taxonomy so that projects must make a substantial contribution to at least one of the environmental objectives: cause no significant harm, have minimum social safeguards, and be subject to technical review criteria.

Groupama Asset Management has developed a specific analysis methodology for green bonds in order to verify their characteristics and, in particular, the positive impact on the ecological transition. In 2022, 120 green bonds were analysed by Groupama Asset Management’s research team using this methodology (compared with 429 in 2021, this decrease being explained by the drop in the overall volume of green issues), which led to the invalidation of 11% of the universe analysed.



Bond features

Verification of compliance with Green Bond Principles criteria, fund traceability, fund evaluation and selection processes, governance, ESG risk management

Environmental quality of the projects

Assessment of the environmental benefit of funded projects: eligibility and alignment with taxonomy, etc.

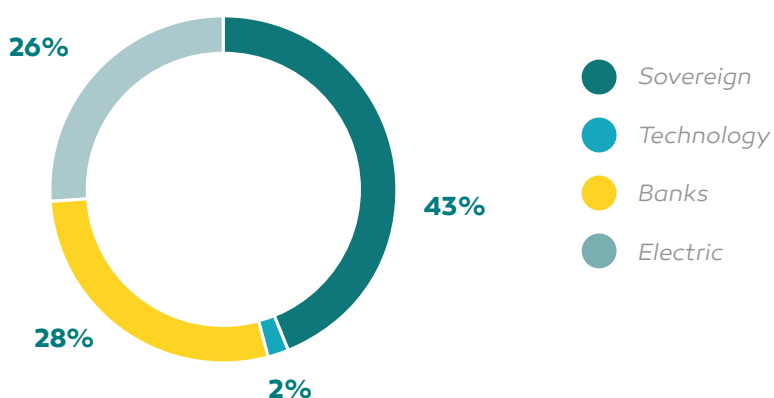
Transparency

Existence et publication d'un Second Party Opinion (SPO), reporting d'allocation, reporting d'impact, audit

Issuer specifications

Issuer ESG performance and controversy analysis

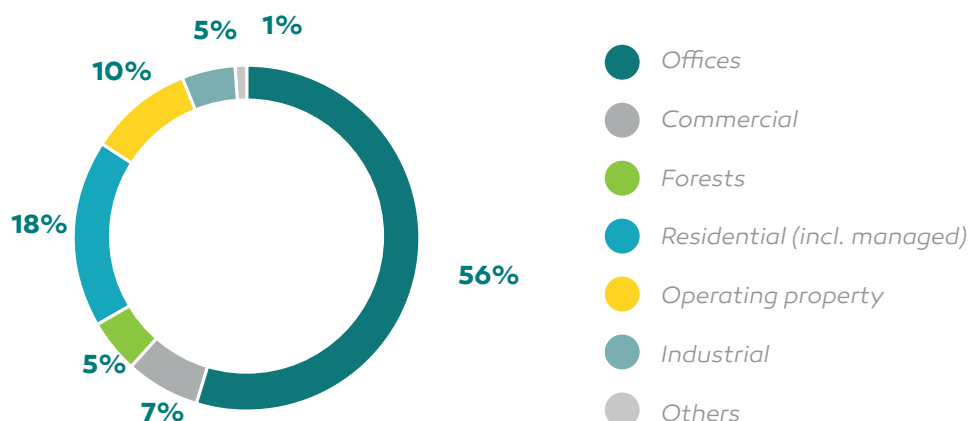
Sector-based breakdown of green bonds in 2022



> PROPERTY AND FORESTRY ASSETS

ASSETS MANAGED BY GROUPAMA IMMOBILIER (APPRAISED VALUE)

Breakdown of assets managed by Groupama Immobilier



THE ROLE OF THE BUILDING SECTOR IN THE NATIONAL DECARBONISATION TRAJECTORY

In France, the building sector (residential and tertiary) is the largest consumer of final energy, accounting for 44% of consumption. The sector also accounts for 19% of national direct greenhouse effect gas emissions (scope 1), mainly from heating, and this figure is increased to 27% if emissions relating to the generation of energy consumed in buildings are included (scope 2). France's National Low Carbon Strategy (2020) sets ambitious objectives for reducing the sector's emissions in the medium and long terms: by 49% in 2030 compared with 2015 and complete decarbonisation of the sector by 2050. Emissions from the building sector are tending to fall, but at too slow a pace in relation to national targets: between 2015 and 2018, the carbon budget consumed was still 16% higher than that allowed by the initial trajectory of the National Low Carbon Strategy.



Groupama Immobilier is committed to continuous progress and innovation.



RESPONSIBLE MANAGEMENT BY GROUPAMA IMMOBILIER

Based on the commitments of France's Energy and Climate Law of 8 November 2019, as well as the challenges inherent in its activity, Groupama Immobilier intends to take proactive environmental measures. Groupama Immobilier, which is ISO 14001 certified, is committed to a continuous process of progress and innovation to implement a relevant environmental strategy and achieve the objectives it has set itself.

Measuring its environmental impact

Groupama Immobilier has undertaken the measurement of its carbon footprint for the management company and that of its managed assets, according to the GHG Protocol methodology. Since 2015, it has conducted a study on carbon storage within managed forest assets. Groupama Immobilier has developed processes, management tools, and indicators necessary to implement its environmental approach. In 2018, Groupama Immobilier published a 2015–2018 Sustainable Outlook report, since 2019 its first annual CSR report "Changeons d'ère", and since 2020 a report on environmental indicators.

Joining collective actions

Groupama Immobilier actively participates in several collective actions. The company is a founder member of Association Circolab, which promotes the circular economy. It is a patron of the Palladio Foundation and a board member of the IFPEB, signed the BiodiverCity Charter

for urban biodiversity in 2018, and joined the Biodiversity Impulsion Group (BIG) in 2022. In 2020, it initiated the collective action of "Booster du Réemploi" (Reuse Booster) and joined a working group on low-tech property in 2021. Lastly, it is committed to systematic certification of the forests it manages and, as such, is obliged to comply with the PEFC standards on behalf of its principals.

As a responsible investor, Groupama Immobilier conducts a preliminary audit of any investment opportunity, as part of due diligence on the asset itself as well as the company invested. In 2021, this due diligence form was transformed to add several criteria from the guide available in the resource centre, Taloen, of the Observatoire de l'Immobilier Durable (OID). Particular attention is paid to the possibility of improving the environmental performance of assets, eco-responsible construction methods, and certification levels obtained. Social characteristics are also taken into account, such as the building's proximity to public transport, its ability to accommodate people with reduced mobility, and the building's use (senior residences, nurseries, schools, etc.).

As a responsible asset manager, Groupama Immobilier integrates a strong environmental dimension into its strategy: measure, reduce, and reuse are the watchwords of the low-carbon strategy over the entire life cycle of its buildings. This strategy takes into account all the materials used and the processes used for construction or renovation as well as the consumption generated during the operation phase.

Measure

In order to measure the carbon footprint of its activities, Groupama Immobilier was supported by Carbone 4 from 2018 to 2020 in conducting the carbon assessment (GHG Protocol) of the assets under management. Since 2016, Groupama Immobilier has consolidated the energy and water consumption data of the buildings that it manages thanks to the start-up Deepki. Deepki uses existing customer data to produce a global view of the energy performance and carbon intensity of assets. In keeping with the requirements applicable to the French Tertiary Decree, Groupama Immobilier recorded shared energy consumption data on the OPERAT platform. The annual consumption declaration must be made before 30 September of each year.

In order to manage the environmental quality of its assets, Groupama Immobilier has created an “environmental report card”, which consolidates all of the actions carried out on the assets and the results obtained: energy performance, ESG scores, indicators and monitoring of consumption, and environmental investment plans.



Reduce

In order to ensure the good environmental performance of its assets, the Group embarked on an ambitious plan in 2015 to renovate its tertiary properties with an investment programme of more than €600 million over the 2014–2025 period. As of 31/12/2022, 79% of the renovation plan initiated over the 2014–2025 period was completed.

Groupama Immobilier is supported by Eqinov in the implementation of solutions aimed at reducing energy consumption and compliance with the requirements relating to the French Tertiary Decree.

In addition, Groupama Immobilier undertakes life cycle analyses (LCAs) on its assets. This method consists in assessing the environmental impacts of the construction materials and products implemented over the entire life cycle of the property project: construction, operation, and end of life of the building. This assessment, which takes into account the intrinsic characteristics of the asset (area, life span, and use) also makes it possible to obtain the distribution of environmental impacts during the various phases of the building's life and to compare solutions between them with regard to their influence on

FRENCH TERTIARY DECREE

As the source of more than 120 million tonnes of CO₂ emissions and 44% of the final energy consumed in France each year, property is a key sector in the fight against global warming. Energy renovation is a major lever to achieve carbon neutrality by 2050. The French Tertiary Decree, which came into force on 1 October 2019, is a regulatory obligation aimed at accelerating the energy transition of the building sector. It requires owners and tenants of establishments hosting tertiary activities to gradually reduce their energy consumption with reduction levels in 2030, 2040, and 2050 or to reach an absolute level of energy consumption according to each category of activity and each type of building.

Each player must provide proof of the implementation of actions to promote the energy transition on the OPERAT platform (Observatoire de la Performance Énergétique de la Rénovation et des Actions du Tertiaire) set up by the French government and managed by ADEME. Once the declaration has been made, the platform sends an annual certificate of consumption, together with a five-level “Éco Énergie Tertiaire” rating – ranging from unsatisfactory to excellent – attesting to the progress made in reducing energy consumption.

Reuse

Groupama Immobilier is a committed circular economy player for its real estate, in particular as a founder member of the Circolab association and in the mobilisation of the ecosystem. In 2020, Groupama Immobilier launched “Booster du réemploi”, initially intrapreneurial and then collective, with an objective to promote the reuse of materials in construction. The Booster covers the various structures involved for reuse (project management, contracting authority, builders, manufacturers, construction companies, etc.) and creates a community of operational partners with clear commitments.

The reuse of materials can produce a significant improvement in the environmental footprint of buildings. Today, there is a well-structured supply of reused materials, but not enough demand. The aim of this programme is to massively increase demand in order to achieve a threshold effect, which would make the demand understandable and collective. This approach was awarded the “Trophée de l’innovation” by the Association des Directeurs Immobiliers in June 2021. Groupama Immobilier monitors the treatment of waste from its properties. Currently, in the property sector, only 1% of the 42 million tonnes of waste produced annually is reused.

Raise awareness

Responsible asset management also involves maintaining a dialogue with tenants on issues relating to energy efficiency and raising awareness of good energy consumption practices, enabling us to identify needs and improve our services. When signing a tertiary lease, Groupama Immobilier has systematically included an environmental clause on sustainable real estate and set up green committees, which are excellent means of dialogue with our tenants.

As an agent of change, Groupama Immobilier is a partner in the “Low Tech” working group led by Paris&Co. The aim of this group is to build a toolbox (which will be made operational in the short term) listing good practices for reducing the technological footprint in buildings, making energy efficiency a core focus of the approach. The philosophy behind the “low tech” approach is to save energy and materials by designing buildings more ingeniously, rather than adding energy-intensive technological solutions. With this in mind, in 2022, Groupama Immobilier researched the rehabilitation and letting of “the most ZERO building in Paris”, located on Place de la Bourse, a prototype building based on low-tech principles that should be “zero carbon, zero air-conditioning, zero waste, and zero unnecessary”. A true pilot project that will concentrate innovations and serve as a “prototype” to inspire other low-tech buildings.



PRESERVING BIODIVERSITY “BIODIVERSITY IMPULSION GROUP”

Together with the Observatoire de l’Immobilier Durable and 15 other companies, in November 2021, Groupama Immobilier launched a research programme into the biodiversity footprint of buildings. This initiative aims to develop a common framework of measurement tools to define the biodiversity footprint of building projects, inform the choice of stakeholders, and better reconcile the urban and ecological functions of territories. BIG focuses on three areas: development of tools for measuring the benefits of biodiversity at the scale of a property project, development of a platform for mapping local contributions to biodiversity, and introduction of a system for ensuring that these tools are adopted by players in the property sector.

SUSTAINABLE FOREST MANAGEMENT

Groupama Immobilier manages more than 22,000 hectares of forest, making it one of France's leading institutional forest managers. Groupama Immobilier's forest management policy aims to enhance the value of these assets by taking biodiversity into account. All managed forests are certified PEFC (Programme de Reconnaissance des Certifications Forestières), an environmental quality label.

Forest assets are highly exposed to physical risks. The main risks identified by Groupama are:

- Storm risks;
- Fire risks;
- Phytosanitary risks.

Climate change increases these risks: more frequent and more violent extreme weather events (including storms); drought that increases fire risk, particularly in areas that did not use to be affected and are therefore poorly prepared; and proliferation of parasites, insects, and fungi

during exceptionally hot and dry seasons. Climate change also leads to a change in the distribution of plant species: some species are no longer suited to their environment. Groupama is deploying solutions to prevent these risks or limit their impact:

- Prevention of the impact of storms:
 - Shortening the forest production cycle (from 60–65 years to 45 years) in order to reduce risk exposure (decrease in the stock of woodland concerned);
 - Adaptation of species (e.g. maritime pine with a well-developed root system).
- Fire risk prevention: Groupama Immobilier uses organisations such as La Défense de la Forêt Française Contre les Incendies (DFCI – Defence of French Forests Against Fires);

- Maintenance of roads and verges (clearing undergrowth, felling) in order to create natural barriers to the spread of fires and avoid fires starting accidentally.



> LISTED ASSETS

All of the Group's listed assets, whether invested by Groupama Asset Management or not, benefit from Groupama Asset Management's integrated ESG analysis. However, only those invested by Groupama Asset Management benefit from the analysis fully integrated with the credit and equity recommendations.

The ESG analysis methodology has been constantly strengthened to ensure that the ESG approach remains at the heart of our investment strategy. In 2022, the analysis methodology was updated in order to:

- Increase the proportion of raw indicators used as inputs to analyses in order to improve the accuracy and repeatability of the conducted analyses and reduce dependence on data suppliers offering reworked (non-raw) indicators;

- Integrate PAIs – mandatory and not – into the existing methodology;
- Industrialise and secure access to key indicators for all investee companies with the same methodology

In addition, the methodology dedicated to the environmental pillar was expanded in 2022 to include biodiversity. ESG analysis now takes into account the company's overall biodiversity footprint, its objectives and strategy for protecting biodiversity, its sustainable land management, and the pollution it causes (water, air).

A dedicated ESG integration team was set up in 2018 within the Research Department. The Research Department, which reports directly to the Management Department, is made up of three teams: a team

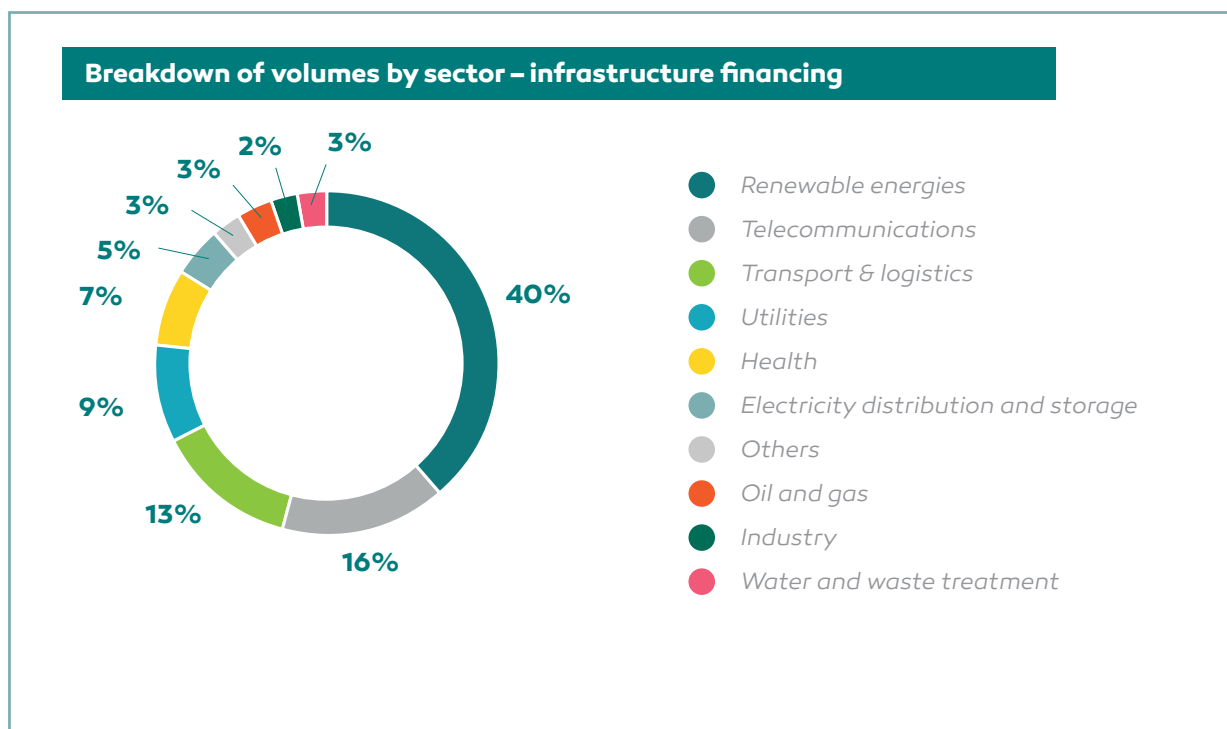
dedicated to economic studies, a team of financial and non-financial analysts, and the ESG integration team. The ESG integration team is also responsible for moving offered products and services towards greater integration and expanding the range of ESG-themed products.

> NON-LISTED ASSETS

The Groupama group is committed to financing the economy, in particular by supporting growing SMEs and mid-caps and assets that contribute to sustainable development (such as renewable energy infrastructure and technological infrastructure). This financing is done through both private equity and infrastructure shares as well as private debt (loans). In 2022, Groupama committed €800 million in new unlisted assets (private equity, infrastructure, and loans), including €375 million in mainly European infrastructure.

As with listed assets, Groupama has implemented ESG due diligence questionnaires for unlisted assets. The DOFI also collects other information, such as the signing of UNPRI, the existence of ESG scoring, the SFDR classification of the fund, the ESG function, and dedicated resources, the SDGs identified, and the mechanism for sharing value creation with ESG impact organisations. In 2022, this analysis form was harmonised and weighted by subsection in order to reflect their respective importance.

INFRASTRUCTURE FINANCING



Groupama finances a number of infrastructures through specialised and diversified funds. These infrastructures play a role in the fight against climate warming or have a noted social role. As at 31 December 2022, Groupama was invested in 56 external funds with 35 different asset managers for a total of €950 million. The renewable energy and telecommunications sectors account for 54% of infrastructure investments, while exposure to fossil fuels represents only €34 million.

3. COMMUNICATING OUR APPROACH TO OUR CUSTOMERS AND OTHER PLAYERS IN THE FINANCIAL MARKET

Groupama is committed to sustainable finance and is careful to communicate regularly with its customers and other players in the financial market about its approaches.

Local initiatives supported by Groupama and its various subsidiaries

Responsible finance is developing rapidly, driven by the conviction and commitment of many market players and by growing demand from investors, customers, regulators, and NGOs. To accelerate the transition in the face of the climate emergency, **the players in the financial market are working together. Groupama is actively engaged in this local work.**

In 2022, Groupama stepped up its responsible investment policy and its commitments to the energy transition by joining the **Net-Zero Asset Owner Alliance**, supported by the United Nations.

Launched in September 2019 under the auspices of the United Nations, the Net-Zero Asset Owner Alliance is an international group of investors committed to transitioning their investment portfolio to carbon neutrality by 2050. The members hope to contribute to limiting global warming to 1.5 °C above pre-industrial temperatures, in line with the Paris Agreement.

In addition to joining the Net-Zero Asset Owner Alliance (NZAOA), Groupama became a signatory **to the Principles for Responsible Investment (UN-PRI) on behalf of the Group in 2022; Groupama Asset Management has been a member since 2006.**

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STATEMENT BY THIERRY MARTEL

« As an institutional investor and a major player in financing the European economy, Groupama has developed investment policies incorporating environmental, social, and governance criteria for several years. This year, we are strengthening our commitments to limit climate change. We are therefore proud to join the Net-Zero Asset Owner Alliance to meet the objectives of the Paris Agreement and achieve carbon-neutral portfolios by 2050 »

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The PRI is a key initiative in Responsible Investment, bringing together the world’s leading asset owners and managers around common principles aimed at promoting long-term responsible investment and ESG integration. Groupama AM is one of the founding signatories of the PRI.

ENTITIES	INITIATIVES SUPPORTED BY GROUPAMA	GROUPAMA’S ROLES IN THESE INITIATIVES	OPERATIONAL IMPACT
GROUPAMA ASSURANCES MUTUELLES	Association des Assureurs Mutualistes	Chair of the association (Thierry Martel, CEO Groupama) Participation in the Climate Finance Working Group (WG)	Trade associations are essential relays of information (both top-down and bottom-up) between the Group and insurers, as well as French and European regulators and public authorities. They enable Groupama to promote its demanding approach to ESG in relations with supervisory authorities, particularly when drawing up joint responses to regulatory consultations.
	France Assureurs (FA)	Participation in the France Assureurs dedicated WG (ESG Climate, Sustainable Development, Non-Financial Standardisations, Climate Risks) Non-conventional Oil & Gas Commitment in 2022	
	ACPR	Participation in the Climate Risk Working Group	Groupama participates in the various pilot exercises and contributes to the ACPR/AMF reports on monitoring and evaluating the climate commitments of market players.
	Net-Zero Asset Owner Alliance (NZAOA)	NZAOA signatory since 2022	The Group is increasing the transparency of the information it communicates. Groupama also publishes its commitments on the website of the Observatoire de la finance durable (sustainable finance observatory).
	Principles for Responsible Investment (PRI)	PRI signatory since 2022	

ENTITIES	INITIATIVES SUPPORTED BY GROUPAMA	GROUPAMA'S ROLES IN THESE INITIATIVES	OPERATIONAL IMPACT
GROUPAMA ASSET MANAGEMENT	Principles for Responsible Investment (PRI)	Signatory since 2006 Assessment A+ since 2020	The PRI gives investors such as Groupama AM access to considerations about the implementation of ESG criteria in their investment policy and enable them to strengthen their engagement through collaborative initiatives such as Climate 100+.
	Institut de la Finance Durable (formerly <i>Finance For Tomorrow</i>)	Member and participant in various working groups: fair transition, biodiversity, and impact	Participating in working groups on topics such as biodiversity and impact promotes Groupama AM's vision on these issues and strengthens its expertise through exchanges with market players. Groupama also publishes its commitments on the website of the Observatoire de la finance durable (sustainable finance observatory).
	Forum pour l'Investissement Responsable	Member Participation in various working groups Groupama Asset Management is a member of Say on Climate of SBF 120 Participation in the General Public Commission As a member of the Forum pour l'Investissement Responsable, a member of EuroSIF, and actively contributing to the European SRI convergence work	For example, participating in the Say on Climate SBF 120 collaborative commitment in 2022 with 46 investors made it possible to communicate to companies the common requirements in terms of climate strategy, thus strengthening the impact of Groupama AM's votes at general meetings.
	EFRAG	Member of the European Sustainability Reporting Standards Project Task Force since September 2020 (season 1) and June 2021 (Season 2): work on the standardisation of sustainable data	The Project Task Force – European Sustainability Reporting Standards made it possible to deliver draft European sustainability reporting standards in 2022. They will eventually be used by European companies to publish standardised and comparable non-financial information that Groupama AM can use when making investment decisions through its internal ESG methodology.
	Association Française de la Gestion (AFG: French Management Association)	Chair of the Investment Committee Contributions to various subjects such as certifications, regulations, and impact	Participating in the AFG's various commissions enables Groupama AM to promote its demanding definition of ESG in local organisations and in relations with the supervisory authorities, particularly when drawing up joint responses to regulatory consultations or recommendations for the voting season.
	Société Française des Analystes Financiers (SFAF: French Society of Financial Analysts)	Participation in the Non-Financial Committee Active contribution to setting up training courses on sustainable finance. Regular facilitation of these training courses	Through its participation in the extra-financial commission, Groupama AM is notably involved in the training modules of the CESGA, a diploma in extra-financial analysis, thus promoting the use of ESG information in investment decisions as an essential complement to traditional financial analysis.
	ORSE	Contribution to the work of Club Finance since 2022 Participation in the publication of several guides promoting SRI	The structure enables Groupama AM to benefit from exchanges and monitoring with stakeholders in the form of working groups/conferences to promote and support good practices on CSR and sustainable development
GROUPAMA IMMOBILIER	Association Circolab (organising aiming to rethink the economic system as a circular system in order to preserve resources – reduction of natural resources, optimisation of resources, preservation of ecosystems)	Founding member	
	IPFEB (Institut Français pour la Performance Énergétique du Bâtiment)	Board member	
	Plan Bâtiment Durable (Sustainable Building Plan) Charter	Signatory of the Charter for the Energy and Environmental Efficiency of Public and Private Service Sector Buildings	
	Biodiversity Impulsion group	Participation in launch of research programme into the biodiversity footprint of building projects	
	Palladio Foundation (set up in 2008, under the auspices of the Fondation de France, around the challenge of building cities and living environments)	Boss	
	"LOW-TECH" incubator run by the Urban Lab Paris&Co development agency	Partner of the "LOW-TECH" working group to develop an approach that promotes energy and materials savings through more ingenious building design rather than the addition of energy-intensive technological solutions	

RAISE CUSTOMER AWARENESS

Groupama pays particular attention to informing its customers about all climate and social responsibility issues.

Since 2 August 2022, the **Insurance Distribution Directive (IDD)** requires insurers to provide clear and transparent information on the sustainability of the insurance products offered, as well as the insurer's sustainable practices. Insurance distributors must also assess the customer's sustainability needs and requirements and offer insurance products that meet these criteria. Against this backdrop, Groupama intends to communicate transparently with its policyholders and to engage in responsible dialogue with all its stakeholders. To this end, Groupama has developed educational communication tools to better understand the pension system as part of its retirement savings plan range.

In order to increase the mobilisation of savings in favour of sustainable development, the distribution networks are regularly made aware to support the promotion of these offers to customers. With the support of our partner asset management

companies, our branch advisors and sales staff take part in numerous **SRI roadshows and events**.

Lastly, **monthly management reports** sent to customers include an informative section dedicated to sustainable management. In 2023, a periodic document will be sent to customers of sustainable offers, including the SFDR RTS pre-contractual appendix as well as the monitoring of commitments made. All these documents will also be made available on the websites of each distributor of sustainable offers (Groupama, Gan Patrimoine, Gan Prévoyance, and Gan Assurances).

In addition, the growing threat of climate change has led the Group to expand its teams and skills in climate issues, notably with the creation of the **Climate Lab** in early 2022, to develop expertise in insurance issues relating to climate risks. The challenge is to be able to speed up the response by introducing an approach to adapting to climate change in order to better support our customers and members, while respecting our corporate purpose and keeping our commitments under control. Specific action plans for each

peril (flooding initially, then drought, and storm/hail in the future) have been put in place, taking into account the specific aspects of each area of activity (distinguishing between mass risks and Business and Local Authority risks).

For many years, Groupama has been carrying out **prevention/protection actions and raising awareness among its customers and members**, like Groupama-Predict, a partnership aimed at improving resilience in the face of climate risks. Launched in 2007, this partnership now provides nearly 20,000 local authorities with local emergency plans, enabling them to monitor extreme weather events in real time: millions of citizens can be warned of approaching risks by text message, 24 hours a day, 7 days a week.



B. INTERNAL RESOURCES DEPLOYED BY GROUPAMA

1. ORGANISATION AND GOVERNANCE OF ESG COMMITMENTS

Within the Groupama group, 68 employees (expressed as FTEs) are dedicated to taking ESG criteria into account and integrating CSR issues across all business lines (versus 28 FTEs in 2021, this increase being explained both by strengthening the teams and an increasingly broad and significant deployment of the CSR strategy through the creation of ambassadors in many entities). The Group's sustainable finance budget, excluding CSR, is estimated at €666,000, around two thirds of which is invested in research. This budget covers in-house and data supplier costs.

To support its ambitions and deploy its expertise, the dedicated team within the DOFI was reinforced in 2022.

It now has:

- A sustainable finance researcher who participates in defining Groupama's sustainable finance ambitions in line with the Group's ambitions to contribute to the implementation of the necessary financing, the Group's CSR strategy, peer practices, and regulatory requirements;
- An ESG data analyst who helps to developing the use, processing, and analysis of data to take account of ESG data and impacts;
- An ESG associate whose role is to monitor the operational implementation of engagement, alignment, and exclusion strategies within the portfolios of the French subsidiaries.

Interview with Laura Serkine

Financial entities, and more specifically insurers, in their capacity as investors/funders of the real economy, intermediaries between savers and asset managers, manufacturers of financial products, and risk bearers for their customers, are among the players most affected by all the projects and initiatives aimed at financing transitions to a sustainable economy.

Regulatory changes and sustainability risks are having a specific and multifaceted impact on the business model of insurance companies. This is because our investment and risk management strategy is directly impacted when we

invest in the financial markets. In addition, as institutional investors, we are bound by strict obligations in our asset management decisions and bear full responsibility for the results to our savers. We therefore ensure that sustainability issues are integrated across the entire value chain of our financial products, from their design to their distribution and their management. Lastly, our obligations under ESG transparency regulations have a direct impact on the way we organise our governance and take strategic decisions.

Within a group such as Groupama, characterised by a high degree of decentralisation and

a wide diversity of business lines (life and non-life), as well as mutualist governance, we are committed to taking into account the high expectations of customers and civil society in terms of sustainability and the constantly changing regulatory environment. With this in mind, Groupama strengthened its expertise by forming a team specialising in sustainable finance. This team ensures the consistency and credibility of the company's commitments and monitors and manages its implementation, while identifying areas where the involvement of an insurer such as Groupama is the most relevant to finance the necessary transitions.

1. A CENTRAL ORGANISATIONAL STRUCTURE FOR ESG INTEGRATION ACROSS THE GROUP

Within Groupama, a centralised organisation has been set up to promote the proper integration of ESG issues into the management strategy throughout the Group. The Financial Operations and Investments Department (DOFI) plays a key role in this.

Since 2022, DOFI has thus been responsible for defining, effectively implementing, and developing the Sustainable Investment Charter, which is common to all subsidiaries. As such, the DOFI establishes, for the entire Group, the sustainable investment policy, exclusions, and commitments (regarding the climate

in particular) in order to limit exposure to sustainability risks, steers and monitors the implementation of these policies by management companies through regular committee meetings in the case of Groupama Asset Management and Groupama Immobilier, and develops the selection tools and implements them for the investments it makes itself.

The DOFI thus manages and enriches an ESG data repository for unlisted asset classes, calculates regulatory indicators at Group level, integrates ESG indicators into Group reporting, and provides dedicated reporting.

The DOFI is also responsible for the management of unlisted assets, other than property and forestry.

In addition to these key roles performed by the DOFI, Groupama has risk monitoring governance bodies: Group Risk Management Committee, Risk Management Committees for each risk family. These bodies, described in Chapter V – Integration of sustainability risks within Groupama’s risk management, are an integral part of the organisation, enabling the ESG to be integrated into the heart of the investment strategy.

2. COMPLEMENTARY DEDICATED ESG GOVERNANCE IN EACH BUSINESS LINE

> LISTED ASSETS (GROUPAMA ASSET MANAGEMENT)

Within the Groupama group, the vast majority of listed asset management is delegated to Groupama Asset Management. The Group has put in place a system for monitoring investments and financial management entrusted to Groupama Asset Management through the GAM-GMA ESG Committee.

The GAM-GMA ESG Committee is a joint body between Groupama Asset Management and the Group’s Financial Operations and Investments Department (DOFI). The committee has a number of objectives. First of all, it ensures that lists of issuers are carefully and continuously monitored, taking into account both changes in the scope covered and methodological developments. This committee also plays an essential cross-functional role in monitoring the application of the lists, in addition to the monitoring carried out by the various management committees. Lastly, this body is responsible for co-constructing the sustainable investment strategy in close collaboration between GAM (a centre of expertise in financial and extra-financial research and

in charge of active and insurance management) and the DOFI, which is responsible for defining the overall investment strategy.

This committee defines and monitors the ESG climate strategy applied to the assets of all Groupama subsidiaries via a specific management tool, the ESG Dashboard, which serves as a basis for exchanges between Groupama Asset Management’s managers and analysts and the DOFI. This Committee is made up of the management, active and insurance management, and research teams on the GAM side and the sustainable finance and allocation teams on the GMA side. It is organised around four sessions lasting one and a half hours each year as an extension of the GAM sustainability risk management committee meetings.

Within GAM, the ESG strategy is implementation across all asset management activities. The specific ESG strategy for assets managed on behalf of the Group is monitored using a system integrated into Groupama Asset Management’s

risk management system. This monitoring is handled by Groupama Asset Management’s Sustainability Risk Management Committee, chaired by GAM’s Chief Risk Officer.



> GROUPAMA IMMOBILIER

The management of Groupama's property assets is delegated to Groupama Immobilier, reporting to the Group Chief Financial Officer. The property investment strategy is defined and managed by the Financial Operations and Investments Department under the responsibility of the Group Chief Financial Officer, then implemented operationally by Groupama Immobilier.

Within Groupama Immobilier, the Green & CSR Tertiary Management

Committee oversees the ESG Climate strategy. The objective of this committee is to centralise the environmental projects and actions of tertiary assets and monitor them in a practical and operational way. It meets twice a month and brings together the Asset Management, Property Management, Sustainable Development & Innovation and Purchasing, Control, and Audit functions.

At the same time, Groupama Immobilier's Risk Management

Committee, which meets each quarter, incorporates physical risks relating to climate change through the assessment of the risk of obsolescence of tertiary assets in relation to the estimation of the capital expenditure required to bring them into compliance with the French Tertiary Decree. In particular, the mapping of heat and flood risks using through the Resilience for Real Estate (R4RE) platform offered by the Observatoire de l'immobilier durable.

2. STRENGTHENING OUR IN-HOUSE EXPERTISE TO SERVE THE GROUP'S AMBITIONS

> STEPPING UP EMPLOYEE TRAINING

In order to strengthen its in-house expertise, Groupama sets up training courses to raise awareness of ESG issues, in line with current events. They are adapted to each business line.

The mobilisation of employees and elected representatives is essential to the successful implementation of the new CSR strategy. A vast CSR Commitment Plan was therefore launched in the summer of 2022, with the aim of supporting the operational implementation of the strategy by deploying an information system (short videos, webinars), awareness-raising (kit for managers, employee challenges), and training (e-learning), associated with the major CSR themes that are key for Groupama (such as mutual aid, sustainable finance, and contribution to local development). More specifically, a Group training plan has been established for all Group employees and elected representatives, covering three main topics: sustainable finance, climate change and sustainability, and the impact of climate risk on the business lines. The sustainable finance module was developed by the DOFI's dedicated teams to ensure full consistency with the Group's strategy.

In addition, training modules are offered to regional advisors on GGVie's

new theme-based and sustainable delegated management offerings (see Section IV-D *Our contribution to a sustainable society*). These training modules were designed by a working group involving three pilot regional mutuals, in-house contributors, and an outside partner. They combine theoretical contributions associated with financial regulation with sustainability issues from a business perspective.

With regard to Groupama Immobilier, training courses have been organised to raise awareness among asset managers and property management on regulatory issues (such as taxonomy and tertiary eco-energy scheme (DEET)). All Groupama Immobilier employees were also trained in climate issues in 2022 through an awareness-raising workshop, La Fresque du Climat.

At Groupama Asset Management, 1,561 hours of training on ESG issues were delivered in 2022 for 239 employees, for an average of 6.5 hours per employee.

In 2022, all employees in the Allocation and Sustainable Finance teams, part of the reporting team, and the investment director (14 people in all) of the Financial Operations and Investments Department (DOFI) also received training on all the indicators used by the Group on environmental

issues, including climate strategy and biodiversity issues, in parallel with the work initiated on assessing and managing biodiversity-related risks (around 100 hours of training). At the beginning of 2023, all other employees, the investment managers of the regional mutuals and their teams, as well as part of the risk management team received the same training (approximately 500 hours of training).

2023 PROJECTS

- **Deployment of the training plan in connection with the CSR strategy**
- **Additional training provided to employees according to the identified needs.**
- **Sustainability training will be provided in 2023 to the board members of Groupama Assurances Mutuelles and then to the board members of the subsidiaries concerned (including GGVie) to raise their awareness of the risks and opportunities of environmental, social, and governance issues.**

> STRENGTHENING GROUPAMA'S KNOWLEDGE OF CLIMATE ISSUES

Insurers are directly confronted with the impacts of climate change. In charge of compensation for damage caused by natural hazards, they have invaluable information on the development of phenomena in real time. Insurers are also receivers of feedback from the field, listening to the affected people. As players in protection and prevention, insurers are witness to the failure of territories to adapt to the consequences of natural disasters. Taking long-term risks into account, prevention, and adaptation are essential to improving the resilience of territories but also of insurers' activities.



Aware of the challenges ahead, the Groupama group launched a climate change adaptation programme in 2020 based on experience gained in the field.



Aware of the challenges ahead, the Groupama group launched a climate change adaptation programme in 2020 based on experience gained in the field. In response to the rise in flooding, the Group launched a project aimed at understanding the underwriting areas requiring greater control. This approach was amplified and extended to all business lines in 2021: the Group created the **Climate**

Lab, a unit dedicated to climate change and more specifically dedicated to physical risks impacting Groupama's liabilities.

Made up of a team of three dedicated employees, the Climate Lab has two main missions:

- **The coordination and acceleration of climate change adaptation work** with Groupama's various business lines (property insurance, home insurance, SMEs-VSEs and local authorities) and the Group's Risk, Finance, and Actuarial functions. This approach concerns the entire Group, namely the regional mutuals (in Metropolitan France and overseas), Gan Assurances, and the international subsidiaries. The role of the Climate Lab is to coordinate and centralise internal expertise. Each department retains responsibility for climate change issues.

- **Accelerating identified priority areas:** gaining a better understanding of how physical risks work (physical phenomena, areas concerned) in collaboration with experts and developing prevention to help reduce vulnerability.

The Climate Lab has a forward-looking approach aimed at integrating all scientific production on physical climate risks as well as the work carried out in collaboration with France Insurers, the Pierre Simon Laplace institution, and INRAE. Thanks to this widespread knowledge, the various business lines can see how to implement prevention, protection, compensation, and the changes needed to meet the challenges posed. **Prevention** is one of the priorities of the Climate Lab and is broken down into two components:

- **Prevention among Groupama employees** to raise awareness of the impacts of climate change and build a true Group culture on these subjects: organisation of climate awareness days or moments of discussion during the Group's national meetings or the general

meetings of the regional mutuals;

- **Prevention with customers:** support and training to raise awareness of the vulnerability of buildings (by relaying public schemes in connection with the Parniers Fund and the Local Authorities' Flood Prevention Programmes) and what should be done in the event of a disaster.

In 2022, the Climate Lab created a mapping of the various types of hazards (flood, hail, and drought mainly) according to the various regions, based on the current climate, in order to determine the exposure of Groupama's portfolio to the various risks. This work provides a link with the various market studies conducted on the subject, which Groupama has used to determine its own exposures. The Climate Lab's work focuses initially on data on past climatic events, with a view to moving on to projecting future exposures.

In addition, in 2022, in order to measure the exposure to physical risks of its commitments as precisely as possible, Groupama worked on a specific IT Plan aimed at improving its ability to control the location of insured assets and to integrate it into the tools to be used by the teams. This work will continue in 2023.

C. APPROACH TO TAKING INTO ACCOUNT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA IN GROUPAMA'S GOVERNANCE

1. GOVERNANCE COMMITTED TO TAKING ESG CRITERIA INTO ACCOUNT

To ensure that sustainability issues are taken into account at all levels, Groupama has put in place a robust governance system that corresponds to the nature and complexity of its activities. In particular, this system allows the Board of Directors and the committees (management, financial, risk, etc.) in charge of these issues to integrate the risks and opportunities relating to sustainability issues, climate-related issues in particular, in their decision-making processes and operational activities.

The operational implementation of the sustainable investment strategy is defined as part of the Group's overall investment strategy **approved by the board of directors of Groupama Assurances Mutuelles**, made up of 15 members. The Board of Directors is also assisted in the performance of its duties by **the Audit and Risk Management Committee**, which also validates the investment policy incorporating sustainability issues. The boards of directors of each French and international entity also validate the investment strategy.

In 2022, the **Board of Directors of Groupama Assurances Mutuelles met eight times. Sustainability and investment strategy issues were discussed at two of these meetings, respectively addressing the adoption of the strategy and the mid-year review of the investment strategy.** In 2022, work focused in particular on:

- Adoption of a Group-wide CSR strategy;
- Deployment of the Group's sustainable investment charter, approved by GMA's Board of Directors. All of the Group's entities have also had their own charter, containing a common minimum basis, adopted by their Board of Directors.

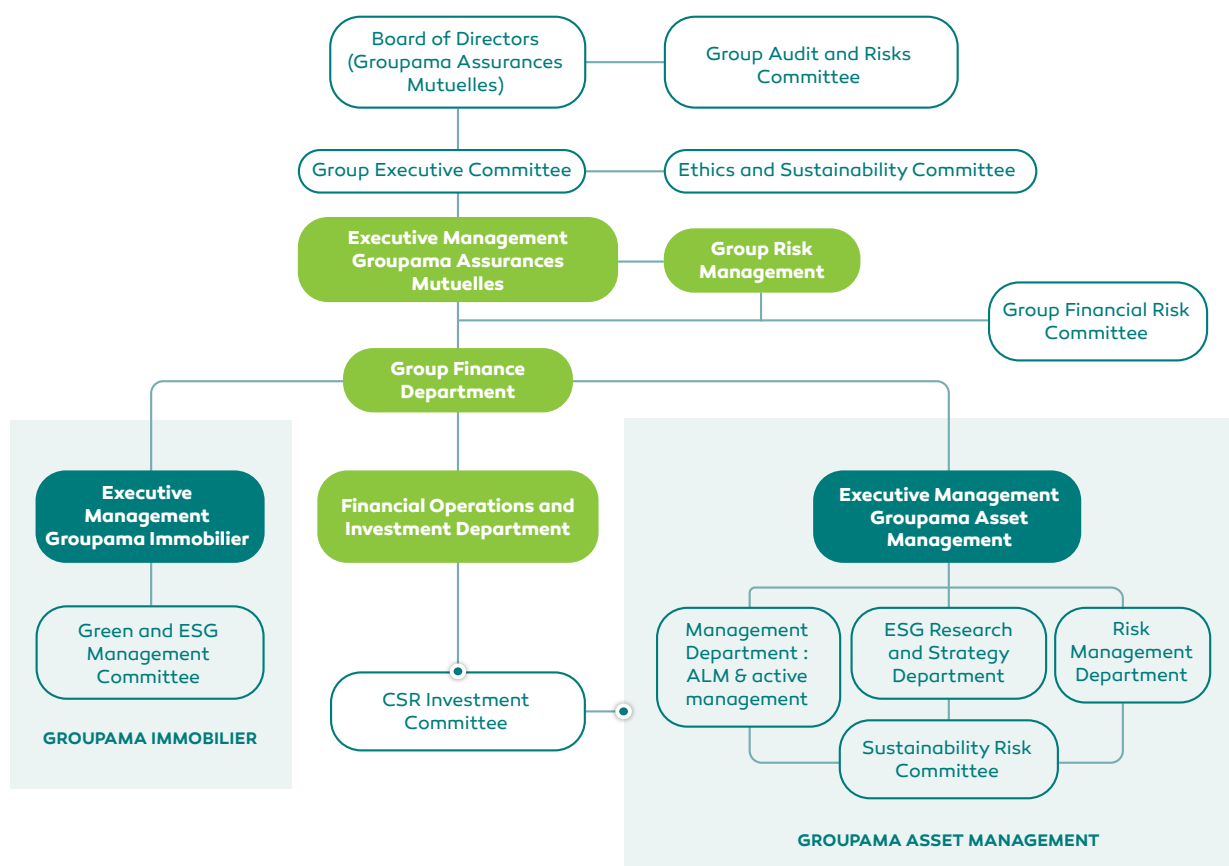
The sustainable investment charter adopted by the Board of Directors of GMA and all of the group's insurance organisations, including GGVie, has the same value as internal regulations.

The Group's sustainable investment strategy, its objectives, and its implementation are also presented and validated at least twice a year by the **Group Ethics and Sustainability Committee, which reports to the Group Executive Committee, whose role is to participate in the development and operational monitoring of the Group's strategy.** The **Group Ethics and Sustainability Committee, chaired by Thierry Martel**, has eight members, all members of the Group Executive Committee.

The Group is also continuing to strengthen the ESG approach in its governance by incorporating the CSR component into its written "Asset/Liability Management and Investment" policies.

In an effort to strengthen the ESG knowledge and skills of governance bodies and in connection with the overall integration of environmental, social, and governance criteria into decision-making, training on sustainability issues will be provided in 2023 to the board members of Groupama Mutuelles Assurances, then deployed to the board members of the subsidiaries.





Operation

- The **Financial Operations and Investment Department (DOFI)** is responsible for the effective implementation of the sustainable investment processes of the French subsidiaries. Its duties are described in Chapter II-B of this report;
- The **Group Risk Management Department** works closely with the DOFI and Groupama Asset Management through the Group Financial Risk Management Committee, which conducts retroactive

checks of the proper application of rules for exclusion and phase-out in the asset portfolios. The Group Financial Risk Management Committee comprises 15 members from GMA, GGVie, and GAM. It met four times in 2022 and worked on sustainability issues during one of these meetings.

MANAGING SUSTAINABILITY RISKS AND OPPORTUNITIES

As a responsible insurer, risk control is at the heart of Groupama's strategy and governance. In order to better manage all the risks to which it is exposed, the Group has put in place a set of measures and risk monitoring processes managed within a global framework. Since 2014, the risk management system has also used the ORSA (Own Risk and Solvency Assessment) process, which is reflected in the drafting of an annual report. Several bodies are responsible for the governance of the risk monitoring system at Group level with, in particular:

- The Group Risk Management Committee, made up of the Group Executive Committee members and the Head of the Risk Management key function

- Risk Management Committees for each risk family (insurance, financial, operational, and compliance)

The Group Risk, Permanent Control, and Compliance functions are responsible for ensuring that all the Group's entities comply with the Solvency II Pillar 2 requirements as well as the Executive Management's requirements in terms of internal control, compliance, and risk management systems.

Refer to Chapter V – Risk for more information on risk management governance.



2. INTEGRATING SUSTAINABILITY RISKS INTO PAY POLICIES

At the end of 2022, the Group's pay policy contained a sustainability criterion for the pay of certain sales staff. Since 1 January 2020, the Group pay policy has incorporated qualitative criteria for the individual variable remuneration of the networks of Wealth Management Advisors (CGP) employees and Financial Advisors (FI) employed by GGVie distributors belonging to the Groupama group (Groupama regional mutuals and certain GMA subsidiaries).

In addition, the collective remuneration of employees at certain Group entities includes a CSR-related indicator in their profit-sharing agreement. For example, the profit-sharing agreement for the Group entity responsible for managing the buildings occupied by the Group includes an indicator for measuring changes over time in the annual energy performance rate of the buildings it manages. The buildings concerned accommodate most of the employees of GMA and its main subsidiaries, including GGVie and Gan Assurances in particular.

Similarly, the profit-sharing agreement applicable to financial years 2022 to 2024 (inclusive) for Groupama Assurances Mutuelles employees includes a sustainability criterion relating to the energy efficiency of buildings occupied by this entity's employees. The criterion is based on the energy consumption of electricity, heating, cooling, and gas attributed to the occupied buildings in KWhEF per FTE with a permanent employment contract (average). The forms were designed with a target reduction of almost 5% per year.

The profit-sharing agreement of one of Groupama's regional mutuals applicable to the 2022 financial year includes a corporate social responsibility (CSR) criterion with the aim of moving towards "zero paper". This is measured by the rate of active accounts in the Customer Areas and by the rate of electronic signatures.

As for Groupama's executive remuneration policy, while it does not directly include sustainability criteria as of the end of 2022, the current variable remuneration of GMA's Chief Executive Officer takes sustainability criteria into account. These criteria refer to the Group's carbon footprint in accordance with the Groupama group's CSR strategy.

Work began in 2023 to review the Group's remuneration policy to ensure that, at the very least, it does not conflict with the need to take sustainability risks into account and that evidence of this is provided. At the end of this work, a trajectory for adapting this policy to the integration of sustainability risks will be defined. The conclusions of this work and the trajectory defined at Group level will be validated by GMA's Board of Directors and then by the Board of Directors of each of the Group's entities before its implementation.

3 - STRATEGY FOR ENGAGEMENT WITH ISSUERS OR MANAGEMENT COMPANIES AND ITS IMPLEMENTATION

A. ACCELERATING TRANSITIONS THROUGH SHAREHOLDER ENGAGEMENT

1. PRESENTATION OF THE ENGAGEMENT POLICY

For Groupama, its engagement reflects a desire to assume its full responsibility as a long-term asset holder. With the support of Groupama Asset Management, the Group is committed to strengthening dialogue with companies on ESG issues. Shareholder engagement complements the ESG analysis and its inclusion in investment decisions. It covers the themes of sustainability risks, the energy and environmental transition, as well as pay gaps. This approach is then structured around individual and collaborative engagement actions.

The shareholder engagement approach has the following three objectives:

1. Identify and limit ESG risks in the companies
2. Improve ESG data quality
3. Identify and share sector good practices

An engagement committee was created in 2021. Chaired by the Chief Executive Officer of Groupama Asset Management, it meets twice a year to validate engagement and voting policies and follow up on their implementation.

Three priority themes drive the engagement initiatives:

- 1 Sustainability risks specific to the business model of companies: study of ESG risks using the “Major ESG Risks” list and application of Groupama’s coal policy;
- 2 Issues relating to the energy and environmental transition: study of environmental issues and the climate maturity of companies (climate governance, integration of biodiversity issues, climate roadmap and objectives, etc.);
- 3 Creation and sharing of value within companies: balance of pay within the company and alignment of stakeholder remuneration with real value creation.

These theme-based commitments guide both individual commitments and collective commitments.

The Group does not define an engagement policy other than that of GAM presented in this section, since the voting and engagement policy is delegated to GAM. However, the themes and areas of engagement in GAM’s engagement policy are in line with the Group’s ambitions. In 2023, the engagement policy will evolve to incorporate the expectations of the NZAOA, of which Groupama has been a member since 2022. GAM is therefore working to implement an engagement action specific to the most carbon-intensive companies in the Group’s private bond/equity portfolio. The form of this engagement action will differ depending on the company (country, sector, etc.) and the assets held.

> INDIVIDUAL ENGAGEMENT AND DIALOGUE

GAM works with companies and implements engagement actions adapted to their needs:

Dialogues: The managers or analysts discuss ESG issues with the management of the companies they meet. The exchange covers not only the companies' approach to the issues, but also their measurement using precise indicators to assess the progress made or the introduction of these indicators. Direct dialogue with management is an essential part of the management process, the monitoring of ESG issues, and the ESG methodology.

Summary of dialogues in 2022

62⁽²⁾

Number of
companies met

117

Number of
meetings

58.65%

% of companies involved in a dialogue
out of all companies concerned

52.14%

% of meetings addressing
the Social theme

59.83%

% of meetings
addressing the
Environment theme

51.28%

% of meetings addressing
the Governance theme

Individual commitments: Companies with significant potential for improvement in ESG practices may be subject to a special commitment by Groupama AM. **Specific themes and objectives are defined upstream of the commitment, which must lead to real progress by the contacted companies over the long term.** The priority areas of targeted commitments, specific to the sector or business model of companies, are:

- Promoting the need for transparency around ESG indicators;
- The energy transition;
- Employee working conditions.

Groupama AM met with eight companies in 2022 as part of an individual commitment through 18 meetings.

The progress and results of individual commitments are also tracked using dedicated monitoring tools to record the various stages and progress made or not made. Individual dialogues use the following process:

- Identification of companies subject to the commitment;
- Setting commitment targets;
- Selection of escalation measures;
- Exchanges with the company;
- Regular monitoring of the commitment and measurement of the results achieved.

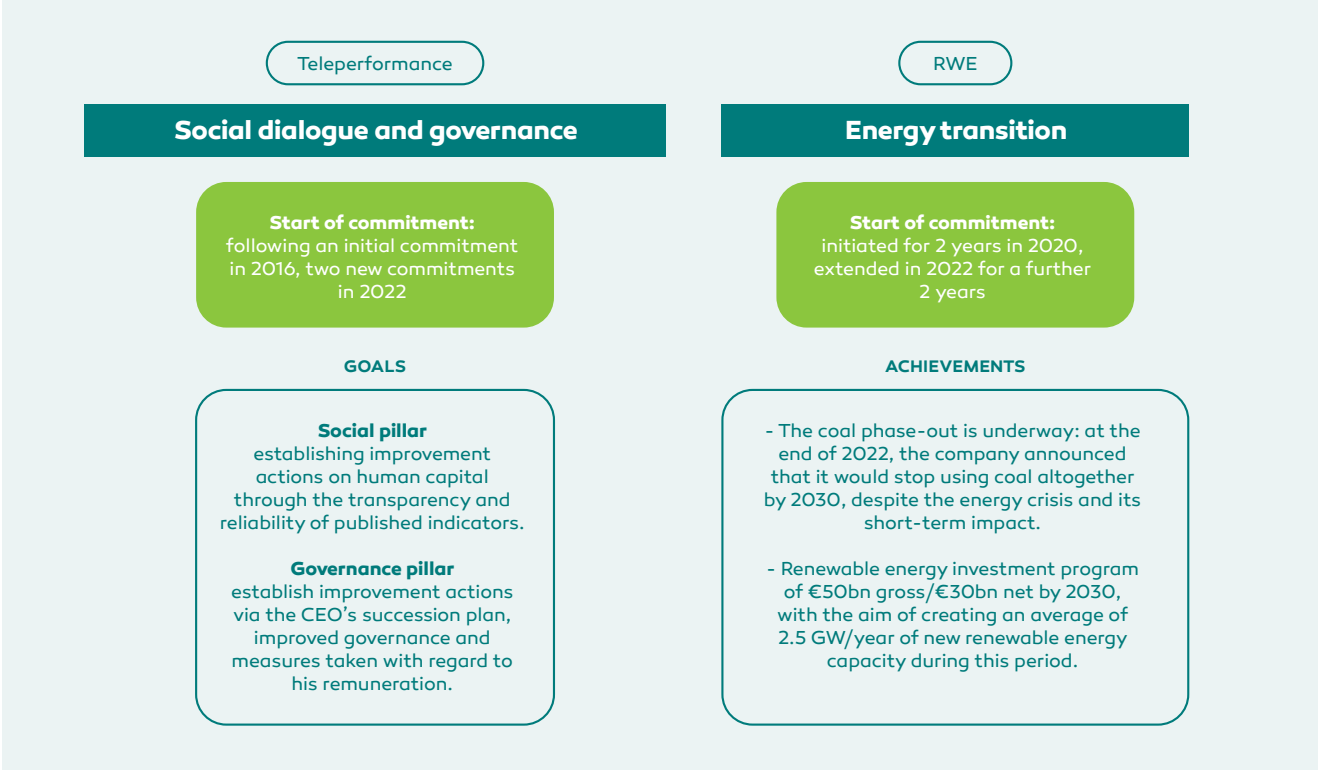
Groupama AM met with eight companies in 2022 as part of an individual commitment through 18 meetings.



² Following work to improve the monitoring of the engagement policy, the figures presented relate only to dialogues conducted within the Group scope (in 2021, the figures covered all of Groupama Asset Management's activities, including for external management).

In 2022, Groupama AM held follow-up meetings with each of the companies subject to an individual commitment. This forum for discussion provides an opportunity to take stock of the progress made and the achievement of the objectives set out in the commitment, as well as to share the difficulties faced by companies and the good practices observed by Groupama AM in other companies. These meetings are a great opportunity to talk with companies. Discussions are also organised prior to the general meetings of the participating companies.

Example of targeted commitments pursued or initiated in 2022

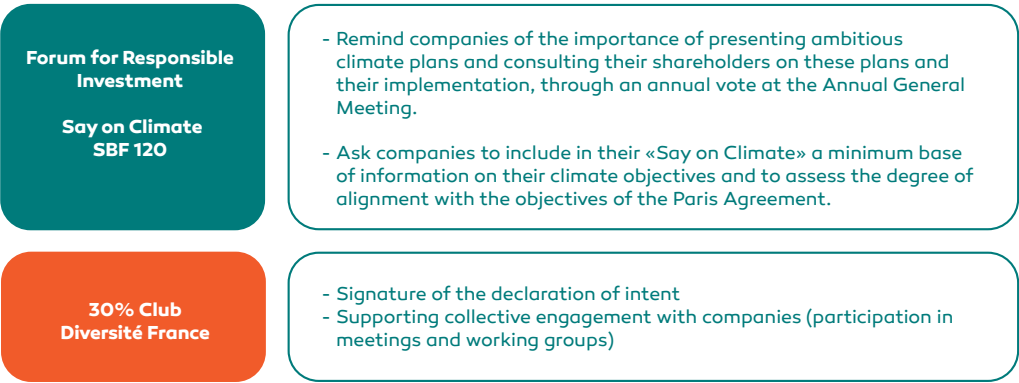


> SUPPORT FOR COLLECTIVE COMMITMENTS

Since 2018, Groupama Asset Management has been involved in 19 collaborative action initiatives concerning, in particular, the climate, health, or living and working conditions in retirement homes. These initiatives are either European or international in scope as part of the collaborative engagement platform of the PRI, to which Groupama Asset Management has been a founding signatory since 2006.

In 2022, Groupama Asset Management joined forces with two new collective initiatives supporting **the principle of Say on Climate resolutions or gender parity within executive committees in France.**

New collaborative initiatives supported by Groupama AM in 2022



2. PRESENTATION OF THE VOTING POLICY

The General Meeting (GM) is a key event at which companies can communicate with and report to their shareholders in full transparency. Voting at GMs is an integral part of Groupama AM's management process and a key component of its ESG strategy, particularly in terms of dialogue on governance issues.

The guiding principles of the voting policy focus on fair treatment of shareholders, balance of powers between management bodies and supervisory bodies, transparency and fairness of remuneration for executive corporate officers, sound management of capital, and recognition by the company of social and environmental responsibilities.

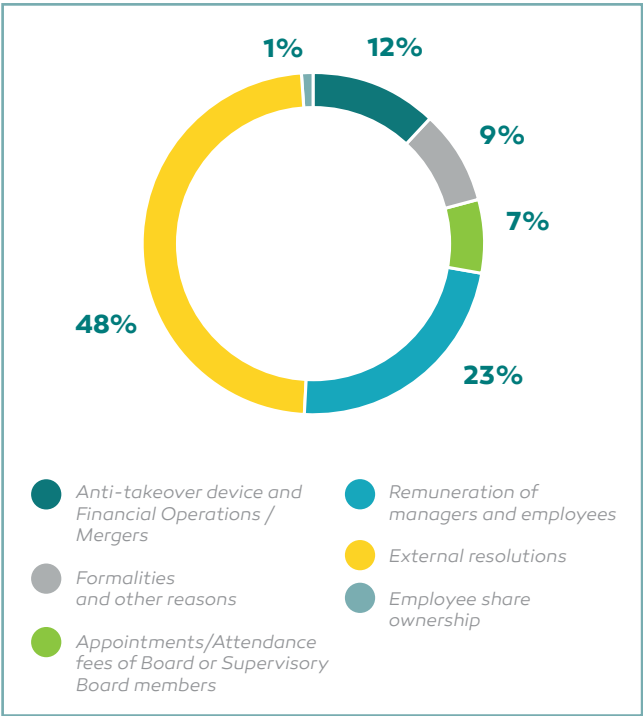
The requirement for companies to take account of climate risks and the strategy relating to these risks is reflected in changes to the voting policy in 2022 and will continue to be so in 2023. The voting policy updated in 2023 incorporates the changes that were at the heart of the 2022 voting season or that are emerging for the 2023 season: in particular, the increased consideration of ESG issues by companies and notably the evaluation criteria linked to companies' climate strategies in remuneration policies.

The voting scope was further expanded in 2022:

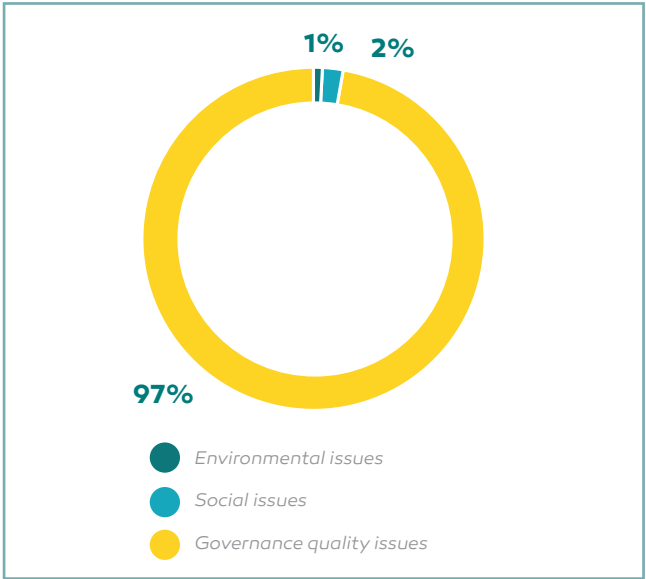
- Groupama AM included Japan in its voting scope in 2022, in addition to 17 European countries, following the inclusion of the United States and Canada in 2020.
- Since 2022, the voting threshold per security has been lowered for SRI-certified funds. For all securities invested in SRI-certified funds, voting is systematic, regardless of the total amount held.
- For other portfolios, the voting threshold per security is €2 million in total assets under management at the company level.

REVIEW FOR 2022

In 2022, Groupama AM voted at 495 general meetings, a 12% increase compared with 2021, for a total of 8,916 resolutions. In total, Groupama AM voted "no" on at least one resolution at more than 60% of general meetings. The percentage of "no" or "abstention" votes by major type of resolution in 2022, presented below, illustrates Groupama AM's requirements:



The total number of votes (8,916 resolutions) on ESG issues breaks down as follows between environmental, social, and governance issues:



Resolutions have been classified as:

- E: shareholder/management resolutions on the climate
- S: shareholder/management resolutions on diversity and donations to political parties
- G: all other resolutions

Groupama Asset Management did not participate in any resolution filings in 2022.

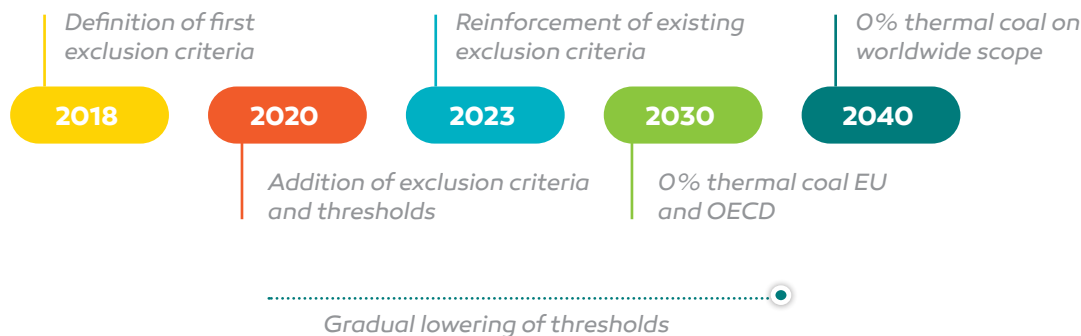
B. SECTOR PHASE-OUT POLICIES

> CLIMATE-RELATED EXCLUSIONS

Sectoral exclusions apply to all investments. These exclusions are based on Groupama's sector policies, which govern investments in sectors that present environmental and social risks. In particular, they concern fossil fuels and are regularly extended or revised.

COAL: PHASE-OUT POLICY

In 2020, Groupama reinforced a timetable for phasing out thermal coal. This policy provides for a permanent exit from the sector by 2030 for EU and OECD countries and at the latest by 2040 for the rest of the world.



The OFD's Scientific and Expertise Committee (SEC) presented a new report on fossil fuels on 14 March 2023, recalling that all coal-fired infrastructures must be closed by 2030 in EU and OECD countries and by 2040 in the rest of the world and making five recommendations, including a tighter timetable for the phase-out. With this in mind, Groupama is stepping up its policy of phasing out thermal coal in 2023 by lowering the absolute thresholds for annual production and installed capacity:

- **Reduction of the production threshold from 20 MT to 10 MT.** At 31/12/2022, the issuers in the portfolio included in this new scope of exclusion according to the Urgewald list represented an exposure of less than €200 million.
- **Reduction of the absolute threshold of installed capacity from 10 GW to 5 GW.** At 31/12/2022, the issuers in the portfolio included in this new scope of exclusion according to the Urgewald list represented an exposure of approximately €500 million.

The rest of the coal policy is unchanged and, in particular:

- **Subject:** the entire value chain of thermal coal including developers.
- **Tools and implementation:** based on Urgewald data and GAM analyses, which may lead to different conclusions from the strict application of Urgewald data. In this case, a commitment strategy is put in place, and the company's strategy is reviewed at least once a year.
- **Scope:** all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated UCIs managed by GAM (excluding index strategies) of the Groupama group. This represents around 40% of the Group's assets.



UNCONVENTIONAL OIL & GAS

The Group has little exposure to the energy sector.

Aware of the vital role played by the Oil & Gas sector in the decarbonisation of the economy and in order to respond to the various calls to strengthen commitments on fossil fuels, Groupama strengthened its policy on unconventional energies in 2022 in line with the recommendations of the IEA scenarios. The IEA's Net-Zero Emissions (NZE) scenario, which is the most ambitious, calls for an immediate halt to new oil and gas projects, as well as a gradual reduction in oil and gas production.

In line with these recommendations, the Group is taking the following approach:

- 1** | Groupama is committed to no longer providing direct financing to companies involved in the development of new unconventional oil and gas projects, with the exception of financing needs specifically earmarked for the transition. In other words, a subsidiary or project dedicated to financing the transition and green bonds issued by these companies, in which the Group may continue to invest in order to give itself the opportunity to contribute fully to financing the transition;
- 2** | Individual and collective commitments among companies in the energy sector to encourage them to reduce their emissions in the short and medium term and to direct their investments towards low-carbon solutions;

Groupama has made the Global Oil and Gas Exit List (GOGEL), developed by Urgewald, a key tool for applying this policy. The ambition of this policy will be the subject of a review of its scope, and consideration will be given to possible phase-out thresholds.

4 - GROUPAMA IS STRENGTHENING ITS SUSTAINABLE INVESTMENT STRATEGY AROUND CLIMATE AND BIODIVERSITY

A. EUROPEAN TAXONOMY AND FOSSIL FUELS

1. ALIGNMENT WITH THE EUROPEAN TAXONOMY

For 2023, like any financial institution, Groupama is required to disclose the share of its Taxonomy-eligible activities for the first two objectives of climate change mitigation and adaptation.

THE GREEN PACT

In response to the climate crisis, in 2019 the European Union published the Green Pact, an ambitious initiative aimed at making Europe the first carbon-neutral continent by 2050. In particular, the Green Pact highlighted the need to redirect private financial flows into activities compatible with a sustainable transition. Adopted in 2020, the “Taxonomy Regulation” is becoming one of the key elements of Europe’s regulatory strategy as part of its sustainable finance plan. The aim of the European Taxonomy is to create a classification system for activities considered to be “sustainable” from an environmental perspective, i.e. activities that do not aggravate climate change.

To be green, an activity must meet the following three criteria:

- Make a substantial contribution to one of the six environmental objectives:
 - Climate change mitigation,
 - Adaptation to climate change,
 - Water management,
 - Circular economy,
 - Pollution prevention and control,
 - Protection of biodiversity (technical assessment criteria)
- Do no significant or major harm to one of the other five objectives (DNSH), by complying with quantitative and qualitative technical criteria
- Respect the minimum social safeguards (MSS).

> TAXONOMY ELIGIBILITY DEFERRED

As part of the Taxonomy regulation, Groupama calculates the regulatory ratio, i.e. the proportion of investments intended for financing or associated with taxonomy-eligible economic activities relative to the Group’s total investments.

Without using estimates, according to regulatory standards, the **proportion of exposure to taxonomy-eligible activities is 13% of total investments**. Investments are defined as all assets held directly and indirectly on the balance sheet of the life and non-life insurance companies of the Groupama group. It is therefore a look-through view of the assets of the whole Group, excluding intragroup assets but including unit-linked items. In accordance with Article 7(1) of Delegated Regulation EU 2021/2178, sovereign exposures are excluded from the calculation of the investment ratio, in both the numerator and the denominator. Derivatives, companies not subject to the NFRD, and cash are excluded from the numerator but included in the denominator of the ratio.

As published information must be based on actual data provided by non-financial or financial entities, all property exposures (investment and operating), whether held directly or indirectly, have been fully recognised as eligible on the basis of actual information. However, for operational reasons, our data provider is unable to provide reported data on the proportion of revenue (or capital expenditure) eligible for the taxonomy or on whether companies are subject to the NFRD.

> VOLUNTARY TAXONOMY ELIGIBILITY

As part of its voluntary reporting, Groupama has chosen to publish an Investment ratio based on data estimated internally.

Eligible economic activities can be identified on the basis of the NACE codes listed in the annexes to the climate delegated act. For the calculation of the voluntary ratio, Groupama has thus chosen to establish a ratio by business sector, based on the information provided by the Commission through the “EU Taxonomy Compass”

tool. Thus, if an issuer has an NACE sector explicitly referenced in this tool, we considered that 100% of our exposure was eligible. Otherwise, if an issuer operates in an activity that is not explicitly referenced, it will be considered to be fully ineligible.

Using estimates, the proportion of exposure to taxonomy-eligible activities is 32% of total investments

> GREEN SHARE OF EQUITY AND CORPORATE BOND PORTFOLIOS PROVIDED BY OUR DATA PROVIDER (LOOK-THROUGH VIEW)

Groupama also has green share data provided by the service provider Iceberg Data Lab (IDL). IDL collects any data relating to the green share published by company (eligible, aligned, Capex, Opex). However, when the data is not reported, IDL calculates the intermediate indicators by applying the following different calculation steps:

- **Breakdown of revenue** by subsector to identify Taxonomy-eligible activities (NACE 4 reference classifications). Production and consumption data are

also calculated using an internal model, which models physical flows throughout the business value chain.

- **Review of performance thresholds** via Climate Change Mitigation for each activity
- **Assessment of impacts on each of the other environmental objectives** using the Environmental Performance Index
- **Respect for minimum social safeguards**, including data provided by the Bureau of International Labour Affairs, which lists 159 products in 87 countries exposed to forced and child labour.

			2022		2021	
Portfolio	Measurement indicator	Unit	Result	Coverage	Result	Coverage
Equity portfolio	Aligned green share	%	22	18%	3	23%
Corporate bond portfolio	Aligned green share	%	11	24%	16	21%
Global portfolio - Equities & corporate bonds	Aligned green share	%	11	24%	15	21%



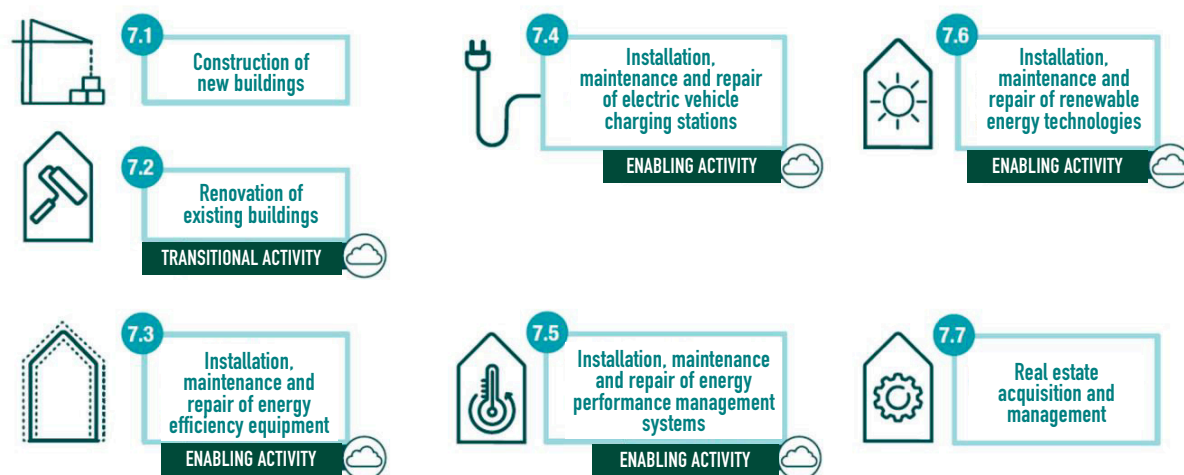
IDL assigns each indicator a “Data Quality Level” ranging from 1 to 4, making it possible to identify the data source used to calculate the model results and to identify lines based on estimated versus reported data. The higher the DQL, the more the data is based on estimates. On average, the DQL of the green share is 3.

Step 1 – Are Groupama's activities taxonomy-eligible?

The list of taxonomy-eligible activities indicates the activities that have the greatest impact on the pursuit of each environmental objective, while having significant room for improvement. The building sector, through its environmental impact, is one of the taxonomy-eligible sectors, in the "Building acquisition and management" categories, as well as "Construction of new buildings" and "Renovation of existing buildings".

► 100% eligible activities

EU TAXONOMY-ELIGIBLE BUILDING AND PROPERTY ACTIVITIES



Property barometer of the Observatoire de l'immobilier Durable, 2022

Step 2 – Are Groupama's activities taxonomy-aligned?

Eligible activities must then be screened against the technical criteria of the taxonomy to be considered aligned and therefore sustainable. This means meeting the criteria for substantial contribution, not causing significant harm to any of the other five objectives, while respecting the minimum social safeguards.

- **Contribute:** Substantial contribution to the mitigation pillar: buildings must either be in the top 15% nationally in terms of primary energy or have a class A ECD.
- **Do No Significant Harm:** The acquisition and ownership activity must also not cause material harm to the other five environmental objectives.
- **Respect the minimum social safeguards:** If the construction of new buildings meets the conditions of the three steps presented, it will be taxonomy-aligned for the climate change mitigation objective.



2. ENCOURAGING THE ENERGY TRANSITION BY REDUCING OUR DEPENDENCE ON FOSSIL FUELS

> BROWN SHARE

At the end of 2022, Groupama assessed the brown share of its activities as well as its exposure to coal and unconventional fossil fuels. In line with the ACPR's latest recommendations, the methodology used to measure these exposures has been reviewed, not only to include the midstream (and no longer just the upstream) for all energies, but also to carry out two assessments: a "first euro" assessment with no weighting and an assessment weighting the investment by the relative involvement of the companies in the energies in question. Pro forma

measurements at the end of 2021 were therefore conducted to better understand the developments during 2022. These measurements were carried out for the entire portfolio of listed private assets (in a look-through view) using Urgewald data and 90% of the infrastructure portfolio using the annual reports provided by the asset managers.

In 2022, Groupama's teams worked on developing a methodology for determining these metrics:

- **For "weighted" securities**, the exposures of issuers on the Global Coal Exit List (GCEL) and the Global Oil & Gas Exit List (GOGEL) are weighted by their relative involvement in fossil fuels as reported by the Urgewald organisation on the GOGEL and GCEL lists. Groupama uses this methodology to calculate three indicators:



- **The coal share**, which represents the share of investments in companies that derive part of their activity from thermal coal, is calculated by multiplying the company's market value by the share of revenue relating to coal mining (GCEL).
- **The Unconventional share**³, which represents the share of investments in companies that derive part of their activity from unconventional fossil fuels, is determined by multiplying the company's market value by the share of sales relating to Oil & Gas production (GOGEL), then by the share of Unconventional in hydrocarbon production (GOGEL).
- **Brown share** : —this is the share of companies involved in the extraction, production (upstream), and transport (midstream) of fossil fuels (coal, oil, natural gas). It is calculated as the sum of the market value multiplied by the share of revenue from the coal mining (GCEL) and the market value multiplied by the share of revenue from Oil & Gas (GOGEL). Infrastructure funds are included in this calculation without any weighting.

- **For "1st euro" securities**, exposure calculations are performed by taking into account the entirety of the Groupama group's investment in the companies concerned. No weighting is applied, and 100% of the market value is included in the exposure for issuers on the Global Coal Exit List (GCEL) and the Global Oil & Gas Exit List (GOGEL).

Fossil fuel exposure indicators as a % of total assets for the scopes concerned

	GROUP	
	2021	2022
Weighted coal exposure	0.1%	0.1%
Coal exposure – 1 st euro	0.6%	0.9%
Weighted brown share	1.2%	1.2%
Brown share – 1 st EURO	1.9%	2.4%
Weighted unconventional exposure	0.1%	0.1%
UC exposure – 1 st EURO	0.6%	0.5%

The upward trend in the brown share should be put into perspective, as it is mainly due to money market exposures, which vary considerably from one year to the next. On the other hand, even on the money market, the issuers concerned are the subject of engagement actions by Groupama (such as Engie) and are among the most credible players in terms of transition (such as ENEL). Excluding money market, brown shares were down slightly, also starting from low levels.

³ Fracking, oil sands, coalbed methane, very heavy oil, very deep waters, and the Arctic

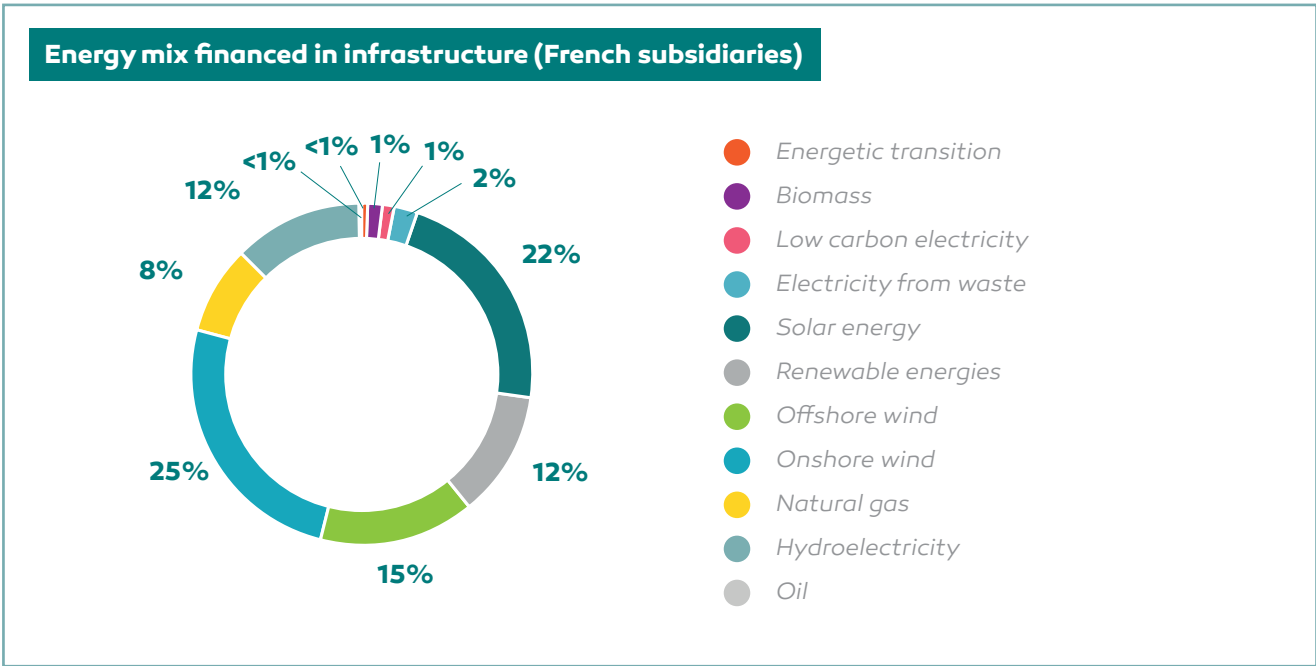
> ENERGY MIX

A study was conducted on all infrastructure investments financed by Groupama in order to identify the energy mix of the scope. These results were compared with the IEA's energy mix presented as compatible with a Net-Zero objective.

At 31/12/2022, the Group's infrastructure exposure amounted to €1.3 billion, mainly concentrated in the French subsidiaries (90%). The scope of the

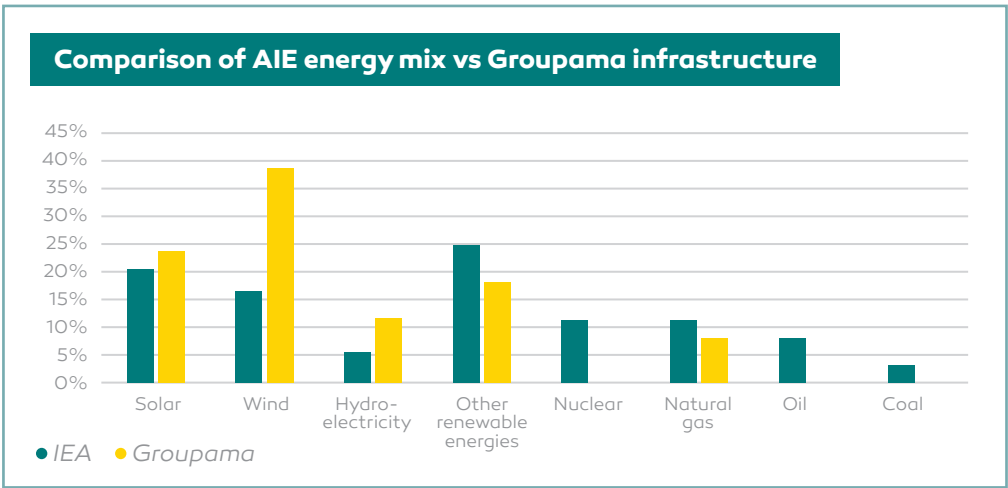
study covers only French subsidiaries, for a total of €950 million, which is 82% of the assets invested by French subsidiaries.

Energy accounts for more than half of infrastructure investments. In this segment financing breaks down as follows:



As part of its report on the net-zero energy mix target for 2050, the International Energy Agency highlights the need to significantly increase the share of solar energy (x20) and wind energy (x16) to reduce dependence on fossil fuels, which currently account for almost 80% of the energy mix.

By comparing the energy mix of Groupama's portfolio at 31/12/2022 with the IEA's target energy mix, we can see that Groupama's energy mix follows the IEA's target indications by concentrating its efforts on low-carbon energies, which represent 92% of the total studied.



2023 project:

Conduct a more in-depth analysis of the various technologies, their level of maturity and risks, as well as their financing needs requirements to assess the relevance of setting up sector/allocation targets for the infrastructure portfolio.

B. STRATEGY TO ALIGN WITH THE OBJECTIVES OF THE PARIS AGREEMENT AND THE FRENCH NATIONAL LOW-CARBON STRATEGY

Governments, businesses, and the general public are increasingly aware of the risks associated with climate change and the importance of taking action to reduce greenhouse gas (GHG) emissions. The IPCC (Intergovernmental Panel on Climate Change) has helped to raise this collective awareness by providing a number of scientific assessments on climate change, the causes and impacts of climate change, and adaptation and mitigation options.

A number of agreements and commitments have been made by governments to reduce GHG emissions and encourage the transition to a lower-carbon economy. On a global scale, the Paris Agreement was signed by 196 parties in December 2015, with the aim of keeping the increase in the global average temperature to well below 2 °C above pre-industrial levels, while continuing efforts to limit the increase in temperature to 1.5 °C. The European Union is committed to becoming climate neutral by 2050 and to reducing its GHG emissions by at least 55% by 2030 compared with 1990 levels. These targets were set as part of the “Green Deal”.

All stakeholders must prepare to adapt to the already visible consequences of climate change and mitigate its impacts. In this context, as an institutional investor and a player in the financing of the economy, Groupama intends to continue its research work and strengthen its climate strategy. However, this work is dependent on the quality and volatility of data and methodologies, which are constantly evolving. The absence of a fixed framework puts all the studies and simulations presented by Groupama at risk.

1. IMPLEMENTATION OF OUR CLIMATE STRATEGY

Groupama's climate strategy has a number of objectives:

1. Decarbonise the portfolio by 2030, in line with the objectives of the Paris Agreement:

- Reduce the GHG intensity (tCO₂eq/€M of revenue) of the Group's equity and corporate bond portfolio by 50% between the end of 2021 and the end of 2029. In 2022, the portfolio's emissions decreased by 12.5% compared with the level at the end of 2021.

2. Increase the positive contribution by financing more sustainable solutions, with an additional sustainable investment target of **€1.2 billion between 2022 and 2024**, invested mainly in infrastructure, property, and green bonds. By 2022, Groupama made an additional €1 billion in sustainable investments.

3. Integrating climate issues into our investment policy by implementing **exclusionary policies**:

- Commitment to a permanent phase-out of thermal coal by 2030 for EU and OECD countries and at the latest by 2040 for the rest of the world.
- With regard to unconventional fossil fuels, Groupama is committed to no longer providing direct financing to companies involved in the development of new unconventional oil and gas projects, with the exception of financing needs specifically earmarked for the transition. In other words, the Group may continue to invest in a subsidiary or project dedicated to financing the transition and green bonds issued by these companies in order to give itself the opportunity to contribute fully to financing the transition.



> DECARBONISING THE EQUITY AND BOND PORTFOLIO

A clear methodology must be put in place, and all operational and management teams need to be involved in order to successfully carry out the complex exercise of setting climate objectives. At Groupama, the work was carried out in two stages:

- Definition of the framework for setting objectives and climate assessment of the starting point
- Construction of a climate trajectory and identification of the levers for achieving the objectives

Groupama's carbon intensity reduction target has been set for 2029 compared with end-2021 levels.

STEP 1 – Definition of the framework for setting objectives and starting point

Scope of assets	Global equity and corporate bond portfolio	The sovereign bond portfolio has not been included in the objective due to the lack of maturity of the carbon data for these assets and the absence of a recognised and shared methodology for including them in a global commitment. The scope used is therefore the Group's global equity and corporate bond portfolio in a look-through view
Scope of emissions	tCO ₂ /€M of revenue	This indicator was chosen because it offers the possibility of aggregating carbon data for all sectors. However, it does have its biases: in particular, the price effect, which can lead to the selection of companies that emit more carbon but sell more expensive products. Moreover, it cannot be used to monitor the actual reduction in CO ₂ flows, unlike absolute emissions reductions.
Scope of the objective	Scope 1+2	Scope 3 is currently not included due to a lack of relevant data. Work is continuing, in particular within the framework of the NZAOA, on the appropriate integration of Scope 3.

The study of the starting point of Groupama's climate trajectory and the annual changes allow us to prioritise the challenges by sector and adapt Groupama's strategies.

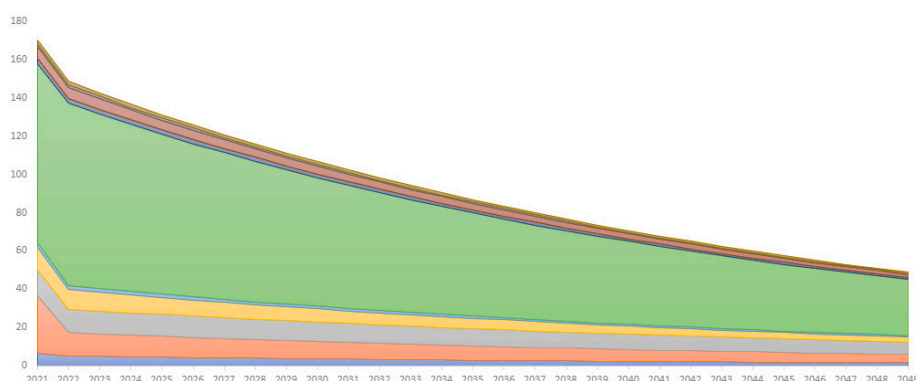
STEP 2 – Construction of a climate trajectory and levers for achieving the objectives

A reduction trajectory was constructed in 2021, taking into account the specific characteristics of the portfolio and its sector breakdown. The methodology used is based on a projection of expected reductions in tCO₂e/€M of revenue based on the transition scenarios by sector (IEA NZE, IEA ETP 2020, OECM) recognised and recommended by the Net-Zero Asset Owner Alliance (NZAOA). For sectors not covered by these scenarios, estimates have been made based on the expected GHG emission reductions at the level of the economy as a whole. This work was performed **in accordance with the requirements of the NZAOA protocol**, which Groupama joined in 2022. The commitment to reduce carbon intensity by 50% (i.e. a carbon intensity of 85 tCO₂e/€M in 2029) is therefore in line with the range proposed by the NZAOA: [-65%; -49%] from end-2019 to end-2029.

This commitment was made on the basis of work performed in 2021, using a methodological framework that depends on the estimation of data, in particular decarbonisation trajectories, and on the delay in access to data by companies (2020 data postponed and available at best in 2021). The trajectories were constructed on the basis of the main transition scenarios by sector and the companies in the portfolio. Decarbonising the portfolio therefore depends on companies implementing their climate strategies and on the ability of the economy as a whole, including governments, to meet their commitments.

Example of a trajectory with a constant sector allocation at end-2022 using sector intensity reduction projections (no commitment value)

CARBON INTENSITY, SCOPE 1+2 (TCO₂/M€)



Consumer goods Industries Base materials Oil and gas Oil and gas
Local authorities services Consumer services Financial companies Technology Telecommunications

Over 2022, the carbon footprint of the equity and corporate bond portfolio for Scope 1–2 decreased significantly: 149.1 tCO₂e/€M of revenue in 2022 compared with 170.8 tCO₂e/€M of revenue in 2021. This is the Scope 1+2 intensity calculated on the scope of Equities and Corporate Bonds excluding UL covered by intensity data, i.e. €25.1 billion (91% coverage). The result is a reduction of 12.5% over 2022. This represents a **25% achievement rate of the reduction target** of 50% by the end of 2029.

To continue reducing its emissions, Groupama conducted a study on the additional decarbonisation levers available to it:

- Changes in the investment policy (level of portfolio turnover and issuer selection based on the climate category filters detailed in the section [ESG analysis by asset class]);
- Changes in the level of decarbonisation of the portfolio at the end of 2021 (by analysing the issuers that contribute most to the scope 1–2 carbon intensity of the portfolio);
- The decarbonisation scenario followed by the economy by 2030 (1.5 °C, WB2°C, 2 °C, business as usual, etc.).

At this stage, Groupama is ruling out the possibility of sector reallocation with a view to reducing carbon intensity (except in sectors that are intrinsically incompatible with the transition) in order to continue to finance the economy as a whole and encourage transition investments in the most carbon-intensive sectors.

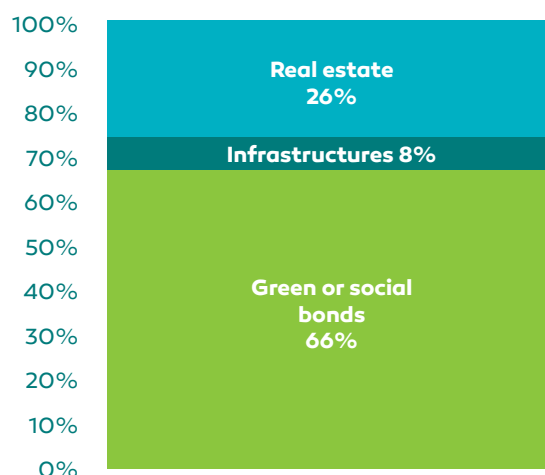
Groupama's ambition is to progressively improve the presented approach as the quality of the data and the methodologies used improve. Several projects are under consideration. Their time horizon and degree of achievement will depend on Groupama's work but also on changes in local practices and data:

- Integrate all or part of scope 3 in order to capture the GHG impact of companies across their entire value chain;
- Expand the scope of asset classes (sovereign bonds, infrastructure, private equity funds, etc.) in line with the NZAOA protocol;
- Set physical intensity targets (e.g. gCO₂e/kWh for the electricity sector) for the most carbon-intensive sectors;
- Quantify targets linked to the engagement policy, in particular to measure the impact of the shareholder engagement and proxy selection processes.

> INCREASE THE POSITIVE CONTRIBUTION BY FINANCING MORE SUSTAINABLE SOLUTIONS

Groupama set an additional sustainable investment target of **€1.2 billion between 2022 and 2024**, invested mainly in infrastructure, real estate, and green bonds. By 2022, Groupama made an additional €1 billion in sustainable investments divided between:

Breakdown of additional sustainable investments in 2022



To achieve this objective, Groupama worked to define a map of sustainable investments on the E and S pillars and by asset class. The aim of this classification is to guide investors at Groupama towards activities with a positive ESG contribution. Companies that are committed to combating climate change or offer clean and affordable energy fit this definition.

Mapping of sustainable investments

	ENVIRONMENT	SOCIAL
Shares	Strategic holdings aligned with the European Green Taxonomy	Specific analysis
Private bonds	Green bonds aligned with the Green Bond Principles or the European Green Bond Standard validated by the GAM methodology	Social bonds aligned with the Social Bonds Principles validated by the GAM methodology
Sovereign debts	Green bonds aligned with the Green Bond Principles	Social bonds aligned with the Social Bonds Principles validated by the GAM methodology
Private equity corporate	Environmental assets belonging to an Article 9 fund	Social assets belonging to an Article 9 fund
Infrastructure	Environmental infrastructure linked to eligible taxonomy-eligible activities (without technical criteria)	Specific analysis
Real estate	«Assets with environmental or energy labels or certifications Projects aligned with European taxonomy»	Specific analysis
Real estate funds	Real estate assets owned by funds Article 9	Specific analysis

2. MONITORING THE ENVIRONMENTAL PERFORMANCE OF INVESTMENTS: REVIEW OF THE FIRST YEAR OF DEPLOYMENT OF THE CLIMATE STRATEGY

The diversity of environmental performance indicators used by Groupama captures a broad spectrum of environmental issues with varying degrees of correlation. The use of a multitude of indicators highlights the managers' ability to identify carbon risk. While no single indicator gives a tangible result, quantitative and qualitative climate performance diagnostics and research capacity enable us to assess a company's transition.

The environmental performance indicators used are supplied by Iceberg Data Lab, which provides a measure of data quality for each issuer and indicator. For all issuers in Groupama's portfolio and covered by Iceberg Data Lab data, the quality of the data could still be improved and is still mixed, depending on the indicators.

Proportion of transmitters by data quality level Iceberg Data Lab				
	CO ₂ INTENSITY (SCOPE 1 & 2)	TEMPERATURE SB2A	NEC	GREEN PART
Between 1 and 2	40%	2%	7%	0%
Between 2 and 3	5%	2%	26%	2%
Between 3 and 4	51%	56%	66%	98%
Score of 4	4%	41%	0%	0%
Score of 5	0%	0%	0%	0%

Note for the reader: 1 = Data reported; 2 = Data modelled on the basis of data reported; 3 = Data modelled on the basis of company sales and activity; 4 = Data modelled on the basis of sales and activity of the main players in the sector; 5 = Data based on sector averages.

> EQUITY PORTFOLIO

	2022					2021	
Measurement indicator	Unit	Equity portfolio	Coverage	MSCI Europe Index	Coverage	Equity portfolio	Coverage
Carbon intensity (scope 1-2)	tCO ₂ e/€M revenue	150.7	91%	207	98%	174	61%
Carbon intensity (scope 1-2)	tCO ₂ e/€M revenue	353	91%	464	98%	NS	NS
Equivalent temperature (SB2A)	°C	2.85	90%	2,75	100%	NS	NS
NEC	%	-0.76	90%	-0.01	100%	NS	NS

In 2022, the carbon intensity (scope 1-2) of the equity portfolio decreased by 13% compared with 2021 and remains below the benchmark. The 2022 data for carbon intensity, temperature, and NEC are not comparable with the 2021 data following an improvement in the methodology used to apply the inheritance rules (subsidiaries/ parent company) for non-covered issuers.

SB2A methodology (Science-Based 2°C Alignment)

The Science-Based 2°C Alignment (SB2A) metric, developed by Iceberg Data Lab, indicates whether an entity (company, nation or asset) is aligned with the Paris Agreement's historic goal of limiting global temperature rise to well below 2°C above pre-industrial levels. It is determined on the basis of the entity's carbon intensity (including scope 3 where relevant), past emissions trends, and decarbonization targets. The final score, expressed in °C, represents an implicit global temperature rise to which the entity is aligned, by comparison with its sectoral decarbonization target based on external reference trajectories (SBT and IEA models).

The NEC (Net Environmental Contribution) is an indicator, calculated by Iceberg Data Lab, making it possible to assess the issuer's positive or negative contribution to the ecological and energy transition by taking into account various environmental issues including climate, biodiversity, and water stress. The NEC ranges from -100% (activities with high environmental damage) to +100% (activities with a highly positive net environmental impact).

> CORPORATE BOND PORTFOLIO

	2022					2021	
Measurement indicator	Unit	Bond portfolio	Coverage	Barclays Euro Aggregate	Coverage	Bond portfolio	Coverage
Carbon intensity (scope 1-2)	tCO ₂ e/€M revenue	135.4	91%	197	84%	152	74%
Carbon intensity (scope 1-2-3 upstream)	tCO ₂ e/€M revenue	330	91%	394	84%	NS	NS
Equivalent temperature (SB2A)	°C	2.7	90%	2.8	95%	NS	NS
NEC	%	1.4	95%	0.01	95%	NS	NS

In 2022, the carbon intensity (scope 1-2) of the bond portfolio decreased by 10% compared with 2021 and remains below the benchmark. The 2022 data for carbon intensity, temperature, and NEC are not comparable with the 2021 data following an improvement in the methodology used to apply the inheritance rules (subsidiaries/parent company) for non-covered emitters.

> GLOBAL EQUITY AND CORPORATE BOND PORTFOLIO WITH A LOOK-THROUGH VIEW

	2022			2021	
Measurement indicator	Unit	Global portfolio	Coverage	Global portfolio	Coverage
Carbon intensity (scope 1-2)	tCO ₂ e/€M CA	149	91%	171	72%
Carbon intensity (scope 1-2-3 upstream)	tCO ₂ e/€M CA	332	91%	NS	NS
Equivalent temperature (SB2A)	°C	2.75	90%	NS	NS
NEC	%	1.29	95%	NS	NS

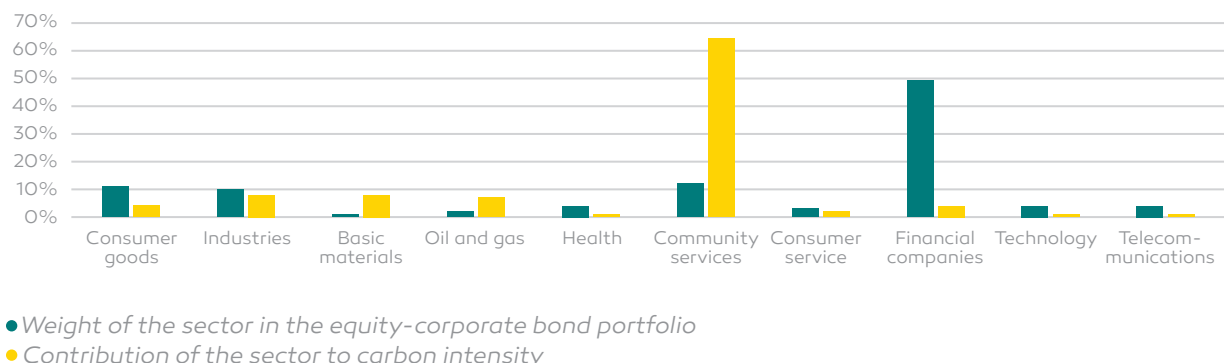
> CLIMATE FOOTPRINT

As part of the follow-up to the structuring of the climate strategy to be implemented in 2021, Groupama is refining its analyses to identify more precisely the challenges of the overall corporate portfolio (equities + corporate bonds).

The scope 1-2 carbon intensity of the overall corporate portfolio is largely determined by utilities, which account for 64% of it, even though they represent only 11% of the portfolio's assets (most of which are held in cash). The Finance sector contributes only 4%, while it accounts for 49% of total assets (figure Contribution of sectors to carbon intensity). On the other hand, the Finance sector is by far the biggest contributor when scope 3 data is included, which is still too unreliable to date.

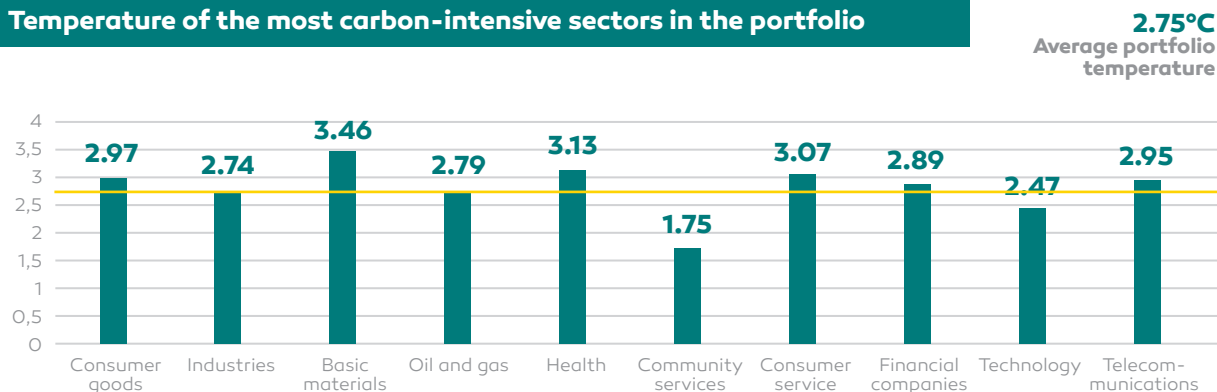


Contribution of sectors to carbon intensity



Access to SB2A temperature data enables managers to select the companies in the most carbon-intensive sectors that are best positioned in terms of dynamic climate performance. Figure Temperature of the most carbon-intensive sectors in the portfolio, confirms this, particularly for utilities (1.7 °C of temperature in the portfolio).

Temperature of the most carbon-intensive sectors in the portfolio



The dynamic climate performance of Groupama's portfolio is also linked to the strength of the commitments made by its investments. At the end of 2022, 70% of the portfolio's carbon intensity stemmed from 20 companies, which represent 12% of the total value of the portfolio covered by the analysis. Focusing on these 20 companies, 55% of the portfolio's carbon footprint is covered by an SBT (committed or target set) commitment.

> SOVEREIGN BOND PORTFOLIO

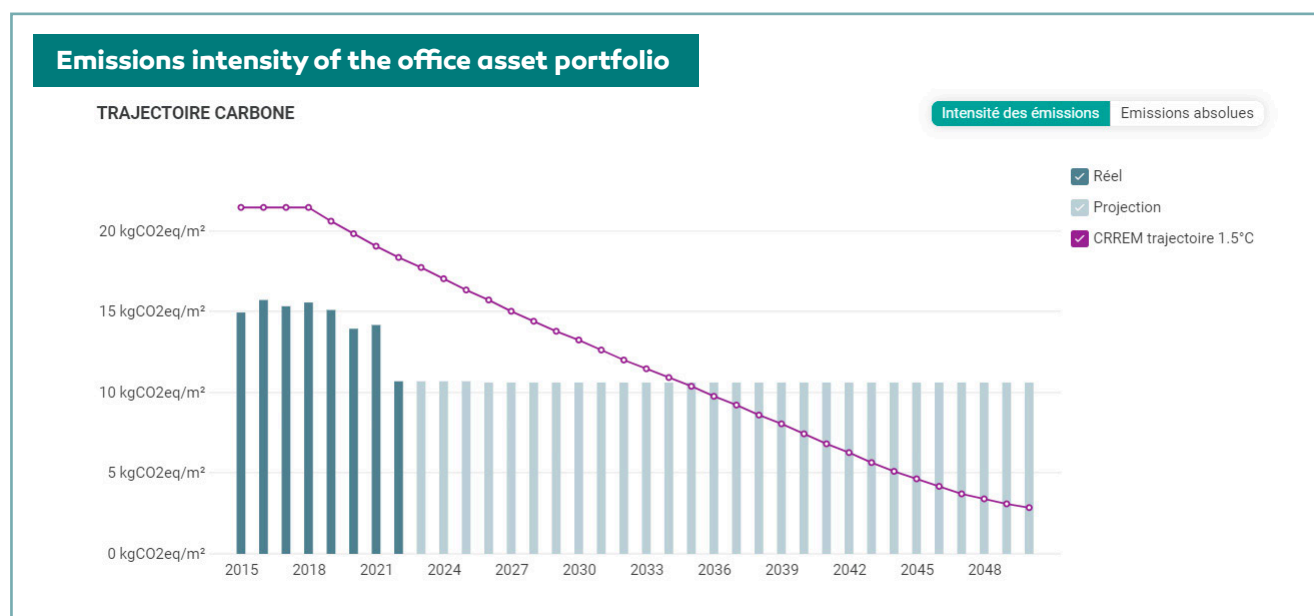
	National GHG emissions/GDP (territorial + imported)	Share of low-carbon energy (including nuclear)	Portfolio warming potential	Coverage rate
Unit	tCO ₂ /€M of GDP	%	°C	%
2022 sovereign bond portfolio	630	39%	1.8	96%
2021 sovereign bond portfolio	607	37%	1.7	97%

The sovereign bond portfolio is low-carbon, as it is heavily invested in French (56%) and Italian (21%) then Spanish bonds (9%). The green energy share (including nuclear) is increasing, from 37% in 2021 to 39% in 2022. The portfolio has a warming potential of 1.8 °C, in line with the objectives of the Paris Agreement.

> INVESTMENT PROPERTY PORTFOLIO

In developing its strategy, Groupama Immobilier attaches particular importance to measuring the carbon footprint of its assets under management. Groupama has been working with external consultants for several years to seize opportunities and reduce the risks associated with carbon issues throughout the life of buildings. In particular, Groupama Immobilier works with Equinov to conduct strategic reviews relating to the applicable requirements of the French Tertiary Decree.

In 2022, Groupama Immobilier strengthened its approach to measuring the energy intensity and carbon impact of a defined panel of property assets using the Deepki platform. As a result of this approach, the average carbon intensity of Deepki-monitored office assets in 2022 will be 11 kgCO₂eq/m²/year (excluding the GGREIM scope), 20% lower than in 2021. This average is below the French average of 12 kgCO₂eq/m²/year for office assets (which decreased by 12.5% compared with 2021⁴). For all the assets currently covered by Deepki, the carbon trajectory is in line with the CREEM 1.5 °C trajectory up to 2035.



However, the methodological limitations should be emphasised. The CRREM (Carbon Risk Real Monitor) carbon trajectories may include uncertainties in the input data, simplifying assumptions, and modelling errors. In addition, the carbon emission factors used are not necessarily the most up to date. The results also depend on the quality and completeness of the collected data (consumption, technical equipment inventory, etc.) and the commitment of the stakeholders involved (tenants, suppliers, etc.).

⁴ Source: OID's "2022 BAROMETER OF BUILDING ENERGY AND ENVIRONMENTAL PERFORMANCE"

C. STRATEGY TO ALIGN WITH LONG-TERM BIODIVERSITY OBJECTIVES

1. GROUPAMA IS AWARE OF THE STRONG INTERACTIONS BETWEEN THE FINANCIAL SECTOR AND BIODIVERSITY AND OF ITS ROLE IN PRESERVING BIODIVERSITY AS A RESPONSIBLE INVESTOR

Biodiversity, which is essential to human life and activity, has been in decline for some years now, at an unprecedented rate and on an unprecedented scale, and preserving it is a vital issue. The World Economic Forum's 2023 Global Risks Report ranked biodiversity degradation and ecosystem collapse as the fourth-greatest global risk to society over the next 10 years.

The latest IPCC report, published in March 2023, recognises the interdependence of climate, ecosystems, biodiversity, and human societies, placing this challenge on a par with that of climate change.

As an institutional investor involved in financing the economy, Groupama is aware of its impact on the climate and the erosion of biodiversity. Groupama called on Moonshot to provide training on the subject and to understand how to establish a robust strategy in line with the objectives of the 1992 Convention on Biological Diversity (CBD). This convention was reviewed at the end of 2022 at COP 15, which defined a new global framework aimed at halting the decline in biodiversity by 2030 by adopting 23 targets.

CONVENTION ON BIOLOGICAL DIVERSITY

KUNMING - MONTREAL 2022 HORIZON 2030

- | | | |
|--|---|---|
| 1 Spatial planning - preserve areas of high importance | 7 Reduce pollution risks and associated impacts by at least 50% | 13 Consideration of biodiversity in policies and regulations |
| 2 Restoration of 30% of degraded areas | 8 Reduce the impacts associated with climate change | 14 Fair and equitable sharing of benefits arising from genetic resources |
| 3 Retention of 30% of ecosystems through the establishment of protected areas | 9 Management and sustainable use of wildlife | 15 Monitoring and publication of impacts on nature by economic actors |
| 4 Fight against extinction of endangered species | 10 Sustainable management of aquaculture, fisheries and forestry areas | 16 Encourage sustainable consumption practices |
| 5 End the unsustainable use, harvest and trade of species | 11 Restoration and enhancement through ecosystem approaches | 17 Reduction of subsidies harmful to biodiversity, Funding for biodiversity (200 billion / year by 2030) |
| 6 Reduce the spread of invasive and exotic species by at least 50% | 12 Develop nature projects in the city | 18 Support innovation, transparency, inclusion, and gender equality |

At the last Conference of the Parties to the Convention on Biological Diversity (COP 15 or Kunming-Montreal), 195 States and the European Union established the "Post-2020 Global Biodiversity Framework" and defined 23 targets to be achieved by 2030. The Convention on Biological Diversity (international treaty of 1992) aims at the biological conservation, sustainable use of its components, and fair and equitable sharing of benefits arising from the use of genetic resources.

This conference is in line with the biodiversity preservation objectives set at the Earth Summit in Rio de Janeiro in 1992 and the Aichi targets set in 2010.

Groupama is aware of the importance of biodiversity for human well-being, food safety, health, and the environment. In this respect, Groupama supports the 23 targets defined at COP 15, known as Kunming-Montreal.

Biodiversity is essential to the resilience of ecosystems, which themselves provide essential services that enable life on our planet. Human activities are the main cause of the decline in biodiversity on Earth. They have a particular impact on soil, atmosphere, and water. For example:

- Activities that extract raw materials (such as the expansion of agricultural land) contribute to deforestation and soil artificialisation;
- The oil and energy industries are major emitters of greenhouse gases and have a negative impact on air quality;
- The agri-food and chemical industries make a major contribution to the pollution of surface and groundwater.

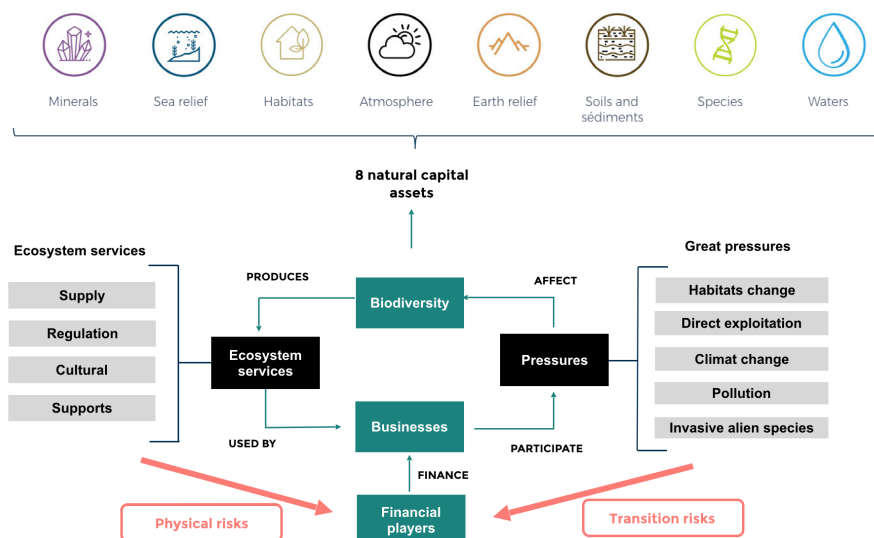
Four value chains account for 90% of human pressures on biodiversity:

1. the agri-food sector,
2. infrastructure and mobility,
3. energy,
4. the fashion industry (including textiles).

Biodiversity and ecosystems also provide free services to mankind: feeding us, producing and consuming resources, and maintaining the planet's habitability. These services are known as ecosystem services.

These services provided by nature are therefore essential to the development of businesses, which use and erode these assets and services on which they depend.

By financing these businesses, Groupama is helping to exert pressure on biodiversity that could contribute to its erosion. At the same time, since the businesses financed by Groupama use these ecosystem services, the value of these businesses and therefore of the investment portfolios may vary depending on the degree of biodiversity erosion. This is the concept of double materiality, as shown in the diagram below.



PRESSURES AS DEFINED BY THE IPBES

Economic activities, and more broadly human activities, exert pressure on biodiversity through their relationship with nature. In 2019, the IPBES identified the five main direct and anthropogenic pressures on biodiversity. They interact and include land use change, climate change, over-exploitation of natural resources, pollution, and invasive alien species.

DEPENDENCIES

The dependence on biodiversity of businesses represents the services of nature (ecosystem services) that human and economic activities need in order to develop. The dependence of human and economic activities on biodiversity can be highlighted and specified in terms of four main categories of services:

- **Supply services**, which represent the products or goods obtained from ecosystems (food, natural raw materials, fresh water, biomass, etc.)
- **Regulation and maintenance services**, which regulate the planet to make it habitable (e.g. climate regulation, pollination, water regulation, and waste treatment)
- **Cultural services**, which enable leisure, tourism, and educational activities to develop
- **Resource support services**, such as the water cycle, soil formation, and photosynthesis.

Aware of its role in preserving biodiversity as a responsible investor, Groupama, even before defining a strategy to align its portfolios with the long-term objectives of preserving biodiversity, had developed an extra-financial rating model for issuers, including a biodiversity analysis. Groupama Asset Management's environmental rating incorporates the challenges of biodiversity loss through:

- The NEC (Net Environmental Contribution), which is an indicator that measures the alignment of a company's business model with environmental issues (depending on the relevance to the business sector), such as waste, biodiversity, water, air quality, and climate, which are key issues in the Kunming-Montreal agreement. This indicator accounts for around a quarter of the environmental rating.
- The "Natural Capital" pillar, comprising the Biodiversity footprint indicator, a "Water" score, and a "Waste" score, which highlight the performance and relevance of the company's commitments in these areas. This pillar is weighted at 30% in the environmental rating.

In 2022, Groupama strengthened its analysis work with the support of Moonshot with a more detailed evaluation on a limited scope: the analysis initially focuses on the GGVie portfolio held in the GAM mandates (direct management), which corresponds to the scope on which the management levers are the most important. As the biodiversity indicators available to Groupama do not cover sovereign assets, the scope covered represents €9 billion in assets at the end of 2022 (corporate bonds and equities).

2. GROUPAMA MEASURES THE BIODIVERSITY-RELATED PRESSURES AND DEPENDENCIES OF ITS PORTFOLIO

A. MEASURING PRESSURES

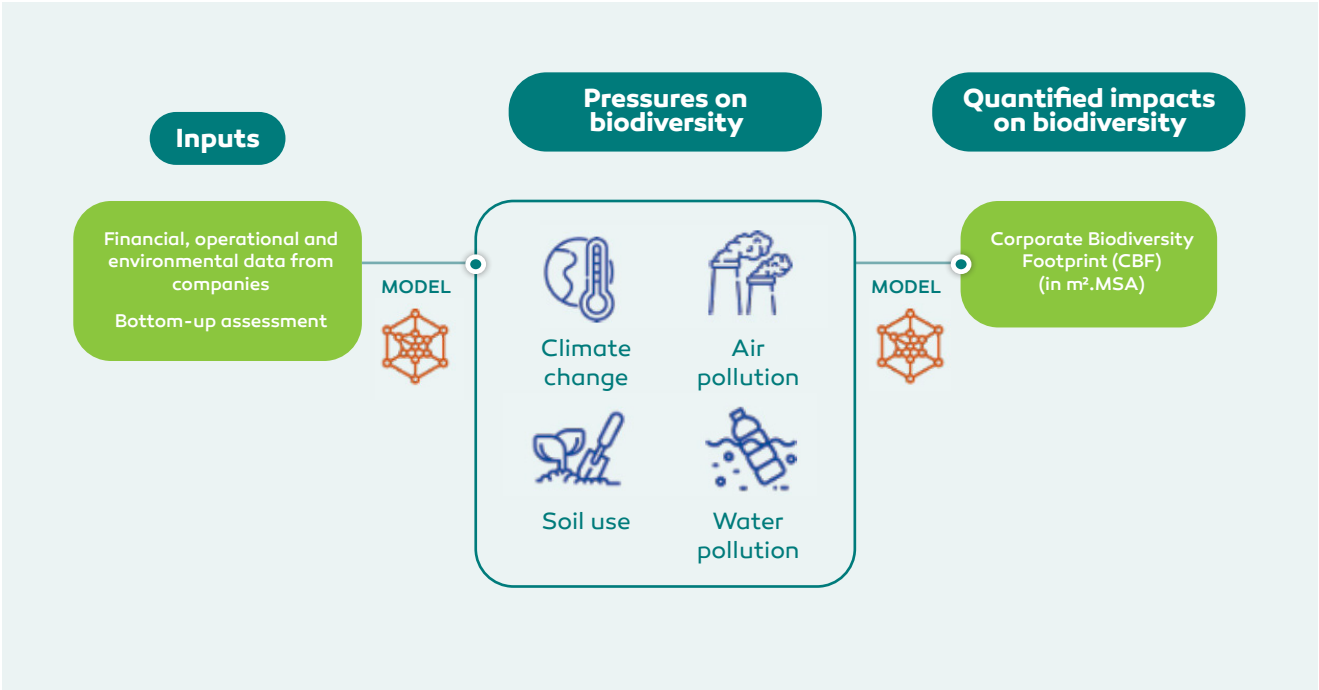
Iceberg Data Lab developed the Corporate Biodiversity Footprint (CBF) as an indicator of the impact of companies on biodiversity. This measure reflects the extent to which the ecosystems affected by a company's activities have been degraded from their original natural state.

The method starts with an activity. Using a variety of databases, the tool quantifies the footprint of activity along four dimensions identified as being among the main pressures on nature:

- land use,
- air pollution,
- water pollution,
- climate change.

Using the GLOBIO model, the tool then models these four pressures in four impact measurements before obtaining an annual impact on biodiversity and a biodiversity footprint. Aggregating these various pressures and modelling them gives an adverse impact expressed in km².MSA (mean species abundance). This result makes it possible to reduce the estimated adverse impact on biodiversity to an equivalent expressed in terms of total loss of species diversity over a given area. For example, a company with a CBF measure equal to - 1,000 km². MSA has, through its activity, caused the equivalent of a complete loss of biodiversity in an undisturbed ecosystem over an area of 1,000 km² over one year. In other words, the company's activity over the past year was equivalent to the complete artificialisation of 1,000 km² of originally pristine ecosystem.

Modèle simplifié du Corporate Biodiversity Footprint (CBF)



The CBF covers the most significant impacts on biodiversity, and the model is continually being improved. All the material impacts on biodiversity calculated are supported by robust scientific frameworks. However, there are methodological biases and limitations to the CBF methodology, the most significant of which are:

- The CBF only covers terrestrial biodiversity and only partially marine biodiversity.
- The CBF is limited by the availability of data published by companies. This indicator also does not take into account the positive impacts of companies (nature-based solutions).
- As the modelling of the CBF is the property of Iceberg DataLab, Groupama does not have total transparency on the exhaustiveness of the information published by the companies that enter into the calculation of the CBF and with what weighting. Groupama is

therefore unable to ensure that the efforts made by companies will lead to changes in the CBF indicator. To date, Groupama cannot use the CBF as an indicator to steer management or as the basis for a strategy of alignment with long-term biodiversity objectives.

The robustness of the data plays a key role in the decision-making of those involved in preserving biodiversity. Groupama's approach will only be strengthened by the improvement of data quality, which is essential for better identification and consideration of negative impacts on biodiversity. Currently, 40% of the data is considered to have a high level of uncertainty (DQL score between 3 and 4), and 60% of the data is considered to be of good quality (DQL score between 1 and 2).

Analysis of the portfolio using the CBF methodology highlights the following:

Indicators	Groupama
Portfolio in millions of euros	8,999
Number of issuers	177
Indicator A: Biodiversity footprint of companies (without taking % ownership into account): Km² MSA	-952 838
Indicator B: Biodiversity footprint of companies (taking % ownership into account): Km² MSA	-643
Indicator C: Average biodiversity intensity (in Km² MSA per million invested)	-0.07
Indicator D: Average biodiversity intensity (in Km² MSA per million of capital deployed - IDL data)	-0.05

Indicator definition

Indicator A

$$A = \sum_{i=1}^n CBF\ Value_i$$

WITH:

i : invested companies covered by IDL
n : 177 : number of companies covered by IDL
CBF Value : CBF of enterprises

Indicator B

$$B = \sum_{i=1}^n AUM_i \times \frac{CBF\ Value_i}{EV_i}$$

WITH:

i : invested companies covered by IDL
n : 177 : number of companies covered by IDL
CBF Value : CBF of enterprises
AUM : exposure to the company (market value)
EV : corporate value

Indicator C

$$C = \sum_{i=1}^n \frac{AUM_i}{\sum_{i=1}^n AUM_i} \times \frac{CBF\ Value_i}{EV_i}$$

WITH:

i : invested companies covered by IDL
n : 177 : number of companies covered by IDL
CBF Value : CBF of enterprises
AUM : exposure to the company (market value)
EV : corporate value

Indicator D

$$D = \sum_{i=1}^n \frac{AUM_i}{\sum_{i=1}^n AUM_i} \times \frac{CBF\ Value_i}{Capital\ Emp_i}$$

WITH:

i : invested companies covered by IDL
n : 177 : number of companies covered by IDL
CBF Value : CBF of enterprises
AUM : exposure to the company (market value)
Capital Emp : capital deployed by the company

The biodiversity footprint of the investments is -643 km². MSA at end-2022:

The industrial sector, which represents only 12% of the portfolio, has a biodiversity footprint of -353 km² MSA, which is 55% of Groupama's total footprint. The second most impactful sector is the financial sector, in particular because of its high weighting in the portfolio. These two sectors have a total footprint of -541 km² MSA, or 84% of the portfolio's footprint.

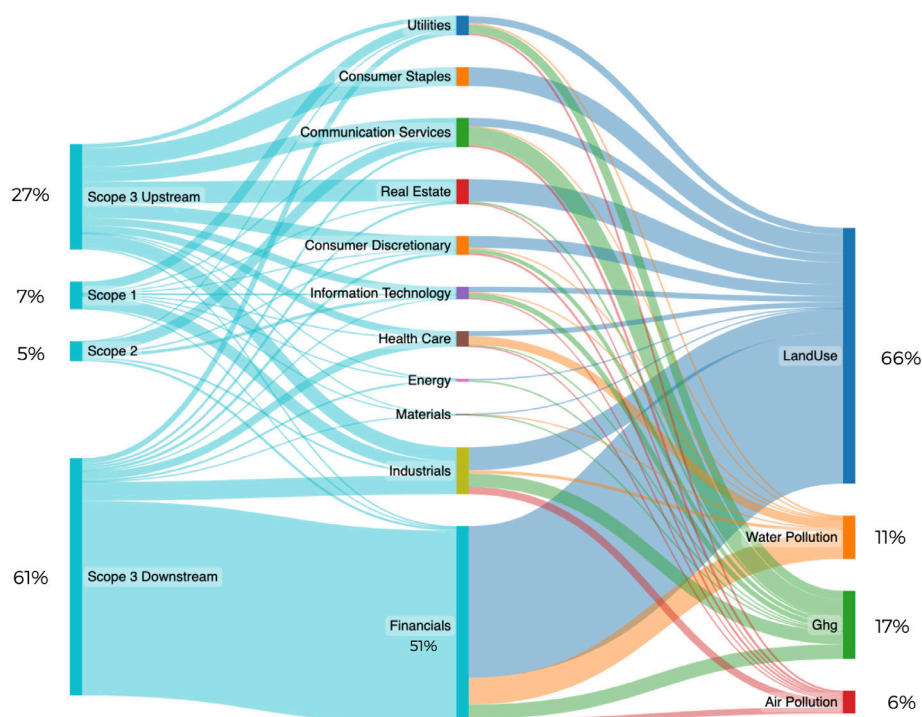
Groupama's average biodiversity intensity is -0.07 km². MSA per million € invested and -0.05 km². MSA per million of capital deployed. In other words, on average, when Groupama invests €1 million, 0.07 km² of MSA is degraded (the equivalent of seven football pitches).

When Groupama invests €1 million in the materials sector, 0.1 km² of MSA is degraded.

The sector with the greatest impact on biodiversity per million invested is the industrial sector.

The analyses identified **land-use change** (or habitat change) as the main pressure, explained by the Scope 3 of financial institutions, which account for half of the portfolio.

Relative contribution of value chain, sectors and pressures on biodiversity to Groupama's biodiversity footprint



B. MEASURING DEPENDENCE

The ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) database was developed by the Nature Capital Finance Alliance in partnership with the World Conservation Monitoring Centre (UNEPWCMC). It can be used to assess the potential dependence of companies on biodiversity and, in particular, on the 21 ecosystem services, based on the production processes specific to each activity of a company.

ENCORE data is based on a combination of scientific data from specialist literature, interviews with sector

experts, and other physical data (drought/precipitation maps, meteorology, soil sedimentation, endangered species, etc.).

The ENCORE database is used to assess a company's potential dependence on different ecosystem services. The awarded rating varies on a scale from zero dependency to very high dependency.

The final dependence rating for each production process is placed on this scale:



The rating is calculated according to the following two parameters:

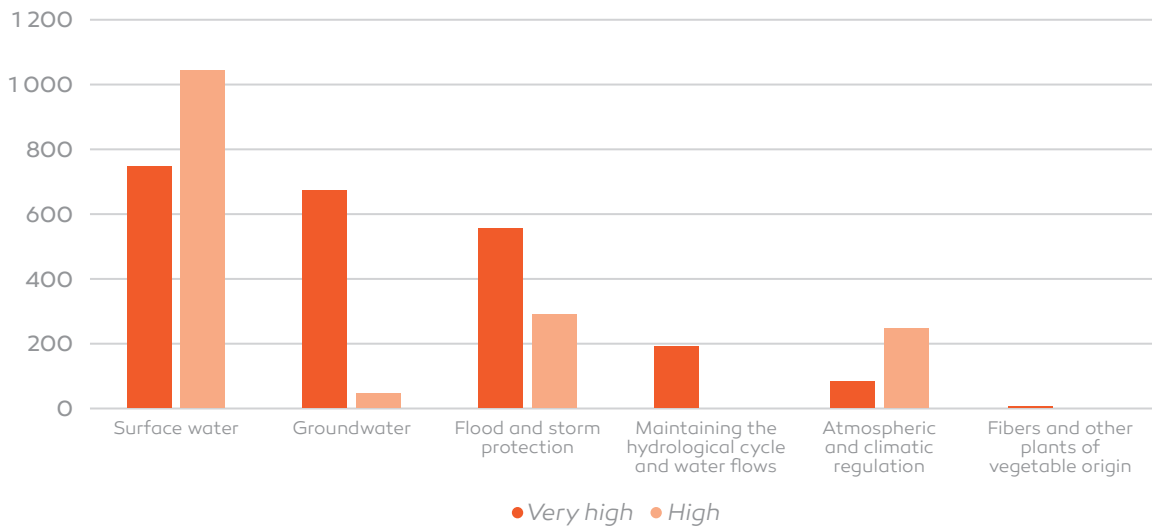
- The level of loss of functionality if the ecosystem service is disrupted (limited, moderate, or severe)
- The level of financial loss associated with this loss of functionality (limit, moderate, or severe)

However, this methodology has its limitations. This is because the analysis essentially relies on a highly

statistical, top-down approach based on financial data that takes no account of the policies and strategies pursued by issuers. Scope 3 upstream and downstream is not taken into account in this method either; only direct impacts are counted.

At the end of 2022, the highest dependence represents less than 10% of the assets covered by the analysis: €750 million is heavily dependent on surface water.

Main portfolio dependencies



Using the “water” score developed by GAM, the average score for the €750 million invested in issuers with a very high dependence on surface water is 54/100.

This score is a weighted average of four components: two relating to the current situation (consumption and overall strategy) and two more forward-looking components assessing the credibility of commitments to reduce consumption and the amount of polluted water discharged.

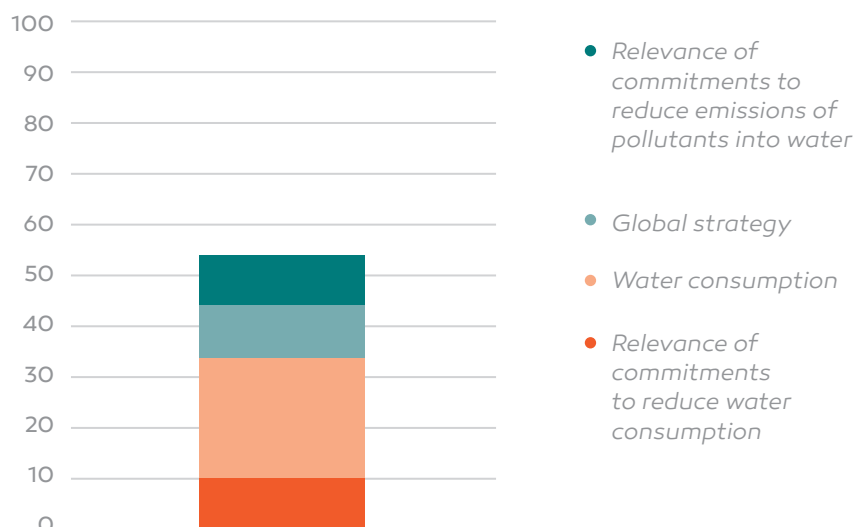
This relatively low score is explained by the weakness of the commitments made to reduce water consumption

and the quantity of polluted water discharged and not by their current consumption, which is relatively in line with sector practices.

A detailed analysis by issuer of 30 positions from eight different sectors shows that nine of them (representing €150 million) have an overall water score below the average for their sector.

These eight companies will be specifically monitored with the aim of reducing their level of water dependency.

Average «water» score for highly dependent exposures



3. GROUPAMA'S BIODIVERSITY STRATEGY IS IN LINE WITH THE LONG-TERM OBJECTIVES RELATING TO BIODIVERSITY IN ORDER TO REDUCE THE PRESSURES AND IMPACTS DEFINED BY THE IPBES

The analysis of the portfolio's impacts and dependence highlighted the key issues for Groupama, which are land-use change (including deforestation) and water. The next challenges for the Group are to enrich the analysis of the issuers concerned so as to support them in reducing the pressures exerted and the dependencies identified.

Why deforestation?

Deforestation is one of the major causes of land-use change (the main impact identified by Groupama's portfolio), and the tools for combating deforestation through investment are developing rapidly, enabling Groupama to implement a targeted, credible policy.

A. What is the problem?

According to the latest estimates from the FAO (Food and Agriculture Organization of the United Nations), global deforestation has accelerated in recent years, reaching an annual average of 10 million hectares between 2015 and 2020, compared with 7.6 million hectares per year between 2010 and 2015.

Although most countries around the world have enacted laws and regulations to reduce deforestation, less than 20% of forest area in South America and Africa are covered by long-term protection and management plans.

B. What for?

According to the IPCC, combating deforestation is one of the most effective ways of helping to fight climate change. Forests absorb approximately 15 gigatonnes of CO₂ per year, while deforestation and degradation of forest areas generate the equivalent of 8 gigatonnes of CO₂ per year.

The loss of tropical forests is also a major threat to biodiversity, as these ecosystems are home to a wide variety of unique animal and plant species.

The fight against deforestation is one of the main levers for reducing land-use change defined by the SBTN (Science-Based Target Network). The SBTN defined an initial framework for action to combat land-use change, SBTN Land, in February 2023. It has three components aimed at reducing land conversion, reducing land use, and increasing soil integrity. Combating deforestation is one of the levers identified to reduce soil conversion.

C. How can the subject be addressed?

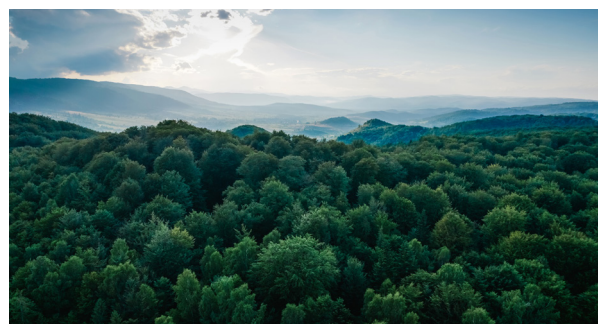
The theme of deforestation for Groupama targets two issues:

1. **Deforestation,**
2. **Imported deforestation, a critical theme for European issuers.**

The issue was given particular prominence at COP 15 in December 2022 and has supported the development of numerous private initiatives.

Today, tools to combat deforestation through investment are developing rapidly and can support an investment policy that takes this risk into account. These tools include:

1. **A good understanding of the causes and value chains responsible for deforestation,** enabling critical emitters to be identified more accurately. In this respect, the Global Canopee ranking, for example, which also assesses the deforestation policies of financial institutions, is an available tool for evaluating major issuers,
2. **The publication of information by companies on their exposure to the risk of deforestation** (CDP Forest questionnaire),
3. **The development of data on deforestation** using satellite data tracking tools.



In line with the global objectives set at COP 15, Groupama is guiding its biodiversity strategy by prioritising 3 of the 23 Kunming-Montreal targets:

- **Target 8:** minimise the impact of climate change (via its climate strategy) through actions to preserve biodiversity.
- **Target 15:** monitor and disclose the impacts of companies financed by Groupama. The work performed in 2022 to assess impacts and dependencies, as well as the changes to GAM's rating methodology aimed at integrating biodiversity, are a step in this direction.
- **Target 19:** contribute to the estimated €200bn/year funding requirement for biodiversity between now and 2030. In this respect, Groupama is aware that the fight against climate change cannot be limited to the energy sector, with the challenge of decarbonising the production mix and promoting energy efficiency, but that preserving the climate is also intrinsically linked to preserving nature. Groupama is looking into the possibility of investing in **"Natural Capital"** solutions as part of its private equity and infrastructure strategy. These are nature-based solutions that aim to finance projects that combine profitability and impact: conservation and restoration of ecosystems and sustainable means of subsistence for local populations.

The three targets selected today are the starting point for Groupama's biodiversity of investments strategy, and the Group leaves open the possibility of taking on other targets in the short, medium, or long term.

The two key themes, deforestation and water, are the subject of in-depth work by the group to reduce the main pressures and impacts generated by the investment portfolio on biodiversity, as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

Changes in land use, particularly deforestation, are receiving increased attention from the Group through its investments.

Various sectors of activity are involved in deforestation around the world, and the causes vary according to the geographical areas concerned (such as livestock and soya farming in Brazil, coffee farming in Uganda, and cocoa farming in Côte d'Ivoire). Responses must therefore take account of specific geographical and political circumstances. In this sense, European legislation on imported deforestation aims to capture the various regional issues and to increase investor vigilance regarding the risks incurred by issuers as a result of deforestation.



The main sectors involved in deforestation worldwide are:

- Large-scale livestock farming and agriculture, in particular the cultivation of certain raw materials such as soya, cocoa, coffee, and palm oil
- Industrial tree plantations and large-scale logging
- Production of timber, firewood, and charcoal
- Mining
- Transport infrastructure
- Urban expansion

Groupama Immobilier manages more than 22,000 hectares of forest land, through 29 forests, 50% of which are located in the southwest, making it one of France's leading institutional managers. Its assets consist of:

- Natura 2000 sites offering specific protection for birds, fauna, and flora
- Natural zones of ecological, flora, and fauna interest (ZNIEFF)
- Wetland protection areas (RAMSDAR)

Groupama carried out environmental zoning of its forestry company's forests on 1/3 of the surface area (7,000 hectares) as of 31 December 2022.

As a continuation of this exercise and in order to highlight and protect the biological diversity of forest assets, a researcher was recruited in 2022.

D. OUR CONTRIBUTION TO A SUSTAINABLE SOCIETY

1. IN SEARCH OF SOCIAL IMPACT

The challenges facing our society call for a transition that is both ecological and social to make it more sustainable and more inclusive. As a mutual insurance company, the search for a positive social impact is fundamentally anchored in Groupama's values and is reflected in the three pillars of our **CSR strategy**. Groupama places particular emphasis on the duty to advise by strengthening the quality and formalisation of its practices in order to develop a relationship of long-term trust that is useful to customers. In addition, Groupama is committed to offering various solutions and services to meet the challenges of demographic, climate, and digital transitions, as well as retirement. Lastly, the Group has placed prevention at the heart of its policy for more than 60 years and launched the "Gestes Qui Sauvent" programme at the end of 2021 to raise awareness of this issue. In addition, Groupama wishes to be a key player in its territories by pursuing **a regional policy of partnerships and philanthropy with the local ecosystem** and by supporting local economic initiatives in order to be a leader in mutual aid.

Beyond climate and environmental issues, which are key to its investment policy, Groupama fully integrates social and societal issues into its investment choices, even if the measurement and formal structure are even more complex than for environmental issues, mainly due to the lack of standards and data. The two asset classes for which integration of the S pillar is most advanced are unlisted assets (infrastructure and corporate private debt) and listed bonds via Social Bonds. The objectives are primarily:

- Decent work and growth
- Education
- Access to health care and health awareness
- Reducing inequality

> SOCIAL IMPACT BONDS

Groupama also invests in bonds with a social or sustainable impact (Social Bonds, Sustainable Bonds). These bonds address key social issues, measure their social impact, and contribute to the creation of sustainable value for all stakeholders. At 31 December

2022, the amounts invested by Groupama in social impact bonds represented €161 million (€79.1 million at the end of 2021).

> LANCEMENT D'UN FONDS DE DETTE PRIVÉE À IMPACT SOCIAL EN 2022

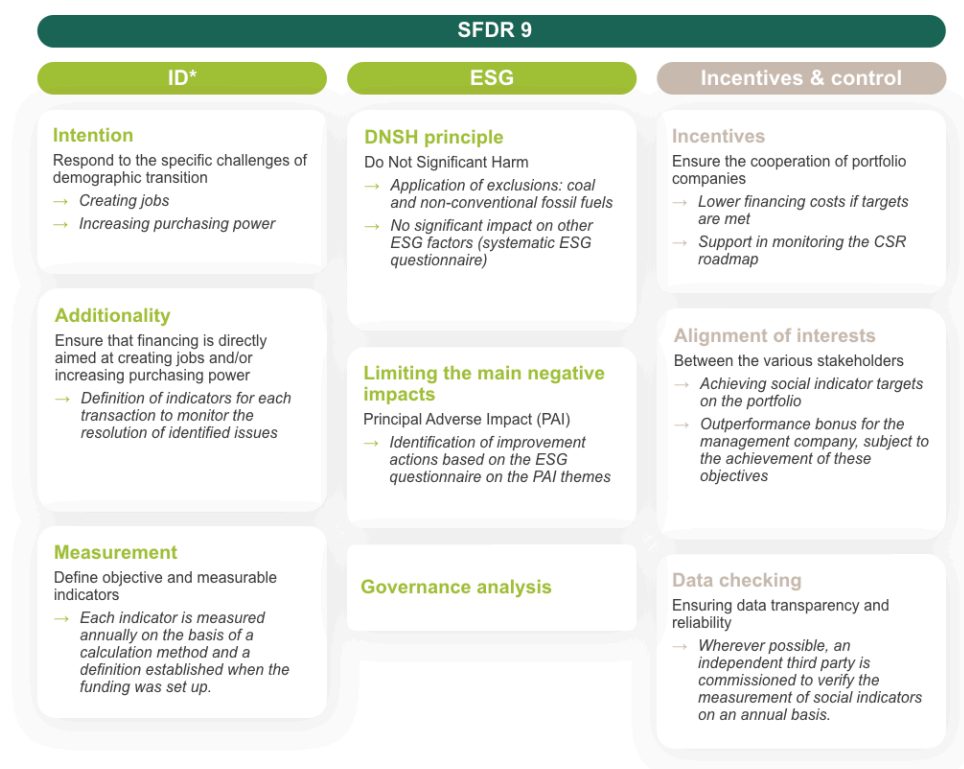
In March 2022, Groupama Asset Management launched a private debt fund, Groupama Social Impact Debt, classified under Article 9 SFDR. As of 31 December 2022, €163 million was raised out of a target of €200 million. The aim of Groupama Social Impact Debt is to offer Groupama customers the opportunity to make a social impact through their investment by investing in SMEs rooted in the local community and committed to human capital management. Groupama invests in the local economic fabric by supporting entrepreneurs directly through loans of between €5 million and €20 million. To align our convictions as a player in sustainable finance and as an investor, we select solid companies that are committed to improving their social performance. Through this fund managed by Groupama Asset Management, Groupama aims to promote job creation and increase purchasing power in order to have a **positive, concrete impact**

on companies and their employees. The fund's social impact is measured using specific indicators, such as the conversion of temporary employment contracts into permanent employment contracts, movement in salaries and wages, and equity ratios.

Driven by Groupama's impact approach, the Groupama Social Impact Debt fund seeks to meet the three main characteristics of impact:

- **Intentionality:** the investor's explicit intention to help generate measurable social or environmental benefits;
- **Additionality:** the specific action or contribution enabling the investee company or financed project to increase the net positive impact generated by its activities;
- **Impact measurement:** the impact indicators used and communicated in impact assessments and reports.

Presentation of the Groupama Social Impact Debt fund – Groupama Asset Management



For a number of years now, insurers have been working to boost the integration of ESG criteria (and often climate issues as a priority) into their investment strategies. As institutional investors, the aim is to accelerate the mobilisation and scale of responsible investment in response to the climate emergency. Aware that mobilising French savings is an important lever, insurers are now working to develop a range of responsible unit-linked products for individual investors. This approach is in response to growing demand from investors for responsible investment vehicles and to regulatory requirements. Starting in 2022, insurers must comply with new regulatory obligations: under the PACTE law, each multi-vehicle life insurance policy must now include a unit-linked item (UL) backed by an SRI-certified fund, a UL backed by a GreenFin fund, and a UL backed by a solidarity fund. Financial advisors will also need to investigate the ESG impact and preferences sought by customers through their investments in order to offer them financial products tailored to their preferences.

2. AVAILABLE ESG SAVINGS PRODUCTS

Groupama offers single-vehicle life insurance contracts (funds in euros) or open-architecture multi-vehicle contracts with either independent management or delegated management:

- With “independent management”, investment decisions are made by the customer, who chooses unit-linked products from a range of investment options determined by Groupama GanVie with the support of Groupama Asset Management and the Financial Operations and Investments Department.
- With “delegated management”, Groupama offers its customers various allocation profiles that meet their risk profile; in the form of Delegated Management, their portfolio changes depending on the financial environment and the convictions of the Groupama teams. These portfolios combine the euro fund and UCIs managed by Groupama Asset Management or other management companies along with property, unlisted securities, or structured products. The Group’s delegated management, devised by Groupama Gan Vie and deployed since April 2018 in all the Group’s networks, offers five risk profiles: conservative, moderate, balanced, dynamic, and aggressive.

> A SUSTAINABLE DELEGATED MANAGEMENT OFFER

Since the end of 2019, Groupama has been offering its customers the option of investing according to a sustainable profile or keeping their traditional investments. All the delegated management risk profiles (conservative, moderate, balanced, dynamic, and aggressive) have been duplicated in a sustainable version. Each investor is therefore free to invest according to their appetite for sustainability factors,

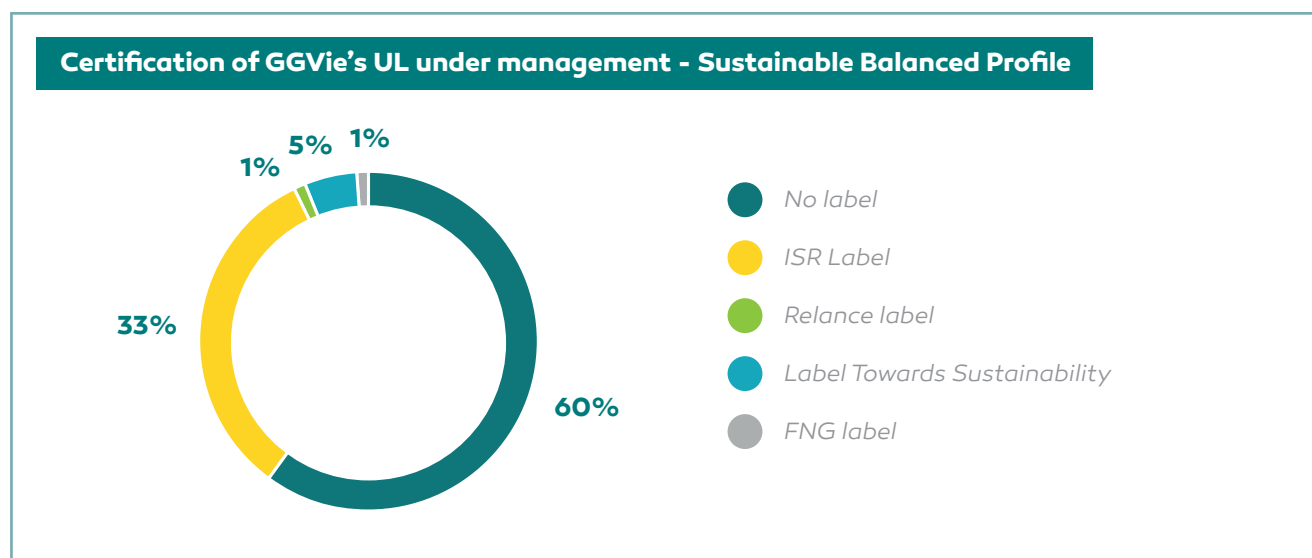
their plans, their situation, and their investment horizon. As of 31 December 2022, the five sustainable delegated management profiles totalled €1,571 million (€1,271 million at the end of 2021, which is a significant increase despite very unfavourable market value trends in 2022), representing an average amount per contract of €86,946 (€59,048 at end-2021).

As of 31 December 2022, the Sustainable Balanced profile of Sustainable Delegated Management was still the most represented profile and reached €1,195 million.

Market value of assets under management in the sustainable balanced delegated profile between 2021 and 2022

Year	Date	Assets under management (€)	Assets under management – number of contract (€)
2021	31/12/2021	1,184,937,335	28,553
2022	31/12/2022	1,194,627,725	68,704

Although sustainable delegated management represents only 12% of GGVie's UL investments, 40% of them were certified as of 31 December 2022:

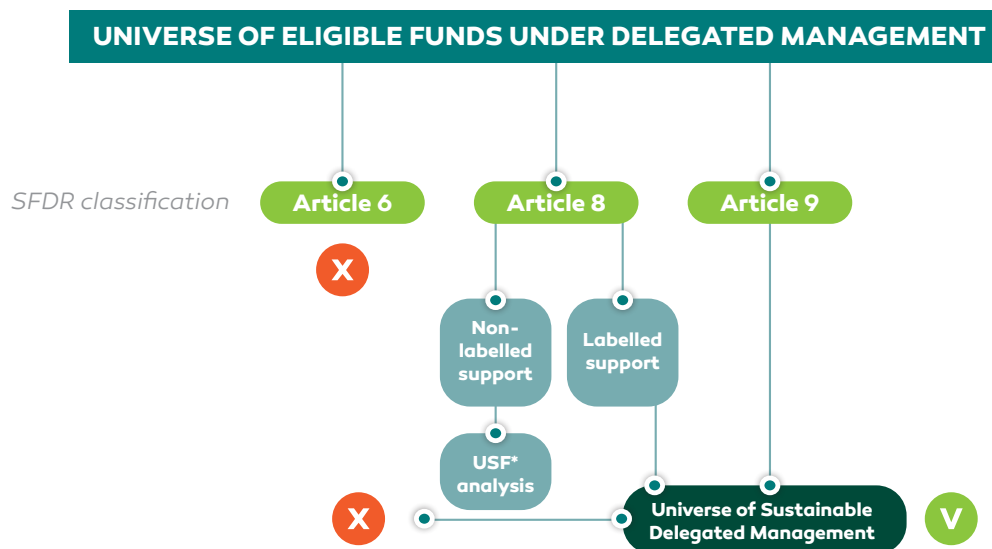


> SUSTAINABLE INVESTMENT UNIVERSE FOR DELEGATED MANAGEMENT

The sustainable investment universe for delegated management is made up of equities, bonds, or diversified vehicles invested in securities selected on the basis of financial and non-financial analysis criteria using the same principle as the rest of the management (detailed in Section I-A *General approach*). The sustainable universe for delegated management is made up of vehicles that:

- have a sustainable investment objective (in accordance with Article 9 of the SFDR);
- or promote environmental and/or social characteristics (in accordance with Article 8 of the SFDR) and have either obtained a responsible and sustainable investment certification or have been selected by Groupama, which recognises the inclusion of Environmental, Social, and Governance criteria in the investment strategy of the vehicle (see diagram above). In this context, and to ensure that the funds are eligible for future certifications, the analysis consists in selecting funds that belong to AMF category 1.

Process for selecting vehicles eligible for Sustainable Delegated Management



* supports must belong to category 1 AMF

Groupama offers “sustainable” structured products issued by partner banks, constituting UL vehicles for life insurance contracts. Most of these products are green bonds, designed to finance or refinance exclusively green projects with a positive environmental impact. The formulas depend on the movement of equity indices selected for their climate/ESG performance. In 2022, Groupama marketed 11 additional products (6 in 2021), including 6 with a charity focus (4 in 2021).

ESG structured products marketed in 2022

Product	Index	Index type	Bond allocation	Charity project
Versalto May 2022	Euro Stoxx 50 ESG	ESG	Standard	NA
Porphyre Vert May 2022	MSCI France Select ESG 30 Decrement 5%	ESG	Green Bond	Cœur de Forêt
Heliopse May 2022	EURO iSTOXX ESG Performance 50 NR Decrement 5%	ESG	Standard	La Fondation de la Mer
Hanami Technologie May 2022	MSCI World Technology Select ESG Top 50 Decrement 5% EUR	ESG	Standard	NA
Versalto Septembre 2022	Euro Stoxx 50 ESG	ESG	Standard	NA
Porphyre Transition Climat Septembre 2022	MSCI Euro Climate Select 50 Paris Aligned 5% Decrement	Environment	Green Bond	Contrat Carbone : MARAJÓ
Heliopse Engagement Social Septembre 2022	MSCI France Select ESG 30 Decrement 5%	ESG	Social Bond	APHP Hôpital Necker - Enfants Malades
Copal Septembre 2022	Euronext® France Energy Transition Leaders 40 EW Decrement 5%	Environment	Standard	NA
Opportunité Zen January 2023	Euro Stoxx 50 ESG	ESG	Standard	NA
Porphyre Vert January 2023	MSCI France Select ESG 30 5% Decrement Index®	ESG	Green Bond	Cœur de Forêt
Heliopse January 2023	EURO iSTOXX ESG Performance 50 NR Decrement 5% Index®	ESG	Standard	La Fondation de la Mer

> EXPANSION OF THE OFFER WITH THE CREATION OF A NEW THEME-BASED DELEGATED MANAGEMENT IN 2023

Groupama wants to adapt to the high expectations of its customers in order to give meaning to their savings. To do this, it worked in 2022 to develop new themes that respond to society's major issues: the economy, health, improving living conditions, and education. These new savings products, available initially in the first quarter of 2023 for the balanced profile, provides more choices to customers.

Theme-based delegated management represents an additional degree of commitment to non-financial criteria since it is possible to choose a specific investment theme that corresponds to one's convictions and engagement priorities. **Theme-based delegated management** will thus enable investors to invest in funds that address major economic, social, and environmental issues through the concrete actions of the companies in their portfolios. Two themes will be proposed at first:

- **Human development delegated management:** this management profile has a social objective and focuses on health and well-being, education and learning, gender equality, and decent work in a context of economic growth. The minimum expected proportion of the portfolio with environmental and/or social characteristics is 80%.

- **France/Europe outlook delegated management:** this management profile allows investment with a focus on France and Europe in order to contribute to the development and growth of these regions.

In line with the Group's sustainable savings and investment policy, and convinced that the sustainable offering is a constantly evolving area, several changes to GGVie's offerings are expected in the coming years:

- By continuing to support sales staff, members, and customers in learning about and choosing sustainable products and services, particularly the new savings products and services;
- By adapting the Human Development and France/Europe Outlook themes to other risk profiles;
- By enriching the offering with new themes to enhance personalisation and alignment with customers' preferences and favourite themes.

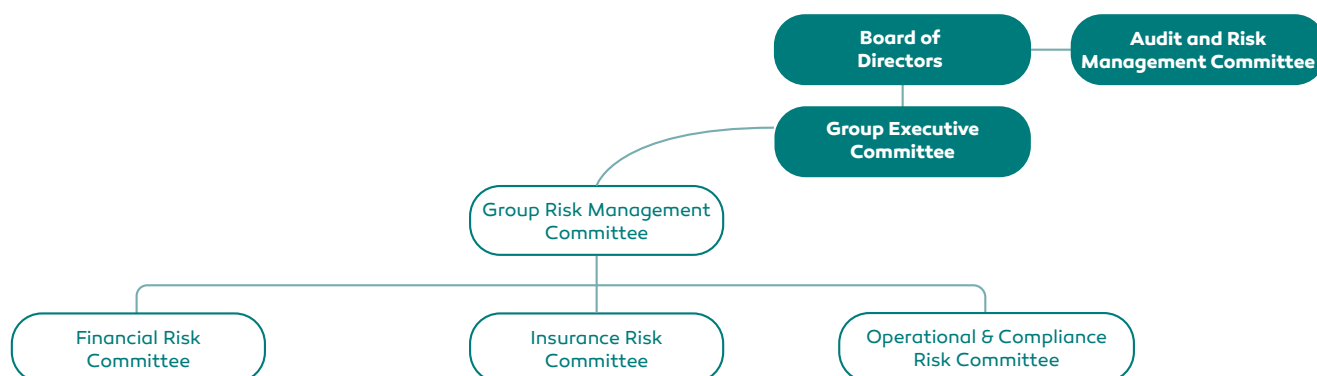


5 - APPROACH TO INCORPORATING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CRITERIA INTO RISK MANAGEMENT, PARTICULARLY PHYSICAL, TRANSITION, AND RESPONSIBILITY RISKS RELATING TO CLIMATE CHANGE AND BIODIVERSITY

A. INTEGRATION OF SUSTAINABILITY RISKS INTO GROUPAMA'S RISK MANAGEMENT

Sustainability issues are managed at Group level and integrated into Groupama's various teams as described in the dedicated section [ESG Organisation and Governance]. However, in order to better control all the risks to which Groupama is exposed, the governance of the risk monitoring system is ensured at Group level by several bodies:

- **The Group Risk Management Committee**, made up of members of the Group Executive Committee and the Head of the Key Risk Management function, which draws on the work carried out by the risk management committees for each risk family and meets twice a year.
- **The Risk Management Committees by risk family** (insurance, financial, operational, and compliance), which define the risk management framework and report to the Group Risk Management Committee twice a year.



To identify the risks to which **the Group** is exposed, Groupama has mapped the major risks, which is adjusted, after validation by the Group Executive Committee, once a year to adapt to the Group's risk profile. Each of the risks is documented, quantified, and reviewed by its specialised committee and then summarised for review by the Group Risk Management Committee and validation by the Audit and Risk Management Committee

The need to take account of climate change and the erosion of biodiversity has led Groupama to begin work on changing this nomenclature in 2023. As the impact of sustainability risks is varied and spread across most insurance and financial risks, it was decided to include them directly in the Group's current Major Risks. The

approach consists in making an inventory of the major risks concerned by physical and transitional risks within the existing nomenclature and qualifying the impact of these climatic risks on the monitoring of the major risk. Physical and transition risks will then be fully integrated into the various risk committees by risk family as presented above.

In addition, the country limit system has been updated to introduce sustainability via the ND-Gain index. The country limit system is part of the secondary limit system put in place to limit concentrations (issuers, country seniority, etc.) within portfolios.

The Group Risk Management Department also defines a set of financial and insurance stress tests including climate data (based on, for example, the occurrence over a sub-annual period of recent climate events) whose objective is to simulate the impacts on the Group's solvency. Work is underway to incorporate various climate scenarios into current financial and insurance stress tests over the medium term and to assess the resilience of portfolios to climate change. In 2023, Groupama will participate in the stress test conducted by the ACPR (Autorité de contrôle prudentiel et de résolution).

To monitor sustainability risks **on assets**, the Risk Department relies on the reports and conclusions of the various entity committees:

- Sustainability Risk Committee for Groupama Asset Management
- Green and tertiary CSR Management Committee for Groupama Immobilier
- ESG Investment Committee for the DOFI (Financial Operations and Investment Department)

A summary dashboard is examined by the specialised financial risk committee. This dashboard highlights the trajectory of Groupama's exposures with regard to the indicators selected (carbon intensity, green share, ND-Gain score, etc.). It is communicated to the Steering Committee/Ethics and Sustainability Committee and then validated by the Audit and Risk Management Committee on an annual basis.

The main indicators and the trajectory for meeting commitments are set out in the ORSA report based on the 2022 accounts.

B.ASSESSING SUSTAINABILITY RISKS

1. ASSESSING EXPOSURE TO PHYSICAL AND CLIMATE CHANGE TRANSITION RISKS

Climate change is leading to an increase in the frequency, intensity, and duration of climate events (storms, floods, droughts, fires, etc.). The associated risks are increasing, threatening food systems, access to water, soil, people's livelihoods, infrastructure, and the health of humans and ecosystems. In the course of their activities, companies and institutions can be affected by climate change through various risks:

- **Physical risk** is defined by the regulator as the financial impact incurred by institutions as a result of climate change, such as an increase in the frequency of extreme weather events or the erosion of biodiversity and the services it provides to businesses. Two types of physical risks have been identified: the acute physical risk that comes from an extreme weather event and the chronic physical risk resulting from a gradual change in the environment.

- **Transition risk** refers to the adverse impacts on a financial institution resulting, directly or indirectly, from a transition to a low-carbon and greener economy that is more respectful of natural ecosystems. These risks may manifest themselves in regulatory changes to climate policies or a change in market sentiment or preferences.
- **Liability risk** concerns all the financial impacts resulting from possible legal action for having contributed to climate change or the erosion of biodiversity or for not having taken sufficient account of the related risks.

To measure the exposure of its activities to these sustainability risks, Groupama conducts an annual study of the exposure of its various portfolios to physical and transition risks by measuring the physical and transition risk exposure score (for equity and corporate bond portfolios) and the ND Gain score for sovereign bonds. In 2022, Groupama expanded the scope covered by its analyses by including the real estate assets managed by Groupama Immobilier via risk mapping based on the Resilience for Real Estate (R4RE) platform offered by the Observatoire de l'immobilier durable.

Groupama also conducts an analysis of the impacts and dependencies of its portfolio on biodiversity (see Section IV-C on the biodiversity strategy). Within the analysed scope, the impacts generated by the investment portfolio mainly concern changes in land use. They represent a transition risk to which the Group is attentive. Among the very strong dependencies of the analysed portfolio, surface water stands out as a potential physical risk for issuers (the ENCORE analysis is based on sector data, not issuer-specific data).

> LISTED EQUITY PORTFOLIO [LOOK-THROUGH VIEW]

	2022				2021			
	% 2022	Coverage rate (%)	MSCI Europe Index	Index coverage rate	% 2021	Coverage rate (%)	MSCI Europe Index	Index coverage rate
Physical risk score (%)	18.9%	88%	21.8%	98%	28%	50%	33%	50%
Transition risk score (%)	34.5%	88%	41.3%	98%	34%	50%	36%	50%

> CORPORATE BOND PORTFOLIO [LOOK-THROUGH VIEW]

	2022				2021			
	% 2022	Coverage rate (%)	MSCI Europe Index	Index coverage rate	% 2021	Coverage rate (%)	MSCI Europe Index	Index coverage rate
Physical risk score (%)	16.5%	87%	19.8%	93%	30%	49%	27%	49%
Transition risk score (%)	31.8%	87%	38%	93%	34%	49%	35%	49%

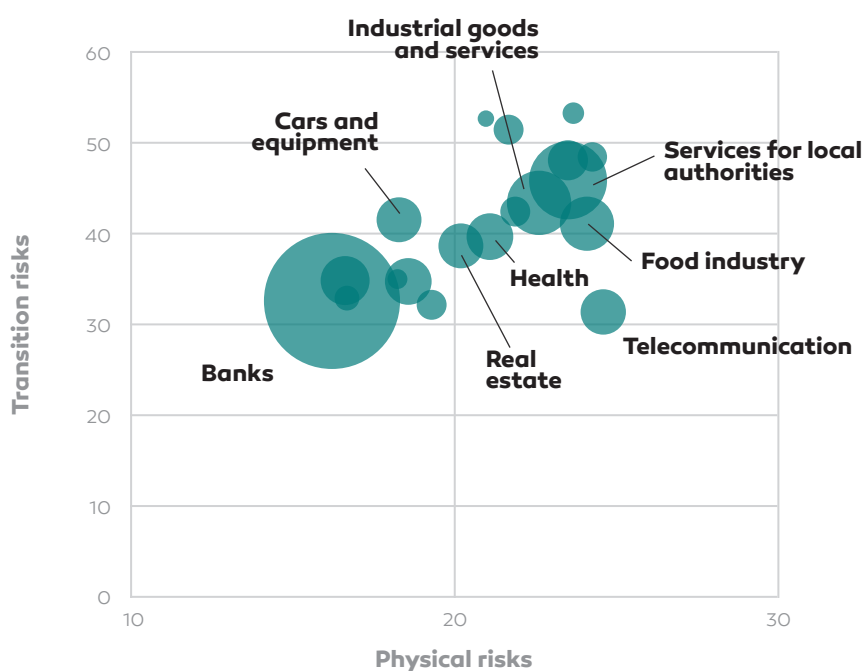
> OVERALL EQUITIES AND CORPORATE BONDS PORTFOLIO

	2022		2021	
	% 2022	Coverage rate (%)	% 2021	Coverage rate (%)
Physical risk score (%)	16.8%	87%	28%	50%
Transition risk score (%)	32.1%	87%	34%	50%

The presented data have a much higher coverage rate than in 2021 (87% compared with 50% in 2021) thanks to an improvement in the methodology used to apply the inheritance rules (subsidiaries/parent company) for issuers not covered. This change contributed to the decline in physical and transition risk scores between 2021 and 2022 for the overall equity/corporate bond portfolio.

The matrix has changed since last year: there is a greater grouping of sectors around an average dependency of sectors on physical risks and transition risks.

Physical and transition risks



> SOVEREIGN BOND PORTFOLIO

To measure the exposure to physical and transition risks of investments in sovereign debt, which represent 42% of the Group's portfolio as at 31/12/2022, Groupama uses the Global Adaptation Index provided by the University of Notre Dame in the United States (ND Gain Index).

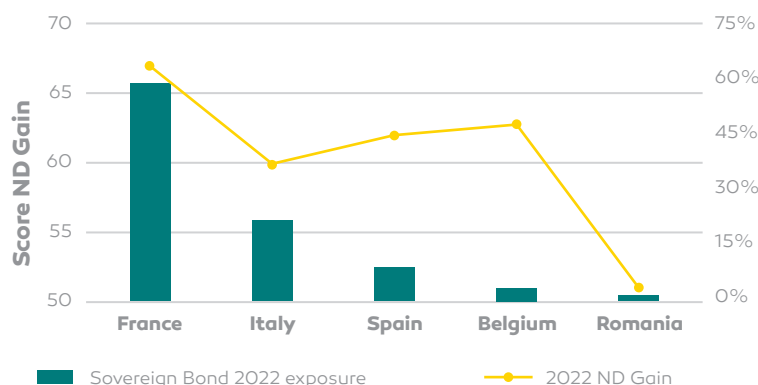
All in all, Groupama's sovereign debt investment portfolio has a good ND Gain score due to the low exposure to physical risks in its portfolio mainly invested in Europe (France, Italy, Spain, Belgium, and Romania).

The ND Gain index is a country risk measurement tool that calculates a country's exposure and vulnerability to climate shocks (Vulnerability score) as a function of its degree of preparedness (Adaptability score), defined as the extent to which it uses its economic, social, and governance resources to reduce the risks associated with climate.

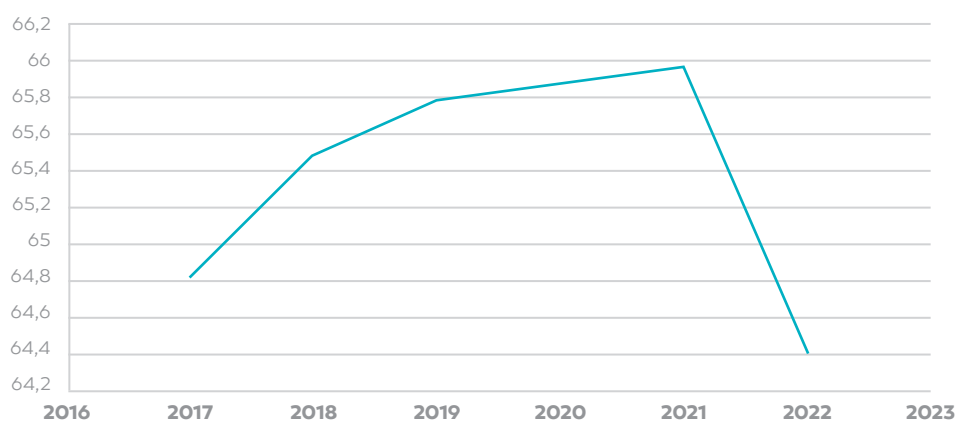
The vulnerability score measures a country's exposure, sensitivity, and capacity to adapt to the negative impact of climate change, taking into account vulnerability in six life-sustaining sectors: food, water, health, ecosystem services, human habitat, and infrastructure. The lower the score, the better.

The adaptability score measures a country's ability to take advantage of investments and convert them into adaptation measures. The higher the score, the better. An overall score is then determined.

Groupama's exposure to the total sovereign bond portfolio at 31/12/2022 as a function of the ND Gain score



ND gain exposure of the portfolio



The 2022 ND Gain score is 64.4, below the 2021 score (66). **This is mainly due to the increase in exposure to Romanian sovereign bonds.**

> PROPERTY PORTFOLIO

Groupama Immobilier assesses the climate risk exposure of its property portfolio using the Resilience For Real Estate (R4RE) platform, which includes the Bat-ADAPT climate risk analysis tool.

This mapping allows exposure to physical risk to be analysed using building location data and time projections of climate hazards (heat waves, droughts, floods, and coastal flooding) to 2030, 2050, 2070, and 2090.

A brief questionnaire on the intrinsic characteristics of the building (type of materials, presence of protection, etc.) characterises its sensitivity building to the various hazards:

- Heat waves reduce thermal comfort in buildings and damage networks.
- Flooding can affect buildings through water seeping into walls or damaging underground networks.
- The study was conducted at Group level on all Groupama Immobilier assets managed for the Group (approximately 70% of property assets by value).

Physical risk exposure of property assets as % of surface areas of the scope

Risk	Heat	Flooding (rising water tables and overflowing watercourses)	Cold
Very low	0%	0%	25%
Low	0%	11%	75%
Medium	3%	19%	0%
High	94%	70%	0%
Very high	3%	0%	0%

> FINANCIAL IMPACT

While the science is clear on the long-term risks associated with climate change, the financial markets are struggling to incorporate them into their normal operations and, in particular, into their traditional financial risk model.

The Banque de France and the ACPR have designed an analytical framework for quantifying climate transition scenarios and assessing the associated financial risks: climate stress test exercises in which Groupama participated. A new exercise is planned for 2023, and Groupama will participate in it. This will be an opportunity to assess the market's maturity in integrating sustainability issues. At the same time, Groupama is working internally to include climate change scenarios in its stress tests.

Approaches to the monetary quantification of climate risk are still in their infancy, and additional data is needed to transform climate risk factors into economic risks. To manage the challenges of the low-carbon transition of its portfolios, Groupama must include an assessment of the potential financial losses and gains relating to transition risk and physical risk. The introduction of relevant operational tools to assess the financial impact of sustainability risks will be added to the risk management already put in place by the Group (*described in Section V-A*). In the short term, Groupama will begin by evaluating the various existing methodologies with the aim of starting work on an initial measurement of the financial impact of transition risk on its portfolios.

2. ASSESSMENT OF BIODIVERSITY RISKS

Biodiversity risks are segmented as follows:

The physical risk associated with the erosion of biodiversity refers to the loss of ecosystem services on which economic activity relies, such as climate regulation, pollination, and the water cycle.

The transition risk relating to biodiversity characterises the risk associated with the transition to an economy that is more eco-friendly and subsequently the associated costs, whether regulatory or financial. For example, recent European regulations on imported

deforestation have made it possible to reduce the deforestation associated with certain commodities such as cocoa and coffee; they also entail costs for certification and traceability of raw materials.

These risks are currently assessed using the impact and dependency measures presented in *Section VI – Strategy to alignment with long-term biodiversity objectives*.

3. ASSESSMENT OF THE PRINCIPAL ADVERSE IMPACTS OF INVESTMENTS

Groupama, through Groupama Gan Vie, takes into account the adverse impact of investment decisions on sustainability factors. These sustainability factors are defined as environmental, social, and personnel issues, respect for human rights, and the fight against corruption and bribery (Article 2.24 of EU Regulation 2019/1988: "SFDR"). The policy for addressing adverse impacts is published in a dedicated document according to the guidance in Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 and was updated in 2022.

Groupama Gan Vie delegates the financial management of its assets held on the balance sheet to the Financial Operations and Investments Department of Groupama Assurances Mutuelles. The principal adverse impacts generated by investment decisions concern, in particular:

- Greenhouse gas emissions and their impact on climate change
- Other environmental impacts, including the deterioration of biodiversity, water pollution, and toxic waste
- Human rights abuses
- Gender pay inequality
- Lack of diversity within governance bodies
- Controversial weapons

> PAI IDENTIFICATION AND PRIORITISATION POLICY

Groupama Gan Vie applies a policy of managing negative impacts in accordance with its environmental and social commitments and the various international organisations of which the Group is a member, described in Section II-A. The Group is committed to the fight against climate change with the goal of limiting global warming to 1.5 °C above pre-industrial temperatures, in accordance with the Paris Agreement. In addition, Groupama fully supports the guidelines set by the ILO, the UN, and the OECD regarding respect for human rights and fundamental freedoms, health and safety at work, the environment, and business ethics and has made a commitment by signing the Principles for Responsible Investment.

The policy for identifying and prioritising PAIs includes several measures:

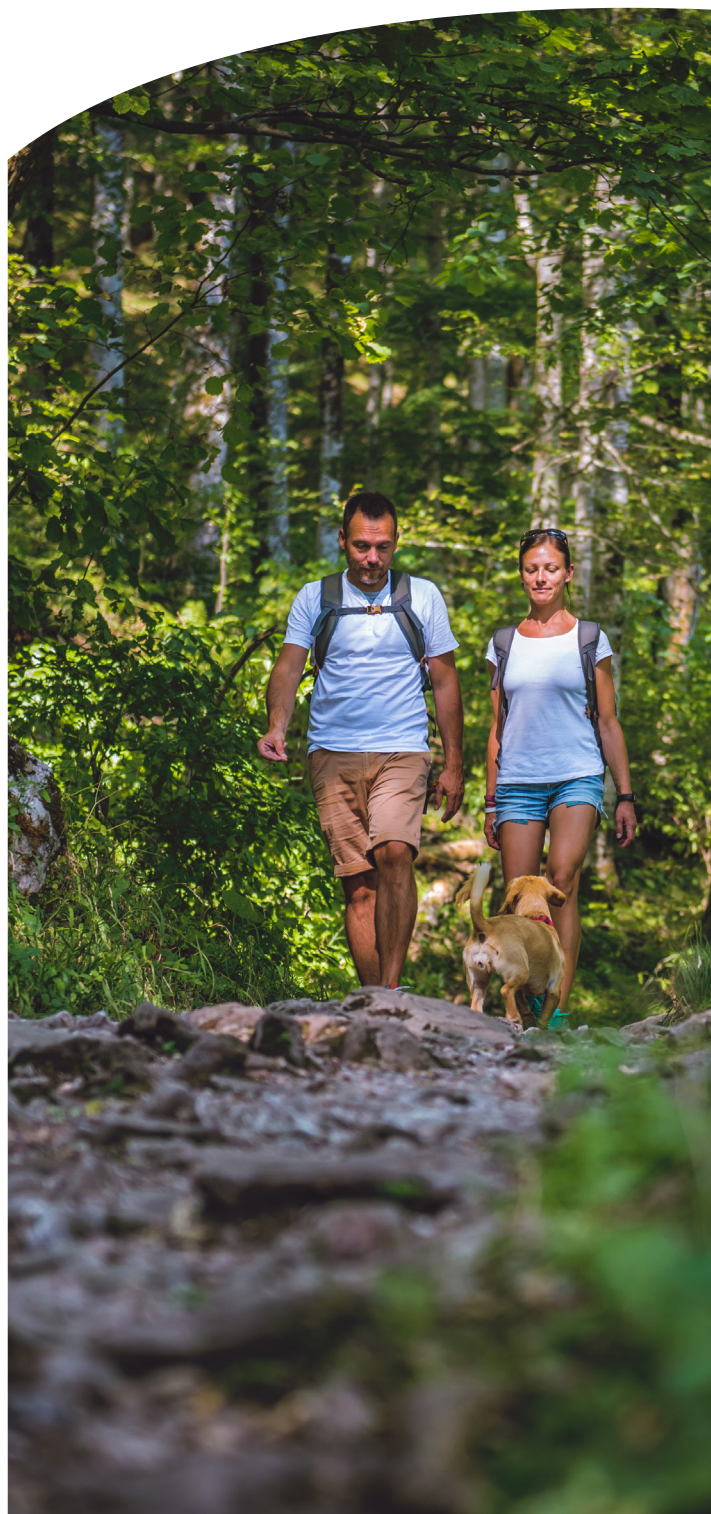
- Exclusion of thermal coal and unconventional hydrocarbons, reinforced in 2021 and 2023
- Reduction of the carbon intensity of their investments in private issuers (Scope 1 and 2) by 50% by January 2030, compared with the end of 2021.
- Implementation of a specific climate analysis to eliminate companies that are least involved in the transition
- Investing in green bonds and strengthening commitments in the property portfolio to reduce their carbon footprint.

These indicators are monitored and taken into account as part of the Group's environmental strategy detailed in Section II-A and its commitment to helping achieve the objectives of the Paris Agreement.

Groupama measures and aims to limit these negative impacts but has not yet established a methodology for mapping these them. The methodology should include the expected severity of the impact, the probability of occurrence, and the available means of control. Groupama plans to conduct research to establish an initial mapping of negative impacts over the medium term, based on the OECD's Guide to Responsible Conduct.

> ENGAGEMENT POLICY

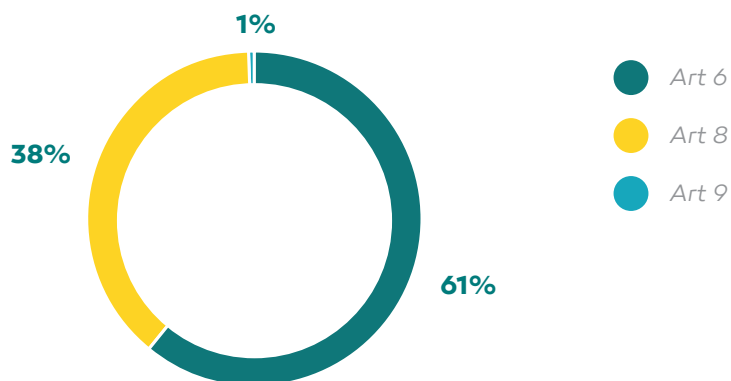
The engagement and voting policy is delegated to Groupama AM as part of its management delegation. Groupama AM is responsible for exercising voting rights at general meetings within the framework of a predefined voting policy, shareholder engagement, and dialogue with companies. As described in Section III-A, the commitment policy takes into account sustainability risks as well as issues relating to the energy and environmental transition.



APPENDICES

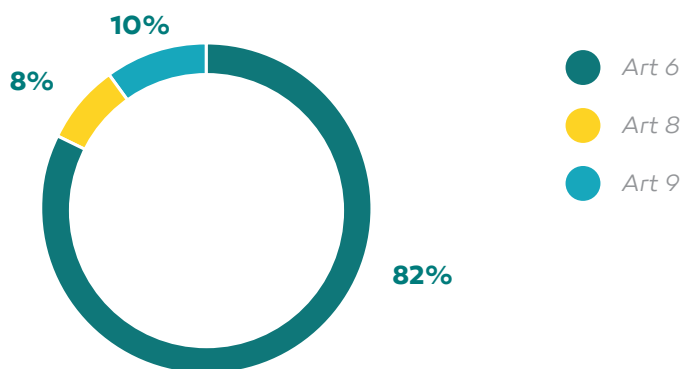
1. BREAKDOWN OF FINANCIAL PRODUCTS MENTIONED UNDER ARTICLES 8 AND 9 OF THE DISCLOSURE REGULATION (SFDR)

Listed assets UCITS (excluding UL)



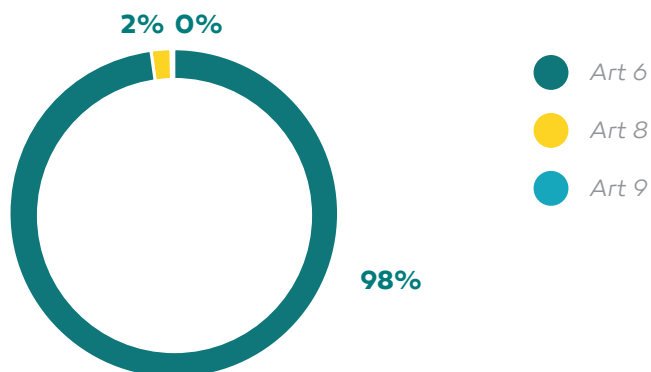
Breakdown of SFDR classification in MV at 31/12/2022

Private Equity Infrastructures (excluding UL)



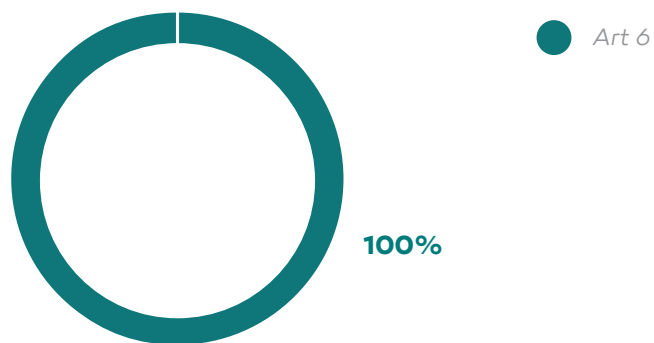
Breakdown of SFDR classification in MV at 31/12/2022

Private Equity Corporate (excluding UL)



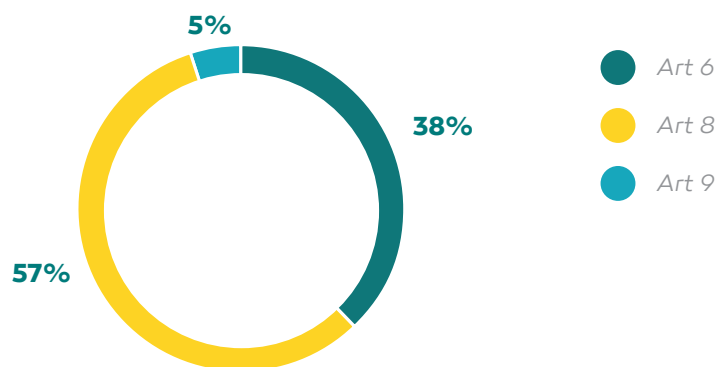
Breakdown of SFDR classification in MV at 31/12/2022

Property debt funds (excluding UL)



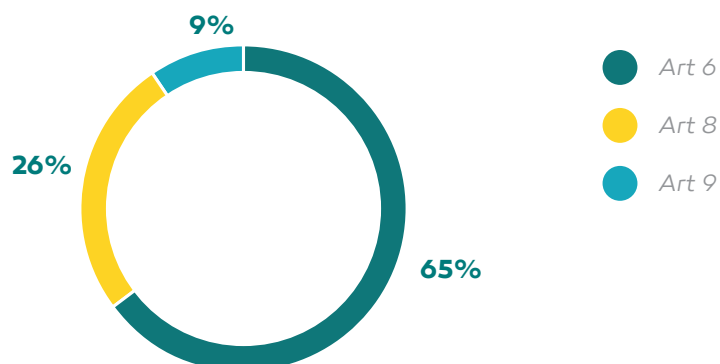
Breakdown of SFDR classification in MV at 31/12/2022

Infrastructure debt funds (excluding UL)



Breakdown of SFDR classification in MV at 31/12/2022

Corporate debt funds (excluding UL)



Breakdown of SFDR classification in MV at 31/12/2022

Glossary

Financial asset: A financial asset is a security or a contract, most of the time transferable and negotiable, which confers income or capital gains on its holder.

Share: A share is a title of ownership issued by a company. It confers on its holder the ownership of part of the capital of this company, with the rights associated with it: to intervene in the management of the company (via, for example, a vote) and to withdraw an income called a dividend.

IEA: The International Energy Agency is an organization created by the OECD to guarantee reliable, affordable and non-polluting energy to its 30 member countries and beyond. Its main areas of research are energy security, economic development and environmental awareness worldwide.

ESG criteria: Environmental, social and corporate governance criteria.

France Assureurs (formerly the French Insurance Federation): Gathering of insurance and reinsurance companies operating in France, i.e. 280 companies representing more than 99% of the market.

GHG (Greenhouse Gas): Greenhouse gases, generally taken into account in the carbon footprints or balances, are the six gases identified as such in the Kyoto Protocol, namely:

- Carbon dioxide (CO₂);
- Methane (CH₄);
- Nitrous oxide (N₂O);
- Hydrofluorocarbons (HFCs);
- Perfluorinated hydrocarbons (PFC);
- Sulfur hexafluoride (SF₆).

Socially Responsible Investment: Socially responsible investment meets mandatory ESG criteria set by investors.

Law on Energy Transition and Green Growth (LTECV), France: The law on Energy Transition for Green Growth (LTECV) published in the Official Journal of August 18, 2015, as well as the accompanying action plans, aim to enable France to contribute more effectively to the fight against climate change and the preservation of the environment, as well as strengthening its energy independence while offering its businesses and citizens access to energy at a competitive cost (Ministry of Ecological and Solidarity Transition).

Bond: A bond is a debt security issued on the financial markets.

CSR (Corporate Social Responsibility): CSR is the application of the principles of sustainable development in companies. It is an organization's responsibility of the impacts of its decisions and activities on society and the environment.

2°C scenario: Economic and/or productive scenario compatible with limiting global warming below the +2°C threshold in 2100 compared to pre-industrial levels.

Scope 1: Direct greenhouse gas emissions. It includes all the emissions generated directly by the company and its activities: factories, facilities, warehouses, offices, vehicle fleets owned by the company.

Scope 2: Indirect emissions related to energy. It brings together all emissions associated with the company's electricity, heat or steam consumption in its facilities or vehicle fleets.

Scope 3: Scope 3 corresponds to all other indirect emissions taking place upstream or downstream in the value chain of the company

Unity-linked asset: Investment vehicle (equity fund, bond fund) associated with a life insurance contract.

Enterprise value: This metric is representative of all capital employed. It takes into account market capitalization, net financial debt, minority interests, added to other assets and subtracted from other liabilities.

Data: Methodological details, sources, etc.

Provider	Speciality	Use
Moody's	Qualitative assessment of companies	<ul style="list-style-type: none"> • Social and environmental analysis of companies • Analysis of corporate governance • Analysis and monitoring of controversies
ISS ETHIX	Assistance with the application of the voting policy Monitoring of companies with production or marketing of MAP and BASM	<ul style="list-style-type: none"> • Analysis and monitoring of controversies • Monitoring of companies involved in the production, marketing and distribution of MAP and BASM • Analysis of General Meetings' resolutions and assistance with the application of the voting policy
Proxinvest - Research & Analysis	Resolution analysis of General Meetings and assistance in the application of the voting policy	<ul style="list-style-type: none"> • Analysis of General Meetings' resolutions and assistance with the application of the voting policy
Iceberg Data Lab	Development of environmental indicators for financial institutions	<ul style="list-style-type: none"> • Green share • 2°C scenario alignment indicator • NEC: "Net Environmental Contribution" • Carbon Intensity • Biodiversity Footprint
Base ENCORE	Database developed by the Nature Capital Finance Alliance in partnership with the World Conservation Monitoring Center (UNEPWCMC)	<ul style="list-style-type: none"> • Assessment of potential business dependencies on biodiversity and in particular on 21 ecosystem services



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