2023 Annual Report

ESG CLIMATE GROUPAMA

ESG-CLIMATE REPORT
JUNE 2024

LE GROUPE Groupama

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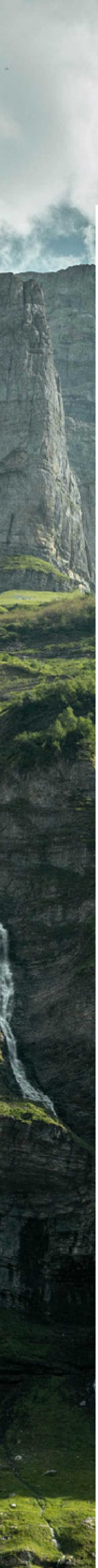


OP-ED

A DYNAMIC THAT PUTS SUSTAINABILITY AT THE HEART OF OUR BUSINESS MODEL

Sustainability is a strong and natural commitment for Groupama because of its mutualist values of responsibility and solidarity, which are consubstantial to its business model.

2023 was a year of strengthening governance in terms of sustainability, in the entities and at the level of both the Group Executive Committee and the Board of Directors of Groupama Assurances Mutuelles ; a specific training programme began for directors and managers.

The Sustainability Department, created in 2023, acts as an orchestra conductor to fully mobilise all functions and all entities, each of which now also relies on a sponsor in a position of influence within its management committee. These sponsors are brought together in a Sustainability network that stimulates the sharing of best practice and the co-construction of new solutions. 2023 also saw the creation of a joint Sustainability work plan to accelerate convergence and the rise to maturity. To this end, a certification process has been launched with AFNOR.

New regulations (SFDR, Taxonomy, CSRD, etc.) have been the subject of a specific programme involving all business lines, thus ensuring compliance.

Sustainability is integrated into the Group's strategic challenges in order to support its customers in their transition and contribute to a sustainable planet and a fairer society. In particular, Groupama, as a leader in agricultural insurance, is committed to environmental and social changes that benefit food sovereignty, health through quality food, preservation of the planet and the life of the territories.

Our investments have a long and mature history of contributing to sustainability :

- By financing transitions, through our investments and our customers' savings - at the end of 2023, sustainable investments had increased by €1.2 billion compared with 2022, reaching €5.3 billion. The objectives of the 2022-2024 investment plan have thus been exceeded, and a new commitment has been made for 2027 ;
- Through Groupama's influence with issuers and the decarbonisation of portfolios - a 53% reduction in carbon intensity compared to 2021 ;
- By excluding new developers of all types of fossil fuels ;
- Finally, by gradually taking biodiversity into account.

Groupama, which already owns more than 25,000 hectares of forest and insures 340,000 hectares in France, is very committed to taking into account the environmental and societal impacts of forestry assets : increasing carbon sequestration, which will reach approximately 12 million tonnes CO2eq in 2023, preserving biodiversity, the development and attractiveness of territories and reforestation after fires.

Strengthening, securing and continuing are the general guidelines of the sustainable investment policy presented in this report.

Of course, the development of our business, with the right economic sustainability and impact, relies on the rewarding experience of our 31,000 employees and 27,000 elected representatives who, in return, give Groupama their full commitment to enable the greatest number of members and customers to live their lives in confidence.

FRANÇOIS COSTE
Groupama Sustainability Director

**DISCLAIMER –
PURPOSE OF THE REPORT**

Groupama is publishing this report on a voluntary basis as part of its commitment to transparency towards all its stakeholders. It contains most of the information required by the decree implementing Article 29 of the so-called “energy-climate” law. Through this report, the Group wishes to highlight its ongoing commitments and the actions undertaken in environmental, social and governance (ESG) matters.

The scope of this report covers the investment activities of Groupama Assurances Mutuelles (GMA), the French insurance subsidiaries, the international subsidiaries and all the Group’s Regional Mutuals.

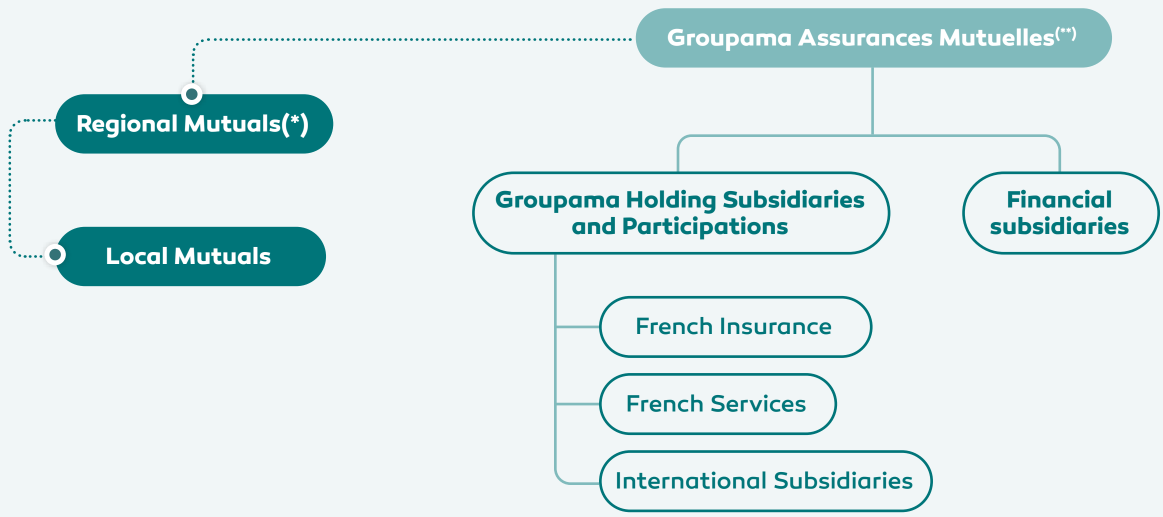
Groupama Asset Management (GAM) and Groupama Immobilier (GI) are referred to in this report solely for their activities as the Group’s internal asset managers.

In the interests of sincerity and verifiability, this report is intended to be clear and transparent with regard to the data and methodologies used.

Lastly, all figures are exclusive of unit-linked insurance, unless otherwise stated.

PRESENTATION OF THE GROUP

The Group is made up of three types of entities:



(*) 9 mainland Regional Mutuals, 2 overseas Regional Mutuals and 2 specialised Mutuals

.... Resinsurance business relationship

(**) As reinsurer of the Regional Mutuals, through a quota-share treaty, Groupama carries around 30% of the Regional Mutuals portfolio

The **French insurance subsidiaries,** with the main one Groupama Gan Vie (GGVie), fully delegate the management of their assets to GMA's Department of Financial Operations and Investments (DOFI), which is responsible for proposing their investment policies and ensuring that they are implemented. The DOFI manages unlisted assets (corporate private equity, infrastructure, unlisted debt and diversification property funds). For most of the rest of the perimeter:

- **Groupama Asset Management** (GAM) is responsible for most of the management of listed assets via mandates that specifically integrate ESG issues and guidelines in line with the Group's Sustainable Investment Charter;
- **Groupama Immobilier** manages property assets through asset management and rental management mandates.

Groupama Asset Management and Groupama Immobilier are the Group's two financial subsidiaries. They are mentioned in this report as the Group's asset managers but are not formally covered by the scope of the report.

The **Regional Mutuals** are responsible for managing their own assets, with a portion delegated to GAM for listed assets. In the case of unlisted assets, they invest in part in funds selected by the DOFI or via Group vehicles and delegate 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 hybrid mode: they are responsible for their own asset management but define their investment strategy jointly with the DOFI. They entrust GAM with mandates for most of their listed assets. In the non-listed universe, they invest partly via Group vehicles and partly independently.

KEY FIGURES FOR 2023

Governance

Training Groupama's Board of Directors in sustainability issues

Creation of a Sustainability Department and a Sustainability network

Internal resources

2,2M€

ESG budget, including **€650,000 spent on purchasing market data**

65,7

Number of **FTEs dedicated to ESG**

ESG analysis coverage rate

91%

of assets covered, the same coverage rate as in 2022.

Risk monitoring

5

ESG indicators monitored by risk management as part of the ORSA process

Engagement policy

14

of the most carbon-intensive issuers in the portfolio individually engaged as part of the Group's membership of the NZAOA

Decarbonising the investment portfolio

-53%

tCO2eq/M€ CA

emissions on the listed equities and corporate bonds portfolio

Achievement of the portfolio decarbonisation target by the end of 2023

Commitment to 2030 :
achieve the target pathways set by CRREM for the property portfolio (excluding residential assets):

96%

of the value of property assets

94%

of CO^2 emissions

Sustainable investment

2,2MDS€

of additional sustainable investment in 2023, after €1 billion at the end of 2022, i.e. more than 100% of the initial target achieved a year ahead of schedule.

1,2MDS€

renewed sustainable investment budget over the period 2024–2027

5,3MDS€

Stock of sustainable investments as of 31/12/2023

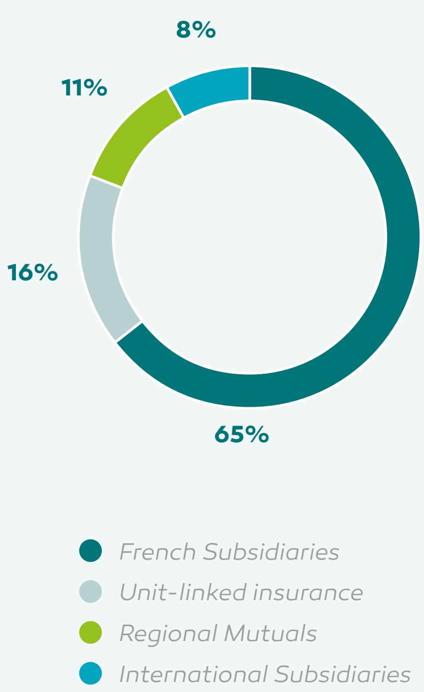
Biodiversity

10%

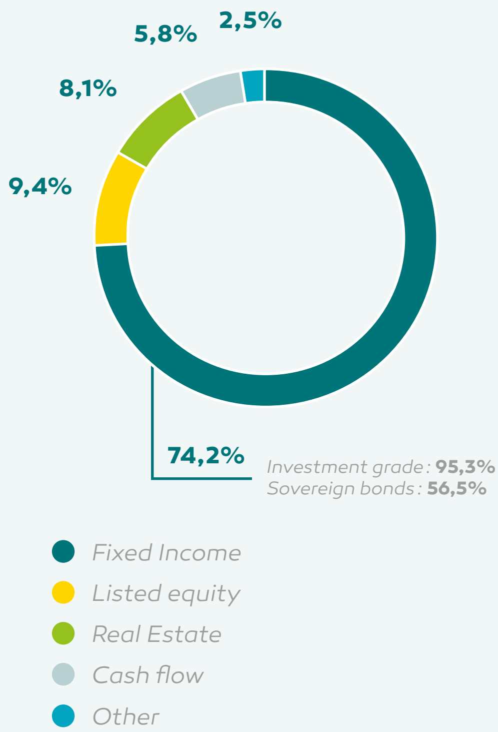
of the GGVie portfolio **exposed to the 10 priority sectors identified by the Finance for Biodiversity Foundation** for their impact on biodiversity

At the end of 2023, the Group's assets totalled €70.4 billion at market value, excluding unit-linked investments, repurchase agreements and minority interests, plus €13.3 billion invested in unit-linked products, broken down as follows:

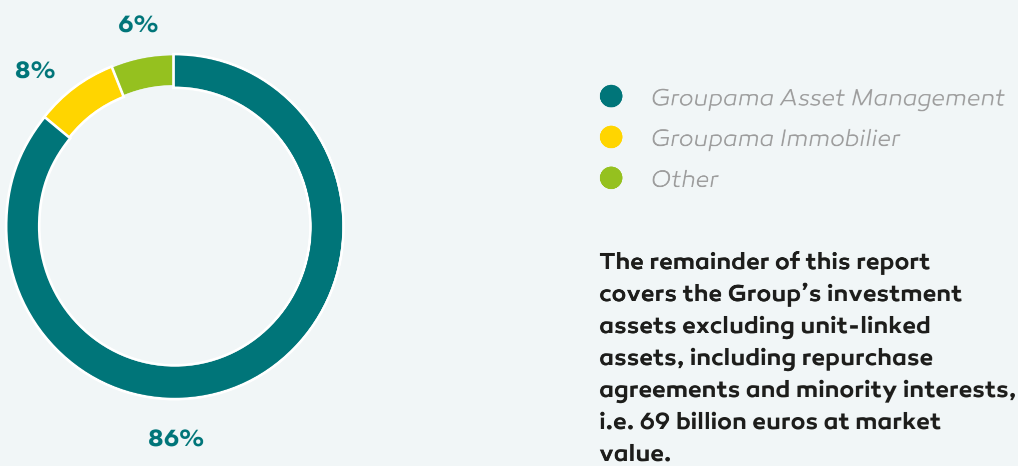
Breakdown of Groupama's assets as of 31/12/2023*



Breakdown of the portfolio as of 31/12/2023*



Breakdown of Groupama's asset management as of 31/12/2023*



*Data at market value, excluding unit-linked investments and repurchase agreements.

The remainder of this report covers the Group's investment assets excluding unit-linked assets, including repurchase agreements and minority interests, i.e. 69 billion euros at market value.

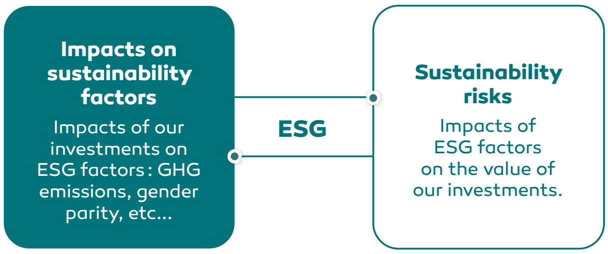
I. OVERVIEW OF OUR ESG POLICY

A. AN APPROACH BASED ON THE GROUP'S SUSTAINABLE INVESTMENT CHARTER

At Groupama, sustainable investment is based on integrating ESG factors into the investment process in order to control financial risks and finance the ESG transition.

Groupama's approach is therefore twofold, based on the management of :

- **Sustainability risks,** i.e. risks to the value or return on financial assets linked to ESG factors, in particular climate factors;
- The **negative impacts** of investments on sustainability factors.



In 2022, a Sustainable Investment Charter was formalised and adopted by all the Group's entities. This has made it possible to define clear, harmonised rules in line with the Group's ambitions. The deployment of this Charter is part of the CSR strategy defined by the Group at the end of 2021, which included the introduction of a clear and public policy on sustainable savings and investment, shared by the whole Group.

To date, this Charter has focused more specifically on the management of climate-related issues and is based on four levers which are pulled differently depending on the asset class or the specific characteristics of certain entities:

- **Management that fully integrates ESG criteria** through ESG rating of listed assets, ESG analysis of invested Collective Investment Schemes (CIS) with ESG due diligence and a specific approach for property assets and forests.
- **Policies to limit exposure to sustainability risks** and eliminate the most damaging investments: Major ESG Risks, sector policy on fossil fuels, exclusions from the tobacco and controversial weapons sectors, and a 'Natural Capital' filter.
- **A commitment to helping the companies** in which Groupama invests to accelerate their transition, particularly with regard to the environment.
- Identifying investment needs in order to **finance activities with a positive** environmental or social **impact.**

Below is a table summarising the application of the various levers depending on whether the Group's assets are delegated to Groupama Asset Management, Groupama Assurances Mutuelles, or Groupama Immobilier. For all other assets, the Group's entities have made a commitment to the gradual implementation of the Sustainable Investment Charter. The various levers used by the Group and the manner in which they are applied are described later in this report.

Scope		Assets delegated to GMA							
Responsible for implementation		Groupama Asset Management			Groupama Assurances Mutuelles (DOFI)			Groupama Immobilier	
Asset classes		Listed equity and bond mandates	Equity and listed bond funds	Investments in open-ended GAM funds	Infrastructure	Private equity	Private debt	Real estate	Forests
Assets (in M€)		32 414,7	9 176,3	1 471,9	1 373,2	798,9	545,4	3 289,9	262
Integrating ESG criteria into investment		×	×	×	×	×	×	×	×
Limiting exposure to sustainability risks	Fossil fuels policy	×	×	GAM's own policies apply	×	×	×		
	Other sector exclusions (tobacco and controversial weapons)	×	×	×					
	Major ESG risks	×	×	GAM's own policies apply					
	Natural capital filter	×	×						
Engagement with companies		×	×	×				–	
Investments with a positive ESG impact		×	×	×	×	×	×	×	×

Not Applicable

B. ESG INTEGRATION IN GROUP ASSET MANAGEMENT

Different ESG analysis frameworks exist for different asset classes:

- **For assets invested in listed equities or corporate and sovereign bonds,** the ESG analysis developed by GAM is made available to all entities.
- **For assets invested in non-dedicated funds** (i.e. in open-ended listed funds or unlisted funds), five ESG analysis questionnaires have been set up depending on the type of asset: listed assets, infrastructure, unlisted debt including real estate, corporate private equity and real estate in equity.
- **Property assets and forests** are analysed using a specific approach developed by Groupama Immobilier. This is explained in a dedicated section.

1. ESG ANALYSIS FRAMEWORK FOR LISTED ASSETS

> All the listed investments of the Group's entities (Regional Mutuals, international subsidiaries and French subsidiaries) benefit from an ESG rating. This rating is sent to the various Group entities and made available to the people in charge of investments, who can consult it to support their decisions.

For listed equities and bonds

For listed investments in mandates or dedicated CIS, representing €41.9 billion in assets, the ESG analysis is carried out by GAM for all Group entities.

Analysts use external data sources (Moody's ESG and Iceberg Data Lab) to construct a quantitative score ranging from 0 to 100 based on the key ESG issues identified through a sector analysis. The methodology incorporates the vast majority of mandatory PAIs[1] either directly or via an equivalent indicator. The criteria considered are weighted according to their materiality and relevance for each sector.

[1] Principal Adverse Impact, as defined in the SFDR regulation

Groupama Asset Management's ESG risk and opportunity analysis policy for listed equities and corporate bonds is based on four pillars:

The societal criteria assess the way in which a company behaves with all its stakeholders, particularly customers and suppliers. They also measure a company's contribution to the Sustainable Development Goals and its attitude towards corporate citizenship (taxation, controversy, local economic development).

The human capital criteria analyse skills management, training, the work environment and diversity (percentage of women in management, for example) in relation to the best standards in the field.

The environmental criteria analyse the positioning and adaptation capacity of companies in the face of the energy and ecological transition, as well as the impact of companies in terms of biodiversity protection, waste and pollution management, water quantity and quality, and raw materials consumption.

The governance criteria relate to the way in which a company is managed, administered and controlled, and the relations it maintains with its shareholders, its Boards of Directors and its management, as well as the degree to which sustainable development issues are integrated.

For sovereign bonds

GAM has developed a specific analytical framework for sovereign bond investments. Applied since October 2022 to 58 countries, both developed and emerging, the analysis methodology aims at capturing the potential impact of environmental, societal and political factors on a country's business environment.

The two mandatory PAIs for sovereign issuers have been integrated into the ESG methodology:

- **Carbon intensity ;**
- **Countries where social rights are violated.**

Environmental criteria	Societal criteria	Governance criteria
Climate change and biodiversity issues. Share of low-carbon energy in energy consumption. Fertiliser consumption. Depletion of natural resources.	Human capital: employment and education, access to basic services. Indicators on social cohesion and demography.	Rule of law and freedom. Political stability. Control of corruption.

For sustainable bonds

Sustainable bonds, whether green, social or sustainable, are bond instruments favoured by investors wishing to finance issuers' environmental or social projects directly. This type of debt is issued by companies, supranational issuers, governments or local authorities to finance projects that generate direct environmental or social benefits. It is structured in the same way as a conventional bond issued by the same issuer.

GAM has developed an internal analysis methodology to ensure that these bonds comply with its internal requirements in this area. 46 new bonds were analysed in 2023 out of a total of 595 green bonds. Of the 595, 15% were invalidated because they did not comply with all the points of the methodology described below.

28 sustainable and social bonds have been analysed to date. In 2023, no new issuers or programmes had to be validated. Investments were made only in new issues linked to issuers and programmes that had been previously analyzed. All the sustainable and social bonds analysed were therefore approved, linked to previous acceptances

Sustainable bonds

Characteristics of the bond

Compliance with international principles

Traceability and management of funds

Criteria and governance for project selection and evaluation

Characteristics of the issuer

Exclusion of Groupama AM Major Risks

Assessment of the ESG policy

Quality of projects funded

Assessment of the environmental or social benefits of the projects

Favouring bonds financing projects that go beyond the issuer's standard ESG policy

Transparency

Projected use of proceeds

Second opinion

Reporting: allocation of funds and impact indicators

Audit

2. ESG INTEGRATION FOR INVESTMENTS OTHER THAN MANDATES AND DEDICATED FUNDS

A common ESG due diligence process has been built and deployed throughout the Group since June 2022. A questionnaire is systematically sent in the event of a new investment in funds, whether in listed open-ended funds, including those of Groupama Asset Management, or in unlisted asset class funds.

This process takes the form of separate questionnaires for each asset class: listed assets, infrastructure, unlisted debt including real estate, private equity corporate and real estate equity.

Four themes are common to all the questionnaires:

1. **ESG policy of the asset manager;**
2. **Governance and risk management;**
3. **ESG policy of the fund;**
4. **Reporting tools and data.**

In addition to these common themes, there is a section dedicated to the challenges of engagement and shareholder dialogue in the case of listed asset funds. The section dedicated to reporting tools and data looks at the company's ability to publish information on, for example, a green share, an ESG Climate report, the existence of an alignment trajectory with the objectives of the Paris Agreement or the production of Principal Adverse Impacts (PAI).

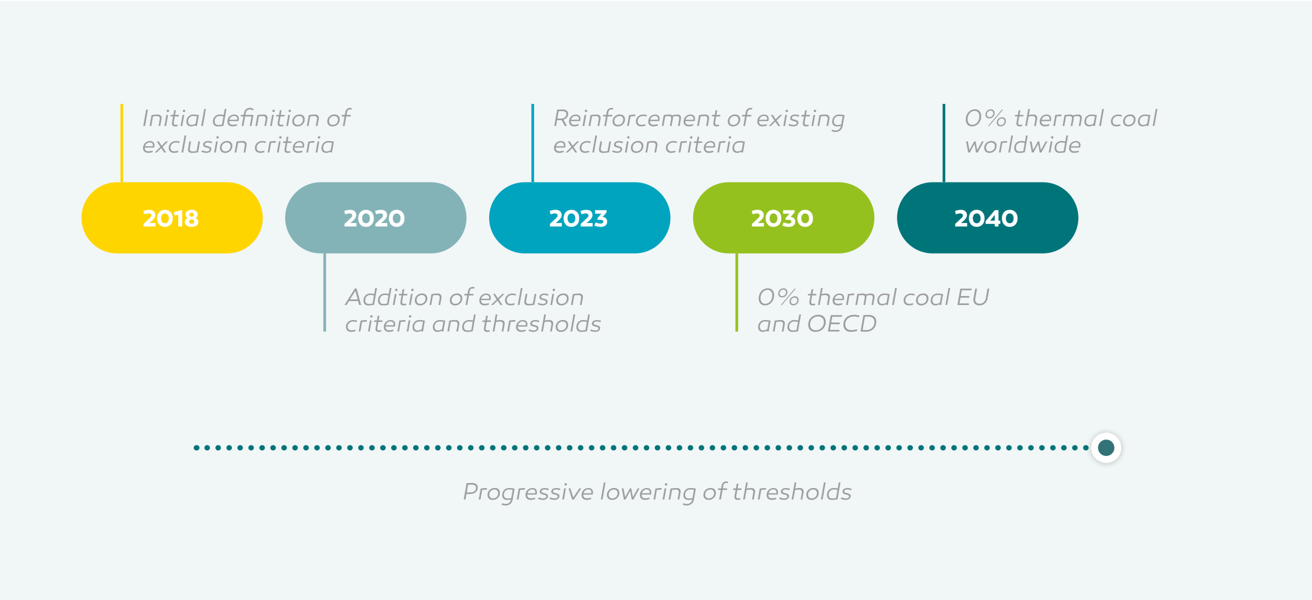
The analytical tools dedicated to ESG in fund selection have been strengthened since 2022. The fund selection questionnaires have been enhanced and made more quantitative in order to industrialise the process. These questionnaires are shared with all the Group's entities. In 2023, all new funds invested were analysed using these new questionnaires.

C. LIMITING OUR EXPOSURE TO SUSTAINABILITY RISKS

All the policies set out below apply to new investments made directly or in dedicated funds managed by GAM. The Group's exposure to the various sectors of activity covered by these policies is decreasing or is already at zero. This exposure is also monitored as part of the risk management process described in section VIII of this report.

1. THERMAL COAL POLICY

The Group's coal policy, launched in 2018, calls for a definitive exit from companies involved in thermal coal by 2030 at the latest for European Union and OECD countries, and by 2040 for the rest of the world.



Groupama's exclusion policy applies to the entire thermal coal value chain, including companies developing new thermal coal projects.

It takes the form of a gradual withdrawal, reinforced in 2023, of any company whose:

- **Over 20% of sales or energy production mix is based on thermal coal;**
- Annual coal production exceeds **10 million tonnes** (compared with 20 million tonnes in 2022) and installed capacity of coal-fired power stations exceeds **5GW** (compared with 10GW in 2022).

This reinforcement follows the publication on 14 March 2023 by the Scientific and Expert Committee (SEC) of the Observatoire de la Finance Durable (OFD) of a report on fossil fuels, which recalled that all coal-related infrastructure should be closed by 2030 in the EU/OECD countries and by 2040 in the rest of the world, and made five recommendations, including a reinforcement of the exit timetable.

Groupama relies on Urgewald data through its **Global Coal Exit List** (GCEL) and **GAM analyses** to identify the companies concerned. The analysis carried out by GAM may lead to conclusions that differ from the strict application of the Urgewald data. In this case, a detailed analysis of the company's coal exit strategy is carried out, an engagement action is conducted and the company's strategy is reviewed at least annually.

For its investments in non-dedicated CIS, Groupama uses the ESG questionnaire to ensure the existence of a coal policy in the third-party asset manager invested in and the consistency of this policy with the Group's commitments, in particular the requirement to definitively end exposure to thermal coal by 2030.

The Group's exposure to coal, at 1st euro and weighted by the share that coal represents in the sales of the company financed, is set out in the "Brown share" section of this report.

2. OIL AND GAS POLICY

Aware of the key role played by the oil and gas sector and in line with the recommendations of the International Energy Agency (IEA) scenarios, **Groupama has implemented a policy on unconventional fossil fuels since 2022.** The IEA's Net Zero Emissions (NZE) scenario, which is the most ambitious, implies an immediate halt to new oil and gas projects and a gradual reduction in oil and gas production.

As a result, Groupama undertakes to no longer finance, either directly or through its dedicated funds managed by GAM, companies involved in the development of new unconventional oil and gas projects, with the exception of financing needs specifically earmarked for climate transition related projects.

Groupama relies on Urgewald data through its **Global Oil and Gas Exit List** (GOGEL) and GAM analyses to identify the companies concerned. GAM's analysis may lead to conclusions that differ from the strict application of Urgewald data. In this case, a detailed analysis of the company's unconventional oil or gas exit strategy is carried out, an engagement action is conducted and the company's strategy is reviewed at least annually.

The Group's exposure to unconventional fossil fuels, at 1st euro and weighted by the proportion of the company's sales represented by unconventional fossil fuels, is set out in the "Brown share" section of this report.

2024 IMPROVEMENT PLAN

To limit the average temperature rise to 1.5°C by the end of the century and achieve carbon neutrality by 2050, two complementary objectives, the IEA states that :

- Producers should devote 50% of their capital expenditure to clean energy by 2030;
- Oil and gas consumption is expected to fall by more than 75% over this period, and in this scenario, "the fall in demand is sufficiently strong for no new long-term conventional oil or gas projects to be needed".

As a result, Groupama is broadening its commitments from July 1st 2024 by deciding to no longer finance, either directly or through its dedicated funds managed by GAM, companies involved in the development of new oil and gas projects, with the exception of financing needs specifically earmarked for the transition.

3. MAJOR ESG RISKS

> For all investments made directly or via mandates and dedicated CIS, or via investments in article 8 or 9 SFDR open-ended funds managed by GAM, ESG controversies are monitored using the list of Major ESG Risks, drawn up and updated by GAM.

This list includes companies for which ESG risks could call into question the economic and financial viability, have a significant impact on the value of the company and therefore lead to a significant loss of stock market value or a significant downgrading of the agencies' ratings.

Each time a new company is added to the list of ESG Major Risks, "exit triggers" are determined, and these are systematically reviewed every six months.

The ESG Major Risks list classifies companies into two subsets:

1. **High level of controversy** according to Moody's ESG data provider and validated by GAM's internal analysis;
2. Those where **governance** is rated as **weak** by GAM analysts.

For investments in non-dedicated funds, Groupama uses its ESG questionnaire to ensure that controversies are monitored within the funds invested in.

4. OTHER SECTOR EXCLUSIONS

For all its investments held directly or via mandates and dedicated or open mutual funds managed by GAM, Groupama excludes from its investment portfolios sectors considered to carry unacceptable environmental and social risks, namely :

- **Tobacco.** Groupama is gradually exiting this sector by not making any new investments. As of December 31st, 2023, its residual exposure was therefore €58 million;
- **Controversial weapons** are completely excluded from portfolios.

The Group's policy on controversial weapons is based on the one introduced by GAM in 2009. This concerns production, storage, distribution and marketing activities, initially covering the following weapons:

- **Cluster bombs** as defined by the 2008 Oslo Treaty;
- **Anti-personnel mines** (APMs) as defined by the 1997 Ottawa Convention;
- **Depleted uranium weapons** banned by certain national laws, in particular the Belgian law (Mahoux law, 2007).

In 2023, GAM strengthened its policy by including the following weapons:

- **Chemical weapons** as defined by the 1993 Convention on the Prohibition of Chemical Weapons;
- **Biological weapons** as defined by the 1972 Biological Weapons Convention;
- **Incendiary weapons** or weapons using white phosphorus ;

For its investments in non-dedicated funds or funds not managed by GAM, Groupama uses its ESG questionnaire to ensure that a policy of excluding controversial weapons has been implemented within the funds invested in.

5.NATURAL CAPITAL FILTER

To support the implementation of Groupama's climate strategy (described in section VI of this report), since 2017 GAM has developed and strengthened a methodology to analyze natural capital risks and opportunities.

It applies to companies belonging to the 8 sectors[2] most exposed to environmental issues, as soon as the investment (at Group level) in a company exceeds €25 million through the mandates and dedicated CIS managed by GAM.

This analysis is based on three complementary indicators:

1. **Carbon intensity.** Expressed in tCO2eq / M€ turnover, carbon intensity measures the quantity of greenhouse gases (GHG) required to produce one million euros in sales. This carbon intensity covers Scope 1 and Scope 2;

2. **The NEC** (Net Environmental Contribution). This indicator, calculated by the data provider Iceberg Data Lab, assesses economic activities (products and services) according to their impact on the environment, i.e. on climate, biodiversity and resources, over their entire life cycle. Companies are rated on a scale from -100% to +100%, with 0% corresponding to the average global environmental footprint. This indicator thus makes it possible to identify the contributors to the ecological transition, presenting opportunities for transition, and the destroyers of natural capital, exposed to transition risks;

3. **Alignment with the Paris Agreement.** This indicator assesses the alignment of companies' climate strategy with the objective of keeping temperatures below 2°C set by the Paris Agreement and measured using the SB2A methodology. This methodology is described in the insert below.

An overall score is awarded to each company covered by the analysis. This score results in a classification into three categories. This classification of the "Natural Capital" categories makes it possible to identify the issuers whose business models are most exposed to environmental risks. Each of these three categories has a management implication.

Category 1	Category 2	Category 3
Issuers favourably positioned with regard to the energy transition. Managers may decide to maintain or increase their positions.	Issuers with unconvincing product positioning or implementation of climate policies in terms of consistency between objectives and resources, or in terms of dynamics. The managers "put issuers on watch", which means that the position can be maintained but not strengthened.	Issuers whose positioning penalises the energy transition. The managers cannot reinvest and must divest from the position over the long term. For example, these positions have priority in arbitrage transactions. There is no defined exit date for these commitments.

[2] Oil & Gas; Materials; Capital Goods; Transport; Agriculture/Food; Automotive; Utilities; Real Estate

SB2A METHODOLOGY

The Science-Based 2°C Alignment (SB2A) metric, developed by Iceberg Data Lab, indicates whether the climate strategy of the entity analysed (company, State or asset) is aligned with the objective of the Paris Agreement, which aims to limit the increase in global temperature 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 decarbonisation targets.

The final score, expressed in °C, represents an implied temperature rise (ITR) to which the entity is aligned. It is obtained by comparing its projected trajectory with its sectoral decarbonisation target based on external reference trajectories (SBTi and IEA models).

D. INVESTMENTS WITH A POSITIVE ENVIRONMENTAL AND SOCIAL IMPACT

The Group aims to identify investment needs in order to finance activities with a positive environmental or social impact. To that end, it relies primarily on its sustainable investment programme and may choose to invest via specific vehicles. The Group is working more specifically on the infrastructure asset class as part of its climate strategy, described in the dedicated section.

1. GROUPAMA'S SUSTAINABLE INVESTMENT PROGRAMME

In 2021, Groupama committed to an additional sustainable investment programme of €1.2 billion for the period 2022-2024. To identify the scope of investments eligible for this programme, the Group has worked on a classification of assets that it considers sustainable based on its internal levers and tools.

Without being subject to the SFDR regulation, and without seeking to meet all its requirements, the Group aimed to align with the philosophy of what these regulations consider sustainable investment.

The Group's subsidiaries, which are subject to the SFDR regulations, endeavour to comply with the regulatory definition of sustainable investment and the Group's commitments.

This classification is intended to be operational, with the aim of guiding Groupama towards activities that make a positive ESG contribution, whether from an environmental or social point of view. For example, activities aimed at mitigating climate change, such as the low-carbon infrastructure described in section VI of the report, are included in this classification.

To identify investments corresponding to this classification, investments made in all Group entities are analysed as long as they comply with the classification described below.

The target of €1.2 billion in additional sustainable investment was achieved a year ahead of schedule. It has been renewed for the period 2023-2027 and for the same amount.

	ENVIRONMENT	SOCIAL	ADDITIONAL NET INVESTMENTS IN 2023 (MILLIONS OF EUROS)
Listed equities	Strategic holdings aligned with the European Taxonomy	Specific analysis	11
Corporate 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	646
Sovereign bonds	Green bonds in line with the Green Bond Principles	Social Bonds aligned with the Social Bonds Principles	
Private equity corporate	Environmental assets belonging to an article 9 fund	Social assets belonging to an article 9 fund	3
Infrastructure	Environmental infrastructure linked to activities eligible for the taxonomy (without technical criteria)	Specific analysis	2
Real estate	Assets with environmental or energy labels or certifications Projects aligned with the European taxonomy	Specific analysis	551
Property funds	Real estate assets belonging to article 9 funds	Specific analysis	0
TOTAL			**1213**

2. GROUPAMA'S ACTION EXTENDS TO SOCIAL ISSUES

The challenges facing our society call for a transition that is both ecological and social, to make it more sustainable and fair.

Thus, in addition to climate and environmental issues, Groupama includes social and societal choice criteria in its investment policy, although the measurement and formalism are more complex than for environmental issues, mainly due to the lack of standards and data. The two asset types for which integration of the S pillars is most advanced are unlisted assets (infrastructure and corporate private debt) and listed bonds, via Social Bonds.

The main objectives are :

- **Decent work and growth ;**
- **Education ;**
- **Access to healthcare and health awareness ;**
- **Reducing inequalities.**

Investment in a social impact private debt fund

Since 2022, Groupama Asset Management has managed a private debt fund, Groupama Social Impact Debt (GSID), classified as an article 9 fund under the SFDR regulation. As of December 31st, 2023, €182.4 million had been raised out of a target of €200 million. Two-thirds of these assets have been committed by Group entities.

GSID aims to produce a positive social impact by investing in SMEs that support local economic development and human capital. Groupama invests in the local economic fabric by directly supporting entrepreneurs through loans of between €5 million and €20 million.

Solid companies committed to improving their social performance are selected. Through this fund, managed by GAM, the Group aims to promote job creation and increase purchasing power.

The social impact of the fund is measured using specific indicators such as the conversion of temporary contracts into permanent contracts, salary trends and equity ratios. In addition, the financing conditions are subject to change depending on whether or not the impact KPIs are achieved. As of December 31st, 2023, the fund had invested €37.5 million in five companies.

E. ESG INTEGRATION IN PROPERTY MANAGEMENT

1. GROUPAMA HELPS BUILD A SUSTAINABLE PROPERTY PORTFOLIO

The building sector plays a major role to play in limiting global warming to 1.5°C by the end of the century, in line with the Paris Agreement. It is the second largest emitter of greenhouse gases (GHGs) in France, accounting for more than 25% of emissions. Against this backdrop, ESG integration in Groupama's property management focuses primarily on climate-related issues. **The Group has set itself the goal of reaching the levels defined by the CRREM pathways for its investment property assets by 2030.**

THE ROLE OF THE BUILDING SECTOR IN THE NATIONAL DECARBONISATION TRAJECTORY

In France, the trajectory for reducing emissions by 2050 is set by the National Low Carbon Strategy (SNBC). It aims to achieve a 49% reduction in greenhouse gas emissions from the building sector by 2030, compared with 2015, and complete decarbonisation by 2050.

The tertiary sector decree is one of the ways in which this is applied to property assets. It requires all owners of commercial property with a surface area of 1,000 m² or more to reduce their energy consumption by 2030, 2040 and 2050, by reaching absolute or relative thresholds.

Other low-carbon trajectories (1.5°C) are available at European level and for all types of assets. In particular, the CRREM (Carbon Risk Real Estate Monitor) initiative analyses the risk of environmental obsolescence of real estate assets based on decarbonisation trajectories.

› A VIRTUOUS ACQUISITION STRATEGY

As a responsible investor, Groupama Immobilier carries out a due diligence audit prior to any investment opportunity.

All assets are assessed using an ESG grid, the results of which are taken into account in investment decisions and updated by asset managers when the asset comes into operation. Particular attention is given to improving the environmental performance of assets, eco-responsible construction methods and levels of certification obtained. Social features 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 purpose (senior housing, nurseries, schools, etc.).

› AN AMBITIOUS MANAGEMENT POLICY

To align itself with the trajectories of the Paris Agreement, Groupama has implemented various measures with the support of external service providers:

- **The deployment of the Deepki platform** since 2017 has made it possible to automate the reporting of buildings' actual energy consumption. By 2023, 71% of assets subject to the tertiary sector decree have been registered in Deepki ;
- **An inventory of the carbon and energy performance** of the entire portfolio is drawn up. For each building, where the data is incomplete, the energy data collected is analysed and modelled using Smart-e software, to obtain values for final and primary energy consumption and CO2 emissions;
- **Energy audits** have been performed on 18% of the portfolio. All assets are the subject of discussions with tenants in order to consolidate action plans to reduce energy consumption;
- For any works costing more than €3 million, **a Life Cycle Assessment** (LCA) of the building and a "resources diagnosis" are carried out.

Lastly, the Group is a member of the Booster du Réemploi and an active member of the Looping digital platform, a tool for structuring demand for reused materials. The platform aims at making demand for materials visible and predictable, and to find outlets for the resources available to suppliers. Currently, three assets are registered on the platform.

> **The integration of ESG in Groupama's real estate management is primarily focused on addressing climate-related issues.**

2. GROUPAMA PROTECTS ITS FORESTRY ASSETS FROM CLIMATE AND BIODIVERSITY RISKS

Groupama Immobilier manages 22,000 hectares of forest, making it one of France's leading institutional investors. Groupama Immobilier's forest management policy aims to increase the value of these assets while taking into account climate and biodiversity issues. All managed forests are PEFC (Programme for the Endorsement of Forest Certification), an environmental quality label.

› GROUPAMA WORKS TO PROTECT FORESTS AGAINST CLIMATE RISKS

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

- **The risk of storms ;**
- **Fire risks ;**
- **Plant health risks.**

Climate change is increasing these risks: extreme weather events (including storms) are becoming more frequent and more intense; drought is heightening the risk of fire, particularly in regions that were previously unaffected and thus ill-prepared; parasites, insects and fungi are proliferating during exceptionally hot, dry seasons. Additionally, climate change is altering the distribution of plant species, with some species no longer suited to their environment.

To mitigate these risks and their impacts, Groupama deploys several solutions:

- **Preventing the impact of storms :**
- **Shortening the production cycle of forests** (from 60-65 years to 45 years) to reduce exposure to risk (and reducing in the stock of wood affected);
- **Adapting species** (e.g. maritime pine with better anchored roots) ;
- **Preventing fire risk:** Groupama Immobilier relies on associations such as Défense de la Forêt Française Contre les Incendies (DFCI) ;
- **Maintaining roads and verges** (clearing undergrowth, earthing up), to create natural barriers to the spread of fires and prevent accidental outbreaks.

› GROUPAMA IS ALSO COMMITTED TO PRESERVING THE BIODIVERSITY OF ITS FORESTRY ASSETS

Environmental zones

Groupama owns forests that are particularly rich in biodiversity. In fact, no less than 15,873 hectares, or 63.4% of its assets, are included in or contain environmental zoning, meaning that they are home to species or environments of high ecological value. As a result, they are subject to protection measures, which Groupama ensures are strictly applied.

Effective measures to preserve the environment

Société Forestière Groupama is targeting its action programme for the preservation and restoration of environments at two types of intra-forest environments:

1. **Wetlands**: a programme to diagnose and map intra-forest wetlands has been underway since 2023 and will continue in 2024 and 2025. The aim is to establish the state of conservation of these areas and to draw up a restoration action plan where necessary. Concrete actions have been or are being carried out in 8 forests;
2. **Open environments:** an action plan for the restoration of open environments within forests classified as ZNIEFF 1[3] and hosting a rich biodiversity is currently being drawn up for one of the forests owned by Société Forestière Groupama.

Species/Groups of species covered by a national action plan

A National Action Plan (NAP) is a tool designed to ensure the conservation or restoration to a favourable conservation status of species of wild fauna and flora that are threatened or of particular interest. In 2024, 9 of Société Forestière Groupama's forests will be covered by a NAP.

Adapting forestry

Société Forestière Groupama is committed to a process of reflection on the adaptation of forestry to climate, ecological and social challenges. For example, the conversion of certain stands to continuous-canopy high forest is underway in several forests. This silviculture is confirmed for stands already managed using this silvicultural treatment. The latter allows trees to be maintained at the mature stage, which is highly favourable for hosting biodiversity that is rare because it is specific to this stage of the forest.

[3] The Zones Naturelles d'Intérêt Faunistique et Floristique (ZNIEFF) are a specific inventory that locates and describes areas of the national territory that are particularly interesting from an ecological, faunistic and/or floristic point of view. There are two types of ZNIEFF: 1 and 2. Type 1 ZNIEFFs are areas of great biological or ecological interest that are home to well-identified heritage animal or plant species (including some protected species). Generally small in size, these areas present a challenge in terms of preserving the biotopes (habitats of the species) concerned. Source: Cerema.

F. SUMMARY TABLE OF ESG OBJECTIVES, SYSTEMS AND MEASURES

TYPE OF POLICY	SCHEME	CRITERIA CONSIDERED	SCOPE (IN €M) TO WHICH THE SCHEME APPLIES	SHARE OF THE GROUP BALANCE SHEET EXCLUDING CUs	COMMENTS
OBJECTIVES	50% reduction i n carbon intensity (scopes 1 & 2)	E	29 168	42%	The objective covers corporate bonds and listed equities (on a transparent basis, including those held in funds).
	1.2 billion euros of sustainable investment between 2022 and 2024	E-S	64 484	93%	At the end of 2023, our definition of sustainable investment does not cover unlisted debt, except for infrastructure and cash.
OPERATIONAL SYSTEMS	ESG analysis coverage	E-S-G	62 808	91%	
	List of major ESG risks	E-S-G	49 867	72%	List defined by GAM for the Group within the scope of the mandates, dedicated CIS and non-dedicated GAM CIS Article 8 or Article 9 SFDR
	Coal exclusion	E	30 535	44%	This policy applies to all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated CIS managed by GAM from Groupama Group
	Unconventional fossil fuels exclusion	E	30 535	44%	This policy applies to all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated CIS managed by GAM from Groupama Group
	"Natural capital" transition filter for carbo-intensive sectors	E	5 872	9%	Analysis carried out by GAM on the Group's assets held in mandates and dedicated CIS, for issuers belonging to the 8 most impactful (Oil & Gas; Materials; Capital Goods; Transport; Agriculture, agri-food; Automotive; Utilities; Real Estate) and whose holdings at Group level exceed €25m.
	Engagement policy	E-S-G	30 535	44%	This policy applies to all investments held directly or via mandates (excluding sovereign bonds and derivatives) and dedicated CIS managed by GAM of the Groupama Group.
	Voting policy	E-S-G	1 591	2%	Voting policy is delegated to GAM for the following shares whether they are held in mandates or in CIS
MEASURES *(PERFORMANCE AND RISKS)*	Environmental performance indicators (CO2 Intensity, NEC, SB2A Temperature, Biodiversity Impact, European Taxonomy)	E	29 168	42%	The indicators cover corporate bonds and listed equities (in a transparent view, including those held in funds).
	Source IDL	E	29 168	42%	
	Source Groupama only for European taxonomy based on data carried forward	E	58 016	84%	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 share	E	36 184	52%	The valuations cover corporate bonds and listed equities (on a transparent basis, including those held in funds) and infrastructure exposures.
	Assessment of biodiversity impacts and dependencies	E	10 388	15%	Private equities and bonds held by Groupama Gan Vie in GAM mandates
	Physical and transition risk assessment	E	29 168	42%	The indicators cover corporate bonds and listed equities (in a transparent view, therefore including held in funds)
	ND Gain score evaluation	E	27 254	40%	Direct holdings of sovereign bonds
	Evaluation of physical climate risk in real estate	E	3 417	5%	Groupama Immobilier assets (managed for the group) covered by Bat-Adapt

The scope of the engagement policy covers investments in companies, whether through shares or bonds. From time to time, it may also involve governments, as was the case in 2023 with the engagement action targeted at the Italian government (see section IV - Commitment strategy).

G. OUR COMMITMENTS TO SUSTAINABLE FINANCE

As responsible finance develops, Groupama participates in market-place initiatives. For the Group, this means creating a **common dynamic**, acquiring **expertise** and promoting the development of an **institutional framework** that is best-suited to the deployment of sustainable finance.

ENTITIES	INITIATIVES SUPPORTED BY GROUPAMA	GROUPAMA'S ROLE IN THESE INITIATIVES	OPERATIONAL IMPACT
GROUPAMA ASSURANCES MUTUELLES	**Association of Mutual Insurers**	Association chaired by Thierry Martel, Chief Executive Officer of Groupama. Participation in the Climate Finance Working Group.	The professional associations are essential information relays (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 its relations with the regulatory authorities, particularly when preparing joint responses to regulatory consultations.
	France Assureurs *(FA)*	Participation in France Assureurs' dedicated WGs (ESG Climate, Sustainable Development, Extra-Financial Standardisation, Climate Risks, Biodiversity).	
	Prudential Control and Resolution Authority *(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 participants. The pilot exercises were the starting point for ongoing work on quantifying financial impacts.
	Net Zero Asset Owner Alliance *(NZAOA)*	NZAOA signatory since 2022.	The Group is increasing the transparency of the information it communicates through its annual public report. Groupama also publishes its commitments on the Sustainable Finance Observatory website. In addition, the various working groups proposed are a rich source of information and knowledge, fully integrated into the definition of Groupama's roadmap for its sustainable investment strategy.
	Principles for Responsible Investment *(PRI)*	PRI signatory since 2022.	
	Sustainable Real Estate Observatory *(OID)*	Member of the OID since 2023.	Groupama participates in the OID's Governance and Society and Resilient Territory working groups and uses the Bat-ADAPT climate risk analysis tool (R4RE platform): a decision-making tool for adapting buildings to climate change and measuring physical climate risk.
GROUPAMA ASSET MANAGEMENT	**Principles for Responsible Investment** *(PRI)*	GAM was one of the founding signatories of the PRI in 2006 and participates in the work of the PRI through various initiatives, in particular Climate Action 100 +.	The PRI gives investors such as GAM access to discussions on the implementation of ESG criteria in their investment policy. They enable them to strengthen their commitment through collaborative initiatives such as Climate Action 100+.
	French Association of Financial Management *(AFG)*	GAM has chaired the Sustainable Finance Commission since 2015 and is involved in a range of issues such as labels, sustainable finance regulation, corporate governance and impact.	Participating in the AFG's various committees enables GAM to promote its demanding definition of ESG within market bodies and in relations with regulatory authorities, particularly when drafting joint responses to regulatory consultations or recommendations for the voting season.
	Institute for Sustainable Finance *(IFD)*	Within this association, which is supported by Paris Europlace to promote sustainable finance, GAM participates in a number of projects, notably on biodiversity and impact.	Participating in working groups on subjects such as biodiversity and impact enables GAM to promote its vision of these issues and to strengthen its expertise through exchanges with market players. GAM also publishes its commitments on the Sustainable Finance Observatory website.
	French Society of Financial Analysts *(SFAF)*	GAM is a member of the Extra-Financial Committee.	Through its participation in the extra-financial commission, GAM is involved in the training modules of the CESGA, the extra-financial analysis diploma, promoting the use of ESG information in investment decisions as an essential complement to traditional financial analysis.
	Corporate Social Responsibility Observatory *(ORSE)*	Since 2002, GAM has contributed to the work of the ORSE Finance Club and has helped to publish several guides promoting SRI.	The structure enables GAM to benefit from exchanges and monitoring with stakeholders in the form of working groups/conferences to promote and support good practice in CSR and sustainable development.
	French Sustainable Investment Forum *(French SIF)*	GAM is a member of the FIR and as such participates in various working groups in collaboration with other not-for-profit professional associations such as the AFG or the ORSE in order to promote SRI to public or political authorities, economic players or stakeholders. GAM participates in the Dialogue and Engagement Commission	By way of example, participation in the SBF 120 "Say on Climate" collaborative engagement in 2023 with 46 investors has enabled companies to communicate common requirements in terms of climate strategy, thereby strengthening the impact of GAM votes at General Meetings.

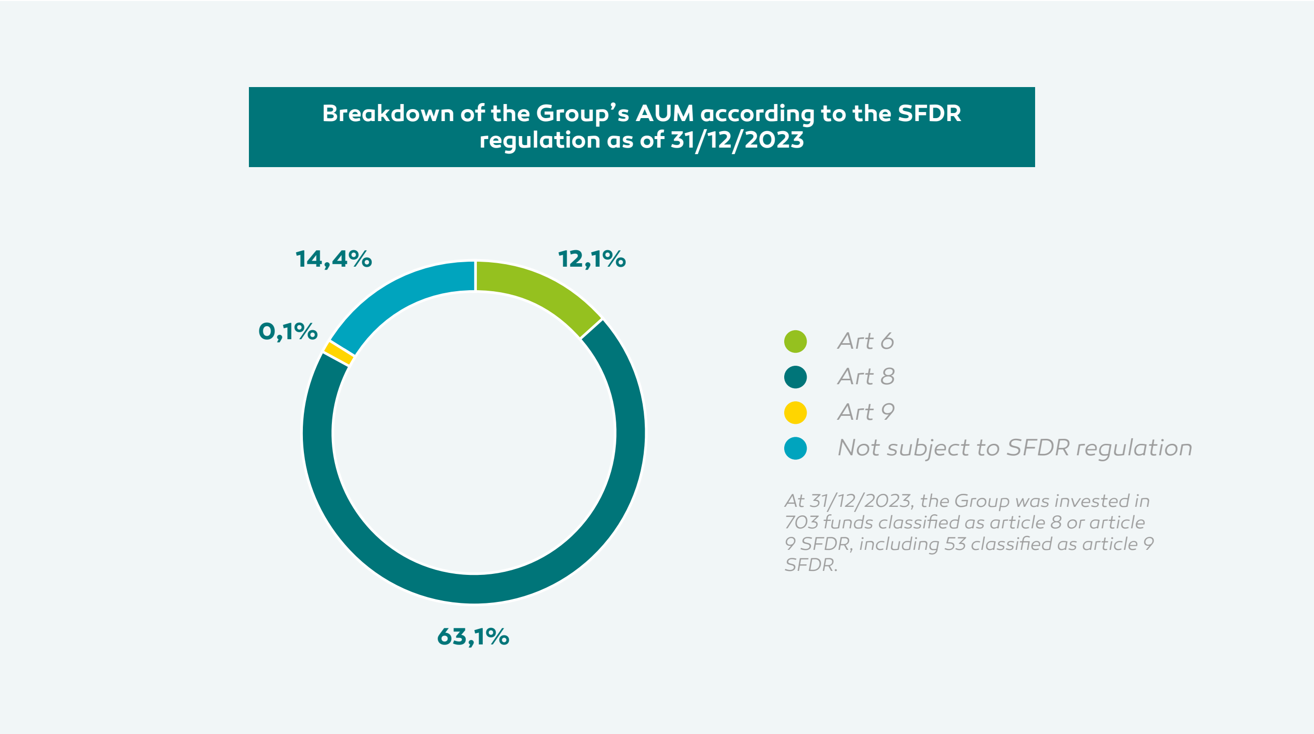
CONTINUOUS IMPROVEMENT PLAN

Groupama wishes to remain active in industry initiatives and plans to join the following working groups:

1. **Institut de la Finance Durable:** Working group on fossil fuels and financing the transition ;
2. **France Assureurs:** Continue the progress made in the working groups on Biodiversity, European Taxonomy and Transition Plans;
3. **NZAOA:** Participating in working groups, notably on the attribution of climate performance, deforestation and carbon credits.

H. PERCENTAGE OF ESG ASSETS UNDER MANAGEMENT

The figure below shows the breakdown of the Group's assets under management according to the SFDR classification at 31/12/2023. As recommended by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), GGVie's euro fund, which is classified as Article 8 per the SFDR regulation, is included in the figures presented below.



I. COMMUNICATING THE GROUP'S SUSTAINABLE INVESTMENT POLICY

Groupama's commitment to sustainable investment is also reflected in **its transparent communications with customers and stakeholders.** All documents related to the inclusion of ESG criteria in the sustainable investment policy and strategy are available on Groupama's website.

II. ESG INTERNAL RESOURCES

A. FINANCIAL, HUMAN AND TECHNICAL RESOURCES

> Groupama deploys substantial resources to ensure that it has the necessary means to implement its sustainable investment strategy.

As of 31/12/2023, 65.7 FTEs were dedicated to ESG, spread across all the Group's entities. These included ESG analysts and sustainability officers.

In addition, Groupama earmarks €2.2 million for ESG, of which €650,000 is dedicated to ESG data. This represents 0.01% of the Group's AUM excluding unit-linked assets.

The technical resources employed by Groupama, such as the data quality control system, are detailed throughout the report.

ESG DATA CIRCULATION AND CONTROL WITHIN THE GROUP

ESG data is purchased from data providers through a Group contract and transmitted first to Groupama Asset Management. GAM integrates this data into its internal tools in order to control the quality of the data, calculate the proprietary ESG rating and associate the ESG ratings and indicators with the various issuers.

All this information is then transmitted to the Group's various entities via the DOFI. This process, which began in 2022, was strengthened in 2023 by the introduction of automated checks on the quality of ESG data. These checks are carried out quarterly, each time the ESG data is updated.

Three types of checks are systematically carried out on all ESG data sent to the Group:

1. **Integrity and consistency of data format;**
2. **Controlling variations, particularly extreme variations in data ;**
3. **A check on the accuracy of the units transmitted.**

B. STRENGTHENING IN-HOUSE EXPERTISE

The mobilisation of employees and elected executives is essential to the successful implementation of the new Sustainability strategy and the sustainable investment policy. Driven by this conviction, Groupama continued to roll out its ESG training programme in 2023.

The members of Groupama's Board of Directors have been trained in sustainability issues and their regulatory dimensions.

In addition, since the summer of 2022, a vast CSR commitment plan has been deployed. This plan has made it possible to support the operational implementation of the strategy through an information system (short videos, webinars), awareness-raising (kit for managers, employee challenges) and training (e-learning), linked to the major CSR themes that are key for Groupama (mutual aid, sustainable finance, contribution to local development, etc.).

More specifically, a Group training plan has been drawn up for all Group employees and elected representatives, covering three main subjects: sustainable finance, climate change and sustainability, and the impact of climate risk on business lines. The sustainable finance module was developed by dedicated DOFI teams to ensure full consistency with the Group's strategy.

Since its launch, 8,255 Group employees in France have taken the e-learning course "CSR at the heart of Groupama's strategy", including 3,679 in the simplified format and 4,576 in the full format of 6 modules.

For Groupama Immobilier, in 2023, a total of 73 employees have been trained in various sustainability issues: ICPE regulations, tertiary decree, European taxonomy.

In 2023, GAM provided 1,790.5 hours of ESG training to 242 people, an average of 7.4 hours per employee.

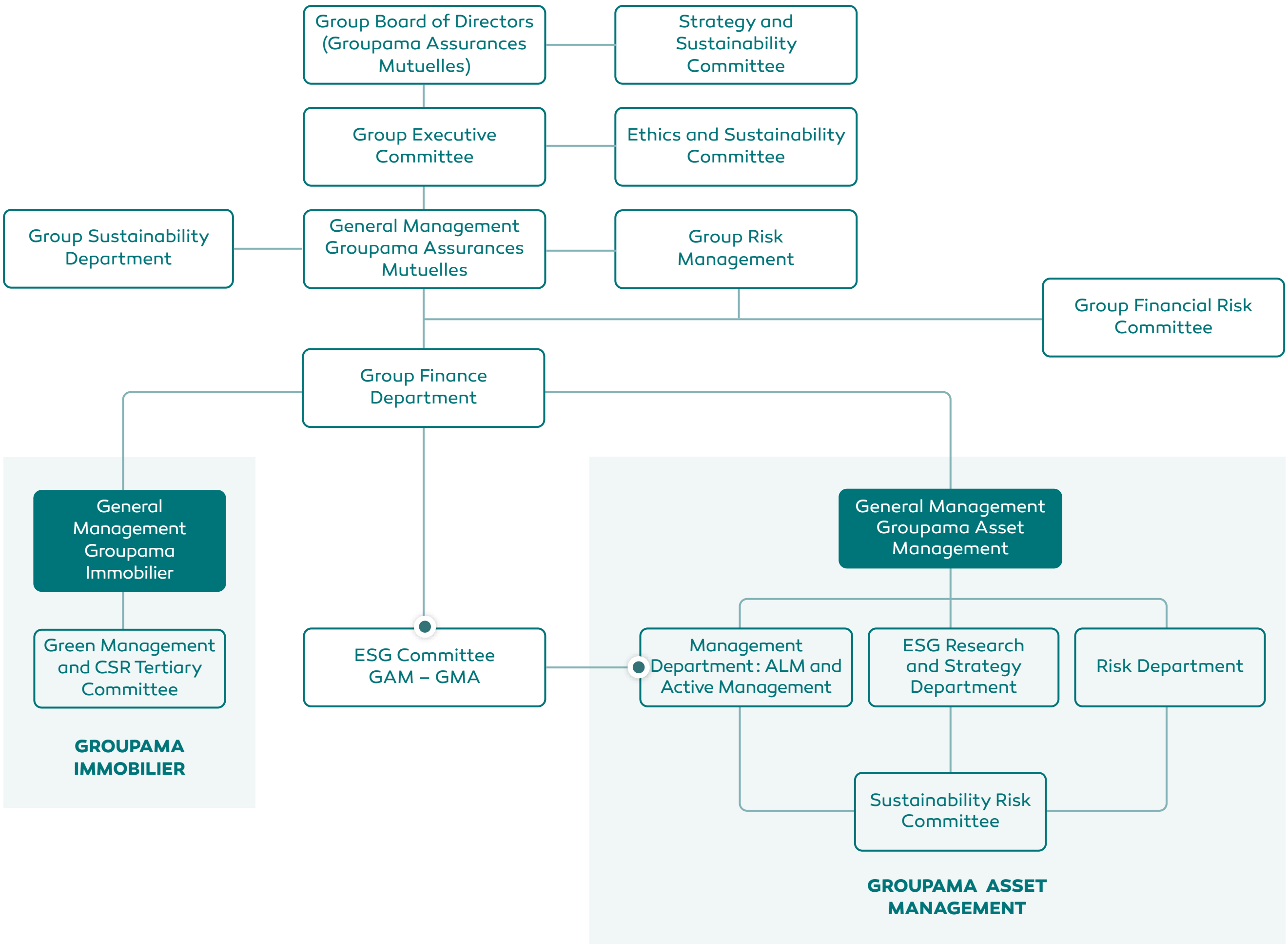
In addition to the training provided internally, Groupama has decided to support academic research by becoming a partner of the Institut Louis-Bachelier-La Fondation du Risque in November 2023 on the research initiative: "The financial sector: measuring differently for a sustainable world". The first study focused on "Insurance in a post-growth world".

INTERNAL RESOURCES: CONTINUOUS IMPROVEMENT PLAN

1. **Following the training of GMA's Board of Directors in 2023** on sustainability issues and their regulatory dimensions, the training of the Boards of Directors of the Group's other entities, in particular Groupama Gan Vie, Groupama Gan Assurances and the Boards of Directors of certain Regional Mutuals in 2024, is underway.
2. **Continuing the work already underway to improve data quality**, in particular to ensure the reliability of carbon data, which serves as the basis for the Group's decarbonisation objective. A call for tenders will facilitate the comparison of changes in the methodologies and scope of data suppliers

III. ESG GOVERNANCE

A. THE GROUP'S GOVERNANCE WAS SIGNIFICANTLY STRENGTHENED IN 2023



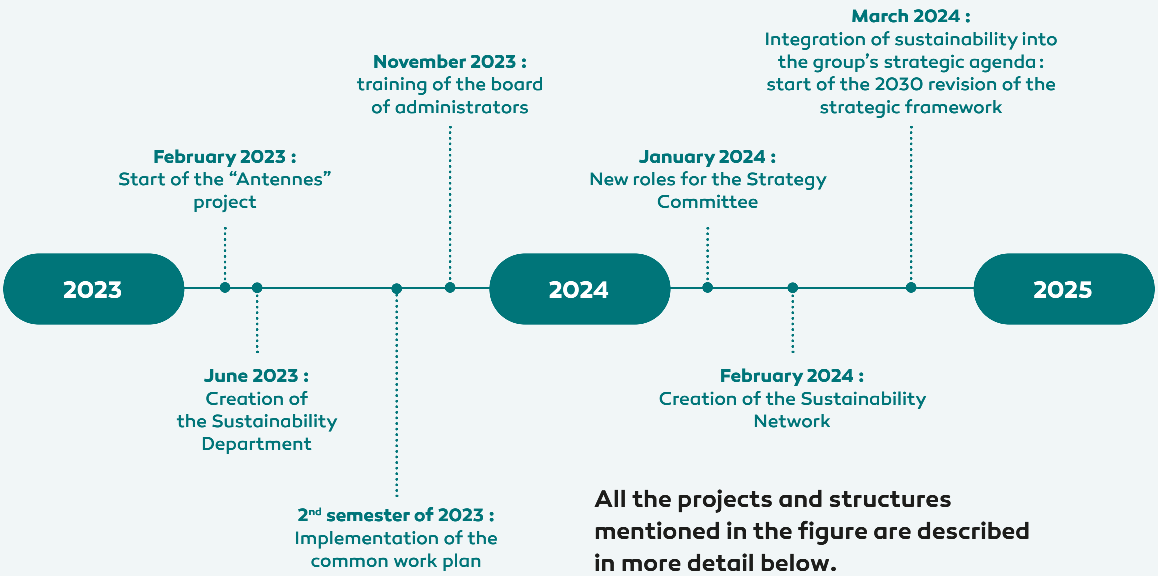
1. A NUMBER OF BODIES PERFORM A VARIETY OF COMPLEMENTARY FUNCTIONS TO ENSURE EFFECTIVE, HARMONISED GOVERNANCE OF SUSTAINABILITY ISSUES

Within Groupama, the governance of sustainability issues was modified during 2023 and will continue to be modified in 2024. The objective of these changes is to strengthen this governance while adapting it to the Group's various businesses.

A department dedicated to sustainability was created in 2023 to act as the orchestra conductor. The aim of this department is to strengthen the dissemination of sustainability within the Group, while continuing to rely on the expert or specialist teams already present in the Group's various departments and entities.

With this new governance structure, Groupama will be able to better coordinate and optimise the management of sustainability, prioritise actions and work areas, and anticipate regulatory changes. Ultimately, this strengthening of governance aims to spread a culture of sustainability throughout the Group and ensure that it is taken into account by all governance bodies.

The main developments in 2023 and 2024 are as follows:



All the projects and structures mentioned in the figure are described in more detail below.

› THE BOARD OF DIRECTORS, ASSISTED BY THE STRATEGY AND SUSTAINABILITY COMMITTEE, APPROVES THE GENERAL GUIDELINES OF THE SUSTAINABLE INVESTMENT STRATEGY

The Board of Directors is supported by various committees that assist it in carrying out its duties, enabling it to **integrate the risks and opportunities associated with sustainability issues**, particularly climate change, into its decision-making processes and operational activities.

The Board of Directors of Groupama Assurances Mutuelles is made up of 15 directors, elected by the Regional Mutuals and independent members, and is responsible for **approving the sustainable investment strategy**, defined as part of the Group's overall investment strategy.

This sustainable investment strategy is validated by the Board of Directors through its **Audit and Risks Committee**. The **Boards of Directors** of each French and international entity also approve the implementation of this investment strategy in their portfolios.

Since the beginning of 2024, the Group's Board of Directors has been supported by the **Strategic and Sustainability Committee**, one of its bodies. Comprising a minimum of three members and a maximum of five members appointed by the Board of Directors, it is responsible for **preparing the Board's work**. Its responsibilities include :

- Ensuring compliance with the extensive regulatory requirements on sustainability;
- Examining the Group's strategic orientations in terms of sustainability and monitoring the coherent and coordinated implementation of the CSR strategy within the Group;
- Ensuring that CSR policy is taken into account in the management of the company.

The non-financial reports and the sustainability strategy are examined.

ESG ISSUES ADDRESSED BY THE BOARD OF DIRECTORS IN 2023

In 2023, the Board of Directors of Groupama Assurances Mutuelles discussed sustainability issues at four of its meetings. The following topics were discussed:

- **Monitoring the CSR strategy ;**
- **The Extra-Financial Performance Declaration;**
- **The Article 29 LEC** report;
- **Monitoring sustainability commitments** and regulations on investments;
- **The guidelines and results** of the implementation of the sustainable investment strategy as part of the review of the overall investment strategy.

› THE ETHICS AND SUSTAINABILITY COMMITTEE IS RESPONSIBLE FOR MONITORING THE GROUP'S STRATEGY

The Group's sustainable investment strategy, its objectives and its implementation are also **presented and validated at least twice a year** by the Group's Ethics and Sustainability Committee, a committee reporting to the Group Executive Committee (GEC), whose role is to participate in the development and operational monitoring of the Group's strategy.

The Group's Ethics and Sustainability Committee has 8 members, all of whom also sit on the Group Executive Committee.

› THE FINANCIAL OPERATIONS AND INVESTMENTS DEPARTMENT (DOFI) PLAYS A KEY ROLE IN DEFINING AND IMPLEMENTING THE SUSTAINABLE INVESTMENT STRATEGY

Since 2022, the DOFI has been responsible for the **definition, effective implementation and development of the Sustainable Investment Charter**, which is common to all entities. Adopted in 2022 by all the Boards of Directors, the Charter defines sustainable investment, determines the role of ESG in the investment process and defines climate strategies.

The operational implementation of the sustainable investment strategy is largely the responsibility of the DOFI, which :

- **Establishes, for the Group as a whole, the sustainable investment policy, exclusions and engagement actions** (particularly with regard to climate change) in order to limit exposure to sustainability risks;
- **Steers and monitors the implementation of these policies** by the asset managers, via regular committees in the case of GAM and Groupama Immobilier;
- **Develops and implements selection tools** for its own investments;
- **Calculates regulatory indicators at Group level,** integrates ESG indicators into Group reporting and provides dedicated reporting;
- **Manages unlisted assets**, with Groupama Immobilier for property and forestry assets.

In addition to these key roles performed by the DOFI, Groupama has risk monitoring governance bodies: Group Risk Committee, and Risk Committees by risk family. These bodies are described in section VIII of this report.

› THE SUSTAINABILITY DEPARTMENT IS THE NEW LEAD FOR ESG GOVERNANCE ISSUES WITHIN THE GROUP

The Sustainability Department was set up in 2023 to coordinate governance, acting as a conductor of the orchestra, in accordance with the principle of subsidiarity, and drawing on the specialist teams present in the Group's various entities, such as the Sustainable Finance team within the DOFI, to roll out the sustainable investment policy. The Department took up its full duties in the second half of 2023.

It consists of a Director and six employees, reporting to GMA's General Manager (Group Strategy and Partnerships, HR and General Secretariat), who is a member of GMA's General Management Committee (GMC) and Group Executive Committee (GEC).

Its main tasks are to prepare and lead the bodies dedicated to sustainability, and in particular to present dossiers to the GEC and the Board of Directors. It is also responsible for stimulating and steering the proper deployment of the sustainability strategy in all the Group's entities, and for proposing an optimised organisation to ensure that regulatory developments in the field of sustainability are properly disseminated, anticipated and taken into account within the Group.

Finally, the Sustainability Department plays a central role in a number of key projects launched in 2023 and 2024. The main ones are described later in this report:

- **The programme Antennes** to anticipate regulatory changes and coordinate compliance ;
- **The common work plan** for the convergence of entities in terms of Sustainability ;
- **The full integration of Sustainability** into the Group's 2030 strategic plan;
- **Leading the Sustainability network** ;
- **The CSRD report** ;
- **Training** for directors and managers;
- **Decarbonising** the Group's operations ;
- **Awareness raising** of employees ;
- **AFNOR certification** of entities.

> THE SUSTAINABILITY NETWORK AIMS TO DISSEMINATE AND HARMONISE THE GROUP'S SUSTAINABILITY CULTURE AND PRACTICES

The Sustainability Network is made up of 34 sustainability sponsors and referents, spread across the business units and departments, in particular the Management Committee of the business units and the central sustainability functions (GMA).

Its responsibilities are as follows:

- **Sharing** best practices ;
- **Prioritising** actions in the implementation of the strategy in order to reduce its variability and enable more impactful communication on the evidence of Sustainability at the service of its unique brand;
- **Collaborating** on joint initiatives, which currently include the Sustainability Report, decarbonisation of the energy consumed by the Group, labelling, supplier evaluation, review of the non-Life offering to improve its alignment with the European taxonomy, training for Boards of Directors and Executives, etc. ;
- **Managing** appropriately the sustainability performance: relevant indicators to provide evidence, robust and auditable calculations, realistic and ambitious targets, robust action plans, monitoring of achievement with leading indicators.

2. SEVERAL PROJECTS LAUNCHED IN 2023 AND 2024 WILL CONSOLIDATE THE NEW GOVERNANCE ORGANISATION

› ANTENNES PROGRAMME

As part of the Group's drive to achieve regulatory compliance in the area of sustainability, the "Antennes" programme (ANTicipation des EvolutioNs réglemeNtaires ESG), led by the Sustainability Department, was launched in February 2023.

The aim of the Antennes programme is to distribute responsibilities for the various regulatory obligations affecting all areas of the Group's business: risk and sustainability, sustainable investment, sustainability in the Life and Non-Life offerings and portfolio, governance, legal watch and standards, etc.

The Antennes programme is based on a steering committee that meets monthly. This committee is responsible for monitoring the action plans, achievements, alerts and risks for each project, as well as keeping an eye on regulations and coordinating responses to consultations or market-place work.

› COMMON WORK PLAN

The objective of this work plan is to collectively accelerate the operational deployment of the CSR strategywhile respecting the principle of subsidiarity.

The Sustainability Department plays a central role in implementing the common work plan. While each GMA entity and function is responsible, with its own resources and specificities, for implementing the overall plan, the Sustainability Department stimulates, helps to prioritise, coordinates, promotes and helps to share good practices between entities, organises the co-creation of solutions, ensures access to shared external expertise for the sake of efficiency, consolidates and steers the achievement of the Group's objectives, and so on.

This work plan includes an investment dimension, the components of which have been validated with the Sustainable finance team within the DOFI.

› REVISION OF THE STRATEGIC FRAMEWORK TO 2030

The purpose of revising the strategic framework to 2030 is not to change the 2022-2024 CSR-Sustainability strategy, but to better measure its impact on stakeholders and to be able to communicate evidence of Groupama's commitment to customers, society, territories and the planet.

The approach involves assessing the relevance and robustness of current KPIs, analysing the publications of the main competitors and seeking out independent assessments, for example :

- the AFNOR CSR Committed label ;
- the World Benchmarking Alliance ranking (on achieving the 17 SDGs of the 2030 Agenda)

B. GROUPAMA WORKS TO INTEGRATE SUSTAINABILITY RISKS INTO ITS COMPENSATION POLICY

> Groupama is fully aware of the need to align financial incentives with the Group's strategic ESG priorities, not only to limit sustainability risks but also to help achieve the Group's objectives.

For this reason, although sustainability risks have not yet been fully integrated into its compensation policy, the Group will continue the work initiated in 2023 in 2024. This work involved :

- **Carrying out an inventory at GMA**, the subsidiaries and the Regional Mutuals of the integration of sustainability risks into existing remuneration policies;
- **Seeking a shared strategy** and consistent criteria between entities.

The Group's stated objective is to implement a compensation policy that incorporates ESG criteria and performance indicators, applicable from the year 2025, for all its executives. The conclusions of this work and the trajectory defined at Group level will be subject to validation by GMA's Board of Directors and then by the Board of Directors of each of the Group's entities.

CONTINUOUS IMPROVEMENT PLAN

ESG knowledge, skills and experience of governance bodies:

- **Creation of a Sustainability Network,** made up of representatives from the Group's departments;
- **Full integration of sustainability into the Group's strategic agenda:** review of the strategic framework to 2030 in order to better measure the impact on the Group's stakeholders and to be able to communicate evidence of the Group's commitment to sustainability;
- **Deployment of the Common Work Plan,** integrating strategy and regulations, used by each Group entity to carry out its own self-diagnosis and set priorities for 2024.

Incorporating sustainability risks into the remuneration policy :

- **Continuation of the general review of the remuneration policy** at Group level;
- **Pending finalisation of the work,** each subsidiary will implement ad hoc measures to link remuneration to ESG criteria.

IV. ENGAGEMENT STRATEGY WITH ISSUERS AND ASSET MANAGERS AND ASSESSMENT OF ITS IMPLEMENTATION

A. PRESENTATION AND ASSESSMENT OF THE ENGAGEMENT STRATEGY

For GAM, the engagement strategy reflects the desire to fully assume its status as a responsible investor. The engagement policy and voting policy are seen as the necessary complement to other ESG policies, in particular sector policies.

The year 2023 was marked by both continuity and reinforcement of the engagement policy. This was reflected in particular in the Group's participation in new collaborative engagement initiatives, such as biodiversity and 'Say on Climate', and in the strengthening of its climate engagement policy following its commitment to the NZAOA.

1. THE FOUNDATIONS OF THE ENGAGEMENT POLICY HAVE REMAINED THE SAME

1

In line with its strategy, GAM has focused on the following themes:

- Sustainability risks ;
- The energy and environmental transition ;
- The creation and sharing of value within companies.

2

Similarly, the objectives of the engagement actions have remained the same:

- Identifying and limiting ESG risks in companies ;
- Improving the quality of ESG data ;
- Identifying and sharing best practices in the sector with investee companies.

3

Finally, GAM continues to promote its interests through three main channels:

- Individual engagement actions with target companies, as well as direct and regular shareholder dialogue with company management;
- Collaborative undertakings, coordinated by national or international bodies or peers;
- The voting policy at the Annual General Meeting, in place since 2001, accompanied by the opportunity to discuss the draft resolutions presented.

The engagement policy is backed up by an advocacy policy, which takes the form of participation in industry initiatives to raise awareness and involve all stakeholders, investors and companies, by working with industry bodies, regulators and other organisations (see part I of this report).

2. GROUPAMA ASSET MANAGEMENT HAS STRENGTHENED ITS ENGAGEMENT POLICY IN 2023

The first sign of this strengthened commitment was the increase in the number of dialogues with companies on ESG issues (shareholder dialogue, engagement meetings, pre-General Meeting meetings), both individually and collectively.

> GAM HAS BEEN ACTIVE IN A NUMBER OF DIALOGUES ON ESG ISSUES (SHAREHOLDER DIALOGUE, ENGAGEMENT MEETINGS, PRE-GM MEETINGS)

Shareholder dialogue

GAM met with 261 companies in 399 meetings in 2023, compared with 239 companies and 324 meetings in 2022. These regular meetings provide an opportunity to discuss ESG issues in the sector or of the issuer, and any controversies to which companies may be subject, particularly for companies on the ESG Major Risks list or concerned by the Fossil fuel sector policy.

Overview of dialogues in 2023

261
Number of **companies met**

399
Number of **meetings held**

79%
Proportion of **Research and Management meetings with companies discussing ESG topics**

36%
Proportion of **meetings addressing the E pillar**

31%
Proportion of **meetings addressing the S pillar**

33%
Proportion of **meetings addressing the G pillar**

Individual engagements

Because GAM believes that certain companies offer significant potential for improving their ESG practices, a specific engagement may be initiated. Engagements are chosen according to the themes of the engagement policy. They may concern all companies and asset classes.

In this context, in 2023, GAM discussed with each of the companies subject to individual engagement, holding 17 meetings with 13 companies on the following topics:

1. **Transparency of ESG indicators ;**
2. **Energy transition ;**
3. **Governance ;**
4. **Employee rights.**

These initiatives, which are recorded in an internal monitoring tool that enables progress to be measured, follow a rigorous process designed to ensure the quality of the engagement:

- **Determination of the following items :** engagement objectives, funds, positions and managers primarily concerned, duration of engagement, escalation measures;
- **Exchanges with the company,** evidenced by the letter of engagement;
- **Regular monitoring of the engagement,** to measure its impact and any necessary escalation measures.

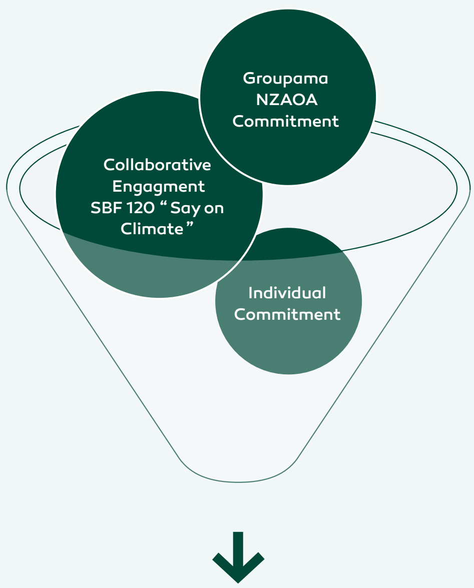
Examples of targeted dialogues continued or initiated in 2023

Dialogues on individual shareholder engagement	Discussions prior to the general meetings
17 meetings with 13 companies	**6 meetings with 5 companies**
Topics addressed Energy transition and climate trajectory Governance Employee rights Transparency on ESG indicators	**Topics addressed** Governance: compensation, succession plan Energy transition and climate trajectory

> GAM HAS CONDUCTED AN ENGAGEMENT CAMPAIGN IN LINE WITH THE REQUIREMENTS SET BY THE NZAOA

GAM has translated the Group's commitment to the NZAOA since 2022 into a stronger engagement towards carbon-intensive emitters by structuring a detailed action plan, to be deployed from spring 2023:

- Identification of 27 of the most carbon-intensive emitters in the portfolios, representing 65% of CO2eq emissions in terms of intensity;
- For each of these issuers, a review of the possible types of engagement (collaborative, individual) was carried out and an engagement objective was defined, for example asking the company to submit an ambitious climate strategy to a shareholder vote through a "Say on Climate";
- A formal letter was sent to the Chairmen of the Boards of Directors requesting that companies in which GAM holds shares propose an ambitious climate strategy in line with Groupama's voting policy, to be submitted to a shareholder vote ("Say on Climate"). The issuers targeted were ENEL, Arcelor-Mittal, Air Liquide, Holcim & Iberdrola;
- The other issuers were involved via the collaborative "Say on Climate" /SBF120 initiative (Engie, Veolia & Total Energies).



A list of engaged companies with an optimised match between objectives and challenges thanks to different methods of action used.

IN ADDITION TO THESE CLIMATE-RELATED ENGAGEMENTS, AN ENGAGEMENT REGARDING THE CSR PRACTICES OF A MIDCAP COMPANY MAY BE MENTIONED FOR ILLUSTRATION PURPOSES :

Company
Interroll, a global supplier of materials handling solutions, with a worldwide network of 35 companies, sales of CHF 556.3 million and 2,400 employees.

Themes
Human/social capital, environment, governance and societal impact.

Start of the engagement
Early 2021.

Background and stages of the commitment :
The company did not publish a CSR report until 2022. The 2021 annual report contained few indicators on human and social capital or the environment.

Means
Meetings and exchanges with the company emphasize the importance of transparency, the use of a methodological framework, and the establishment of targets, particularly concerning climate issues.

Measures
ESG indicators accompanied by an environmental strategy.

Assessment
In 2023, the company published a large number of precise indicators for the year 2022. The company has worked with all its stakeholders, customers and suppliers, on 12 subjects that are assessed using indicators from the GRI methodology. Work with Ecovadis and SBTi has begun. The Chairman of the Board and former CEO has taken on this task with great commitment.

› CONTINUED PARTICIPATION IN COLLABORATIVE ENGAGEMENT INITIATIVES

Since 2018, GAM has joined 21 collaborative action initiatives concerning in particular climate, health or living and working conditions in retirement homes. These initiatives are either European or international in scope as part of the PRI collaborative engagement platform, of which Groupama Asset Management was a co-founding signatory in 2006.

In 2023, GAM joined 5 new collective initiatives supporting, among other things, the principle of "Say on Climate" resolutions or the fight against biodiversity loss, in line with the targets set by the Kunming-Montreal Agreement.

INITIATIVES	OBJECTIVE	RESULT	STATUS
Phitrust coordination – Question at the AGM – Carrefour	Asking Carrefour a question at the AGM on the strategy for reducing scope 3 carbon emissions.	In September 2023, Carrefour undertook to publish an annual progress report on the Group's scope 3 emissions reduction roadmap.	Follow-up in 2024
ItaSIF – Italian State	As a holder of Italian Treasury bonds, A letter was co-signed to the Italian Council, calling on the Italian government to make firm commitments on climate change, social issues, and sustainable finance	Meetings with senators and deputies, then with various ministries (economy and finance, education, economic development). The dialogue is underway and will be followed up in 2024.	Follow-up in 2024
PRI – Say on Climate – Footsie 250	Signing a joint letter to the 35 biggest carbon-emitting companies in the FTS250 urging them to discuss their climate plans at the AGM.	To be followed in 2024 by the implementation of the GA season in the UK.	Follow-up in 2024
PRI - Spring	Signing of a joint declaration of commitment to act as an investor for biodiversity in line with the Kunming-Montréal goals and targets.	Possibility of participating or not during 2024 in collaborative engagements with American/Asian companies (existence of policy/subject of their supply chain/management of the risk of biodiversity loss) or by addressing decision-makers.	Follow-up in 2024
FollowThis – Shell 2024 AGM – Co-tabling of resolution	Participating in the tabling of a joint resolution at Shell's 2024 AGM seeking alignment of medium-term emissions reduction targets covering GHG emissions from the use of its energy products (Scope 3) with the Paris Agreement target. The resolution would be advisory.	Waiting for the Shell 2024 AGM	Follow-up in 2024

› GROUPAMA ENSURES THE QUALITY OF THE ENGAGEMENT POLICIES OF OTHER ASSET MANAGERS

As explained in the section of the report relating to the Group's presentation, due diligence questionnaires have been developed and harmonised for investments in non-dedicated Collective Investment Schems (CIS).

The engagement policy of external asset managers is one of the factors examined by Group entities when deciding whether to delegate the management of part of their assets. For example, the questionnaire relating to listed assets includes an entire section on engagement policy. In particular, the latest engagement and voting reports are requested.

B. PRESENTATION AND ASSESSMENT OF THE VOTING POLICY

1. THE VOTING POLICY, A NATURAL COMPLEMENT TO THE ENGAGEMENT POLICY

> The Annual General Meeting (AGM) is a key event at which companies communicate with and report to their shareholders. It is also the most obvious way for investors to express their approval or opposition to the actions of company directors.

It is therefore a key part of the Responsible Investment strategy, particularly in terms of dialogue and engagement with companies on governance issues.

The guiding principles of the voting policy are as follows:

- Fair treatment of shareholders ;
- The balance of power between management and supervisory bodies ;
- Transparency and fairness in the remuneration of executive directors;
- The integrity of the financial information provided by the company ;
- Sound management of equity capital ;
- Recognition by the company of its social and environmental responsibilities.

Since 2021, GAM has been in favour of introducing a regular vote on companies' environmental strategy through "Say on Climate" resolutions submitted by the Board of Directors.

Opposition votes are used to express disagreement with practices carried out in connection with the engagement themes. For example, in the event of disagreement on a specific subject, the renewal of the chairmen of the committees in charge may also be the subject to opposition votes. For the sake of clarity, GAM does not abstain.

2. MIRRORING THE ENGAGEMENT POLICY, GAM'S VOTING POLICY WAS ALSO STRENGTHENED IN 2023

> As in previous years, the voting policy was reviewed in 2023 to ensure that ESG criteria and climate issues were taken into account.

The main changes are as follows

- An objective of diversity and rejuvenation of the Board of Directors;
- Voting against the reappointment of the Chairman of the Board of Directors in the absence of a CSR strategy including climate objectives or in the absence of a CSR committee;
- Taking greater account of ESG in executive remuneration;
- Greater application of the Group's convictions at AGMs on US stocks via the ISS SRI voting policy, which is more restrictive than the standard policy.

3. GAM HAS PUT INTO PRACTICE THE CHANGE IN ITS VOTING POLICY

In 2023, GAM fully assumed its responsibilities as a shareholder, voting at 624 General Meetings, effectively exercising its voting rights on 99% of the shares within the scope defined by the voting policy[4]. In total, GAM approved 8,072 resolutions, while the total number of resolutions rejected/other was 2,468, or 23%.

The vast majority (97.8%) of resolutions put to the vote concerned governance issues. This explains why opposition is balanced between the various subjects: anti-takeover measures, remuneration issues or appointments to supervisory boards.

The importance of governance issues has not prevented GAM from expressing its disagreement on all ESG issues and, among other things, from implementing changes to its voting policy.

› THE MAIN CHANGES TO THE 2023 VOTING POLICY HAVE BEEN PUT INTO PRACTICE

For example, GAM has expressed its disagreement in terms of climate, diversity and rejuvenation of the Board on numerous occasions.

SUBJECT	OBJECTIVE	RESULTS
Appointment of directors	Targeting of 30% women on the Board of Directors (except in countries where a higher proportion is required).	Opposition to 58 director appointments.
	Limiting the proportion of directors aged over 70 to 1/3 of the Board of Directors.	Opposition to 23 director appointments.
	Limiting the number of terms that a former CEO can serve as Chairman of the Board of Directors to one.	Opposition to 2 appointments.
Executive remuneration	Including at least one climate or environmental criterion in the performance criteria for all large-cap companies.	Opposition to 56 resolutions relating to remuneration.
Board of Directors	Voting against the renewal of the chairmanship of the board of large caps in the absence of a CSR strategy that includes climate objectives or in the absence of a CSR committee.	Example: vote against the renewal of the term of office of the Chairman of the Boards of Arcelor Mittal, Rexel, Amadeus and Associated British Food.

[4]GAM restricts its voting perimeter to its main positions: total holding per issuer of more than €2 million, with the exception of issuers invested in SRI-labelled funds, for which there is no minimum threshold.

› VOTING IS THE NATURAL COMPLEMENT TO THE ENGAGEMENT POLICY

In order to penalise companies whose progress or achievement of the objectives set out in the commitments made do not keep pace with expectations, GAM votes against certain resolutions proposed by the management of companies subject to an individual engagement in which shares are held.

Among the most striking reasons for opposition were votes against remuneration policies and reports, or the renewal of the chairmanship of the remuneration committee in the absence of ESG objectives in the variable remuneration of executives.

Governance issues are also represented among the reasons for opposition:

- **Respect for the principle of "one vote, one share";**
- **Board independence.**

› "SAY ON CLIMATE": A KEY TOOL FOR TRANSPARENCY AND FOR DEVELOPING COMPANIES' DECARBONISATION STRATEGIES

GAM and the Group have shown their support for the "Say on Climate" principle, notably through several advocacy campaigns.

However, to date, GAM has not been able to adopt a single, clear-cut position. Indeed, since the first "Say on Climate" was submitted by Anea in 2020, the practice has remained marginal and the resolutions very heterogeneous in terms of their purpose (implementation report, vote for the strategy itself, vote on the principle of submitting a "Say on Climate", etc.), which makes it impossible to adopt a clear policy applicable to all cases.

In particular, GAM examines the objectives for reducing greenhouse gas emissions in the short, medium and long term, the means used (offsetting or reduction), the scope of the commitments made, any binding external certifications (SBTi) and the associated investment plans. A joint decision is then taken by the management team, the research team and the ESG team.

While approval rates for resolutions tabled by the Board remain very high, often exceeding 90%, they are much more heterogeneous for external resolutions. In 2023, GAM supported 22 external resolutions out of a total of 25 relating to climate issues (GHG emissions, transparency on fossil fuel financing, action on climate change, climate lobbying, reporting on environmental policies).

The shareholder resolutions supported by Groupama concerned among others, the following companies: Alphabet, General Electric, Total Energies, Shell and Chevron.

> **In 2023, GAM supported 22 external resolutions out of a total of 25 related to climate issues.**

ENGAGEMENT AND VOTING POLICY: CONTINUOUS IMPROVEMENT PLAN

1. **Evolution of the engagement policy to incorporate the expectations of the NZAOA** (engagement specific to the most carbon-intensive companies). Objective: engaging 20 of the most carbon-intensive issuers in the portfolio, either individually or in partnership;
2. **Membership of the FIR's SMID club** to support small businesses on governance issues;
3. **Continuation of engagements with companies and launch of potential new engagements,** particularly on climate issues in line with Groupama Asset Management's voting and shareholder engagement policy;
4. **Following through on the engagements made in 2023,** particularly in the new market initiatives that GAM has joined: Spring, Club 30% Diversité, etc.

V. EUROPEAN TAXONOMY AND FOSSIL FUELS

A. ALIGNMENT WITH THE EUROPEAN TAXONOMY

For 2023, Groupama, like all financial institutions, is required to publish the proportion of its investments aligned with the taxonomy for the first two objectives, i.e. climate change mitigation and adaptation.

PROPORTION OF THE INSURANCE OR REINSURANCE UNDERTAKING'S INVESTMENTS WHICH ARE INTENDED TO FINANCE ACTIVITIES ALIGNED WITH THE TAXONOMY, OR ASSOCIATED WITH SUCH ACTIVITIES, AS A PROPORTION OF ITS TOTAL INVESTMENTS.	INDICATOR FIGURES
Weighted average value of all investments that are intended to finance or are associated with economic activities aligned with the taxonomy, relative to the total value of assets covered by the KPI, for investments in companies :	
Based on revenue	2%
Based on capital expenditure	4%
Weighted average value of all the investments of the insurance or reinsurance undertaking which are intended to finance or are associated with economic activities aligned with the taxonomy, for investments in undertakings :	
Based on revenue	1162 M€
Based on capital expenditure	2364 M€
Percentage of assets covered by the KPI in relation to the insurance or reinsurance undertaking's total investments (total assets under management). *Excluding investments in sovereign entities (coverage ratio)*	70%
Monetary value of assets covered by the KPI. *Excluding investments in sovereign entities (hedging)*	58016 M€

B. ENCOURAGING THE ENERGY TRANSITION BY REDUCING DEPENDENCE ON FOSSIL FUELS AND THE GROUP'S EXPOSURE TO FOSSIL FUELS

As of 31 December 2023, Groupama has assessed the brown share of its activities as well as its exposure to coal and unconventional fossil fuels.

Weighted values

For "weighted" values, 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.

Three indicators are calculated by Groupama using this methodology:

1. **The coal share** represents the share of investments in companies that derive part of their business from thermal coal. It is calculated by multiplying the share of sales linked to coal mining (GCEL) by the stock market value of the company's exposure.
2. **The Brown share** is made up of the share of companies involved in the extraction, production (upstream) and transport (midstream) of fossil fuels (coal, oil, gas). It is calculated as the sum of the stock market value multiplied by the share of sales linked to coal mining (GCEL) and the stock market value multiplied by the share of sales linked to oil & gas mining (GOGEL).
3. **The Unconventional share**[5] represents the share of investments in companies that derive part of their business from unconventional fossil fuels. It is determined by multiplying the stock market value of the company's exposure by the share of sales linked to Oil & Gas operations (GOGEL), then by the share of unconventional in hydrocarbon production (GOGEL).

[5] Fracking, oil sands, coalbed methane, very heavy oil, very deep waters and the Arctic.

1st Euro' securities

For '1st Euro' securities, exposure calculations are based on the Group's entire investment in the companies concerned. No weighting is applied and 100% of the market value is taken into account in the exposure to issuers on the Global Coal Exit List (GCEL) and the Global Oil & Gas Exit List (GOGEL).

The table below shows the share of various fossil fuels in the Group's total assets, excluding unit-linked vehicles.

	GROUP	
	2022	2023
Weighted Coal Exposure	0,1%	0,02%
Coal Exposure - 1st Euro	0,9%	0,2%
Weighted Brown Share	1,2%	1,0%
Brown Share - 1st Euro	2,4%	1,5%
Exposure Unconventional Weighted	0,1%	0,1%
Unconventional Exposure - 1st Euro	0,5%	0,5%

The reduction in exposure to fossil fuels is largely explained by the decline in investments in the money market portfolio in issuers within the utilities sector.

VI. ALIGNMENT STRATEGY WITH THE OBJECTIVES OF THE PARIS AGREEMENT

A. GROUPAMA HAS REASSERTED ITS CLIMATE OBJECTIVES AS PART OF ITS NZAOA COMMITMENT

In addition to the exclusion and engagement policies described earlier in the report, Groupama's climate strategy is based on two levers:

01 **Decarbonising the portfolio by 2030,** in line with the objectives of the Paris Agreement and the recommendations of the NZAOA, which was joined in 2022. The Group is committed to reducing by 50% between the end of 2021 and the end of 2029 the greenhouse gas emissions intensity (tCO2eq / million euros of sales) of the listed equity and corporate bond portfolios at Group level.

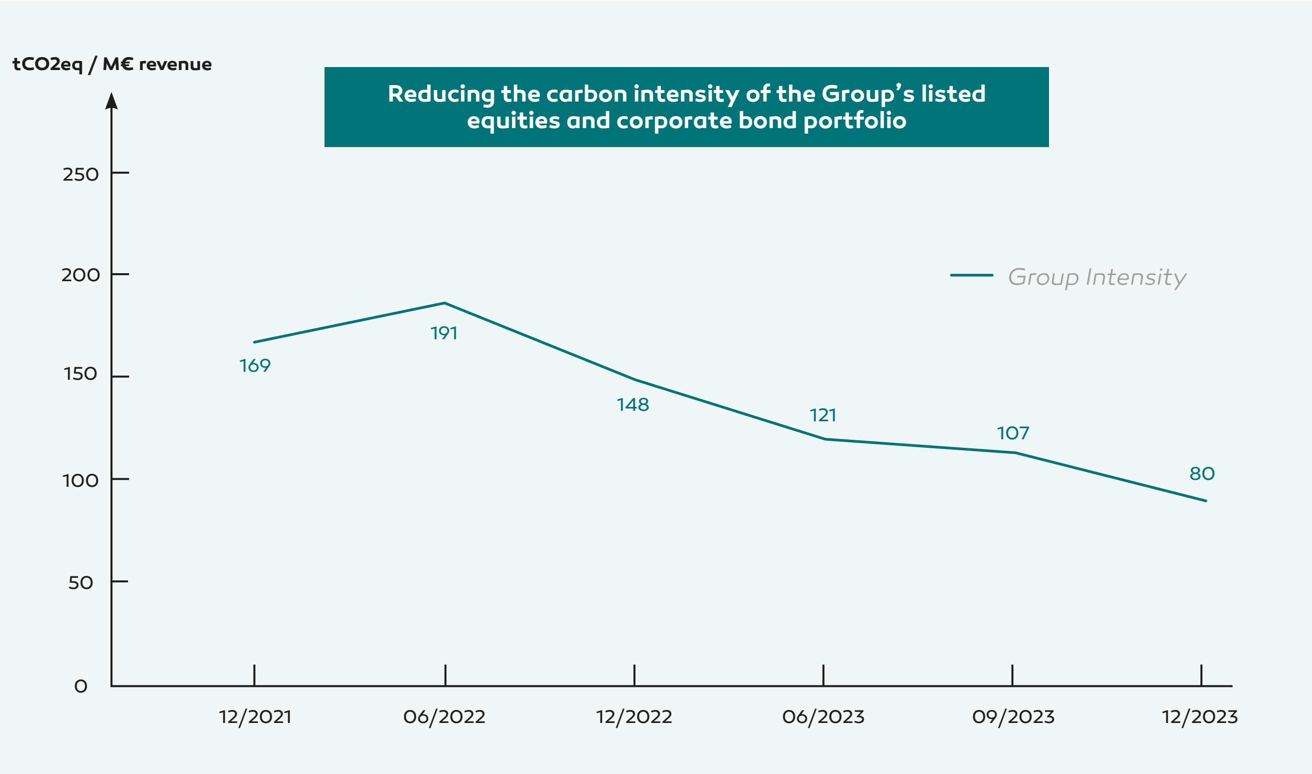
02 **Financing the energy transition** through the green investments in its additional sustainable investment programme of €1.2 billion over the period 2022-2024, mainly invested in infrastructure, real estate and green bonds.

By 2023, both objectives were achieved. Groupama has maintained the first and renewed the second. With regard to energy transition infrastructures, the Group is working to adapt its target portfolio to the financing needs of the transition.

1. REDUCING CARBON INTENSITY

After reducing the monetary intensity of its portfolio's emissions by 15% in 2022 compared with 2021, Groupama reduced it by 46% in 2023. This is the scope 1 & 2 intensity calculated on the perimeter of listed equities and corporate bonds excluding UCs covered by intensity data (92% coverage rate in 2023).

The objective of reducing the GHG emissions intensity (tCO2eq / €M of sales) of the Group's corporate bond and equity portfolio at Group level, i.e. 50% between the end of 2021 and the end of 2029, was therefore achieved by the end of December 2023.



This performance is largely due to the decarbonisation of the money market portfolio. By 2023, its intensity will have fallen by 80%. Investments in this asset class are by nature short-term investments. The composition of the money market portfolio is therefore highly volatile and can change at different times of the year, as it depends on the willingness of companies to invest their cash flow on listed markets. As a result, achieving the 2023 decarbonisation target may be temporary.

Groupama is maintaining its objective of gradually reducing the carbon intensity of its investments in order to achieve a sustainable 50% reduction in carbon emissions financed under scopes 1 & 2.

To achieve this, it will continue to steer the gradual decarbonisation of its long-term investment portfolio:

- On the one hand, Groupama is using an internal simulation tool to ensure that the carbon intensity of its emissions will be reduced by 50%;
- On the other hand, the Group will **gradually integrate new asset classes**, in line with the recommendations and timetable set out by the NZAOA. Initially, infrastructure and property will be included in the decarbonisation perimeter.

2. GROUPAMA PLAYS AN ACTIVE ROLE IN THE DEVELOPMENT OF LOW-CARBON INFRASTRUCTURES

Groupama intends not only to reduce its exposure to fossil fuels, both conventional and unconventional, but also to actively contribute to the energy transition by addressing the investment needs in infrastructure, going further than the work carried out in 2022 on renewable energies.

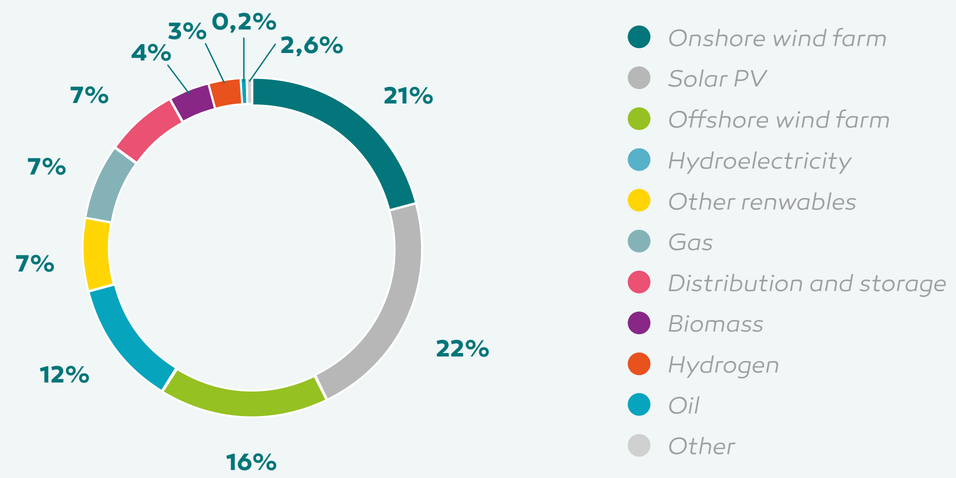
The ultimate aim is to determine a target allocation between types of infrastructure (transport, electricity storage, low-carbon infrastructure, etc.) in order to contribute fully to the financing needs in this area. These investments are part of the Group's sustainable investment programme described in section I.

› GROUPAMA, A COMMITTED PLAYER IN THE FINANCING OF RENEWABLE ENERGIES

In 2023, Groupama repeated the study conducted in 2022 on all of the Group's investments in order to identify the energy mix. These results were compared with the IEA energy mix presented as compatible with a Net Zero objective.

As of 31/12/2023, the Group's exposure to infrastructure was €1.65 billion, mainly concentrated in its French subsidiaries (86%). The scope of the study covers a total of €1.2 billion, or 85% of the assets invested by the French subsidiaries. Energy accounted for 41% of infrastructure investments. Energy investments broke down as follows:

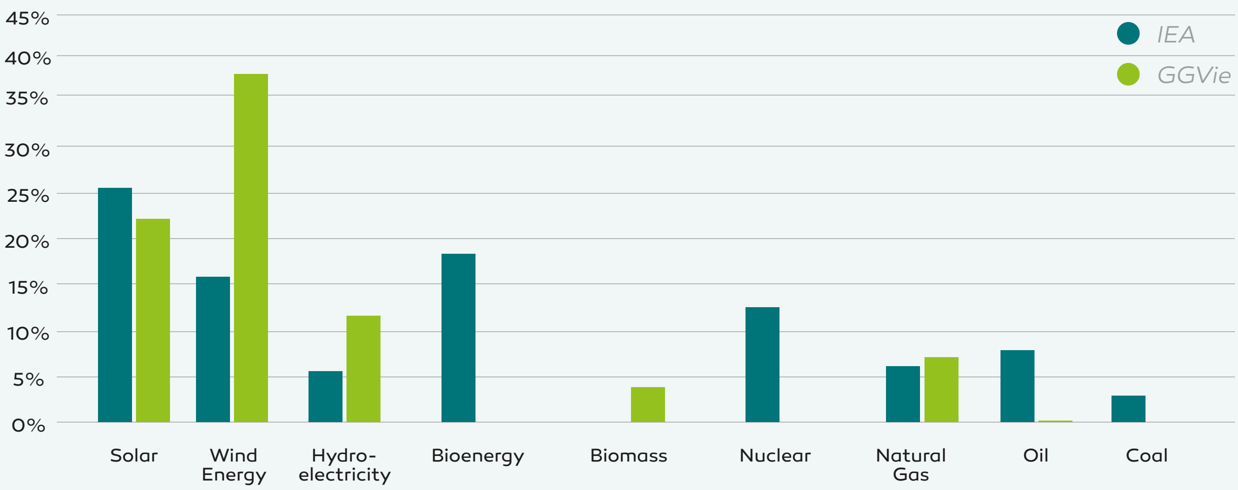
French subsidiaries infrastructure energy mix



As part of its report on the target energy mix to be achieved by 2050 in order to reach Net Zero, the International Energy Agency highlights the need to significantly increase the share of solar energy (×20) and wind energy (×16) in order 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 (French subsidiaries) as of 31/12/2023 with the IEA's target energy mix, it can be observed that Groupama's energy mix follows the IEA's target indications, by concentrating its efforts on low-carbon energies, which represent 93% of the energy mix of the infrastructures of Groupama's French subsidiaries.

The comparison below covers 84% of the infrastructure assets of Groupama's French subsidiaries. Certain assets,

Comparison of the IEA energy mix with Groupama's infrastructure energy mix (French subsidiaries)

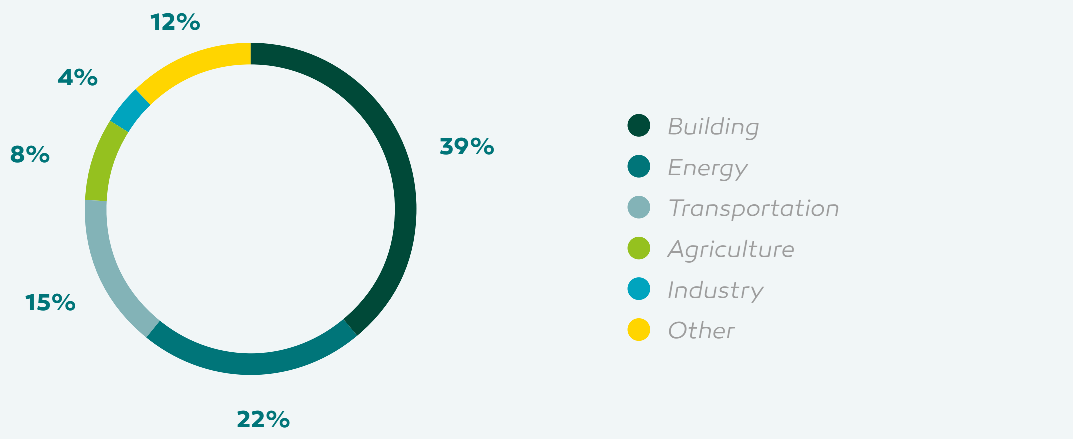


› GROUPAMA HAS REVIEWED ITS INVESTMENTS IN ORDER TO MEET SECTORAL INVESTMENT NEEDS AS PART OF THE ENERGY TRANSITION

> The energy transition will require not only replacing fossil fuels with renewable energies, but also reducing energy consumption and making it more efficient. This is why Groupama, as a responsible investor, fully intends to contribute to financing needs in sectors that emit large amounts of greenhouse gases, particularly transport.

In 2023, Groupama has compared the allocation of its investments with the financing needs. According to the Institut Rousseau, the latter amounts to €1,520 billion per year in Europe. **Of this €1,520 billion, €360 billion is additional investment, heavily concentrated in 4 sectors:**

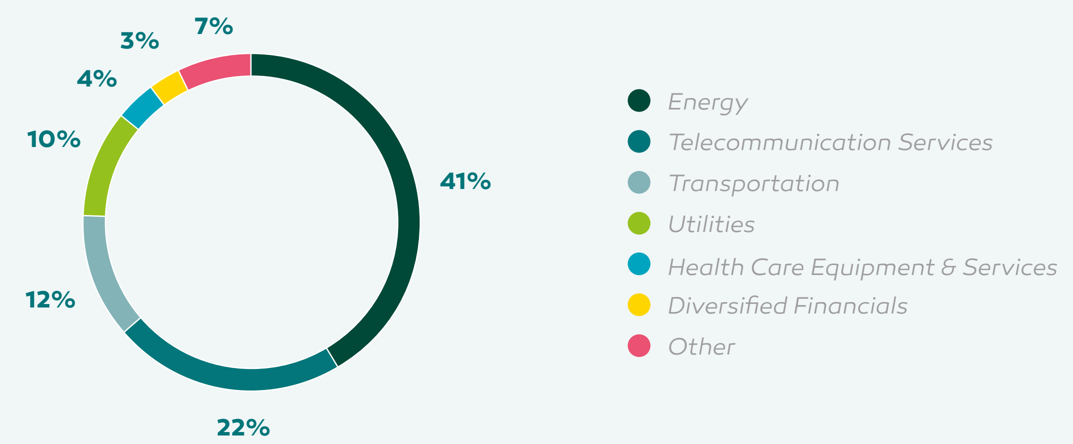
Distribution of additional financing needs by sector



For each of its sectors, Groupama has identified the levers to be activated and therefore the sectors towards which financing should be directed.

In addition, Groupama has analysed the current composition of its infrastructure portfolio:

Sector breakdown



In 2024, Groupama will continue this analysis work to integrate financing needs into the definition of its allocation targets, in order to strengthen its role as a financer of the energy transition.

B. GROUPAMA MONITORS THE ENVIRONMENTAL PERFORMANCE OF ITS INVESTMENTS

The diversity of environmental performance indicators used by Groupama offers investors several ways to identify carbon risk. While no single indicator provides a tangible result, quantitative and qualitative climate performance diagnostics and research capabilities make it possible to assess the robustness of a company's transition approach.

› DATA QUALITY

IDL associates a Data Quality Level (DQL) with each indicator, ranging from 1 to 4 and making it possible to identify the data source used to calculate the results of the model and to identify the lines based on estimated versus reported data. The higher the DQL, the more the data is based on estimates. DQL 3 and 4 are mainly based on estimates.

Proportion of issuers by data quality level as provided by Iceberg Data Lab			
	CO_2 INTENSITY (SCOPES 1 & 2)	TEMPERATURE SB2A	NEC
DQL 1	33,8%	1,5%	2,2%
DQL 2	6,7%	6,8%	38,7%
DQL 3	59,3%	46,5%	59,1%
DQL 4	0,2%	45,1%	0%

› EQUITY PORTFOLIO

		2023				2022	
Performance indicator	**Unit**	**Equity portfolio**	**Coverage rate**	**MSCI Europe Index**	**Coverage rate**	**Equity portfolio**	**Coverage rate**
Carbon intensity (scope 1-2)	tCO2e/M€CA	79,8	86%	125	98%	150,7	91%
Carbon intensity (upstream scope 1-2-3)	tCO2e/M€CA	314,6	88%	358	98%	353	91%
Equivalent temperature SB2A	°C	2,8°C	86%	2,8°C	86%	2,85°C	90%
NEC	%	-1,11%	99%	-0,11%	90%	-0,76%	90%

In 2023, the carbon intensity (scope 1-2) of the equity portfolio fell by 47% compared with 2022, a reduction equivalent to that of the portfolio as a whole in 2023. The carbon intensity of the equity portfolio is significantly lower than that of the benchmark index.

› CORPORATE BOND PORTFOLIO

		2023				2022	
Performance indicator	**Unit**	**Barclays Aggregate**	**Coverage rate**	**Barclays Aggregate**	**Coverage rate**	**Corporate bond portfolio**	**Coverage rate**
Carbon intensity (scope 1-2)	tCO2e/M€CA	102	93%	136,9	93%	135,4	91%
Carbon intensity (upstream scope 1-2-3)	tCO2e/M€CA	267,4	92%	493	88%	330	91%
Equivalent temperature SB2A	°C	2,9°C	86%	2,8°C	95%	2,7°C	90%
NEC	%	-1,49%	90%	-1,29%	89%	1,4%	95%

In 2023, the carbon intensity (scope 1-2) of the bond portfolio was 25% lower than in 2022. This is mainly due to a very high turnover in the money market portfolio.

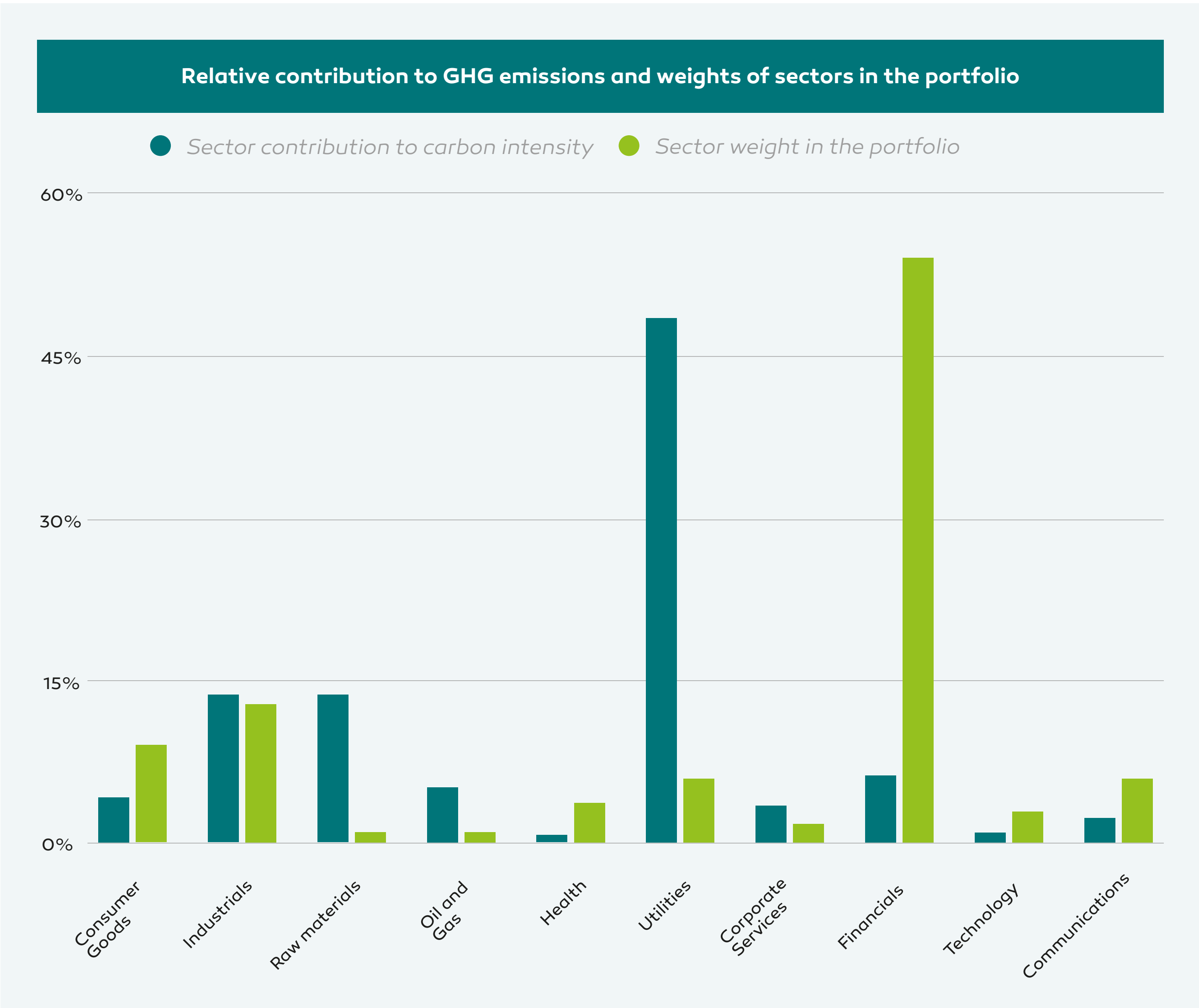
› GLOBAL EQUITY AND CORPORATE BOND PORTFOLIO (TRANSPARISED)

	2023			2022	
Performance indicator	**Unit**	**Portfolio**	**Coverage rate**	**Portfolio**	**Coverage rate**
Carbon intensity (scope 1-2)	tCO2e/M€CA	80	92%	149	91%
Carbon intensity (upstream scope 1-2-3)	tCO2e/M€CA	277,1	91%	332	91%
Equivalent temperature SB2A	°C	2,9°C	92%	2,75°C	90%
NEC	%	-1,42%	97%	1,29%	95%

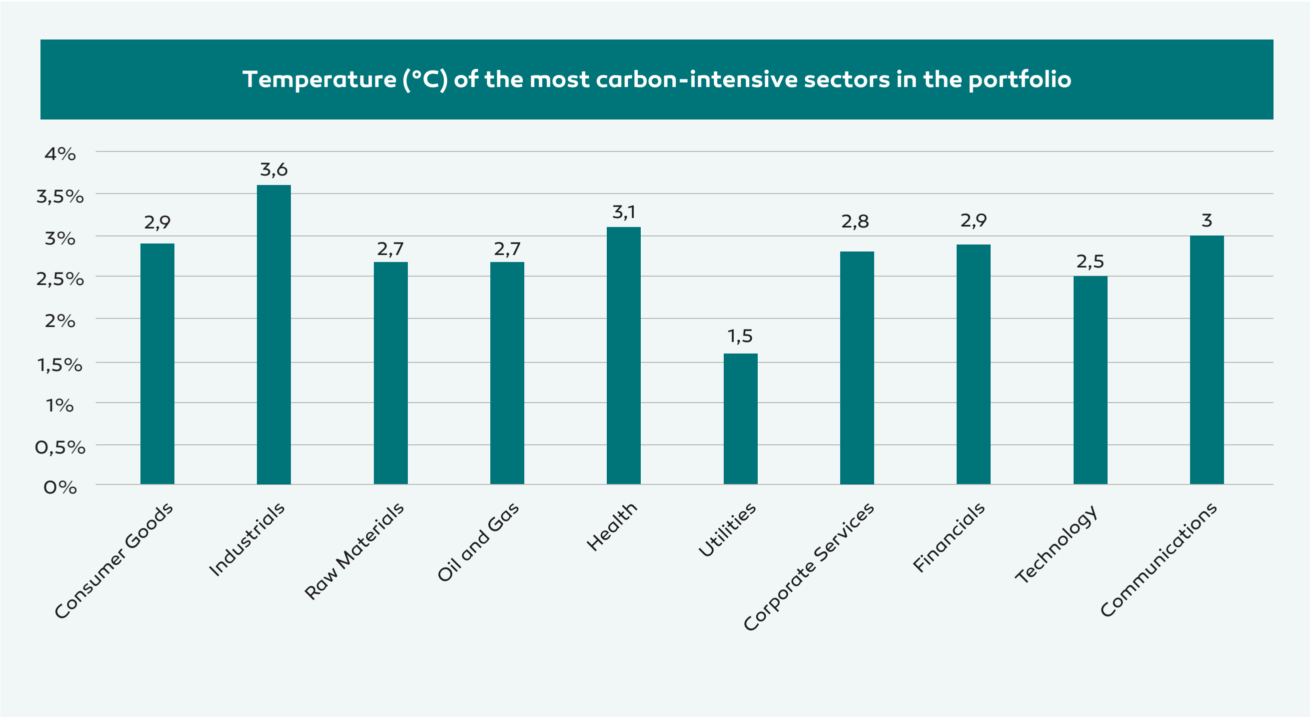
In 2023, the carbon intensity (scope 1-2) of the equity-bond portfolio was 46% lower than in 2022.

› CLIMATE FOOTPRINT

The scope 1-2 carbon intensity of the overall corporate portfolio is largely determined by the Utilities sector, which accounts for 46% of emissions, even though it constitutes only 6% of the portfolio's assets (most of which are held in money market instruments). The "Financial Companies" sector contributes only 6.3%, although it represents 54% of total assets. Similarly, the Finance Companies sector makes a much greater contribution when scope 3 data is included, which is still too unreliable to date because it is largely modelled and not reported by companies.



Access to SB2A temperature data enables investors to select the companies in the most carbon-intensive sectors that are best positioned in terms of dynamic climate performance. The figure below confirms this, particularly for utilities (temperature of 1.6°C within the portfolio).



The climate impact of Groupama's portfolio is highly concentrated. In fact, at the end of 2023, 70% of the intensity is explained by 37 issuers that account for 11.5% of the total market value. The portfolio's future performance will therefore be largely explained by a few issuers and the commitments they are able to make and keep in the future.

› SOVEREIGN BONDS PORTFOLIO

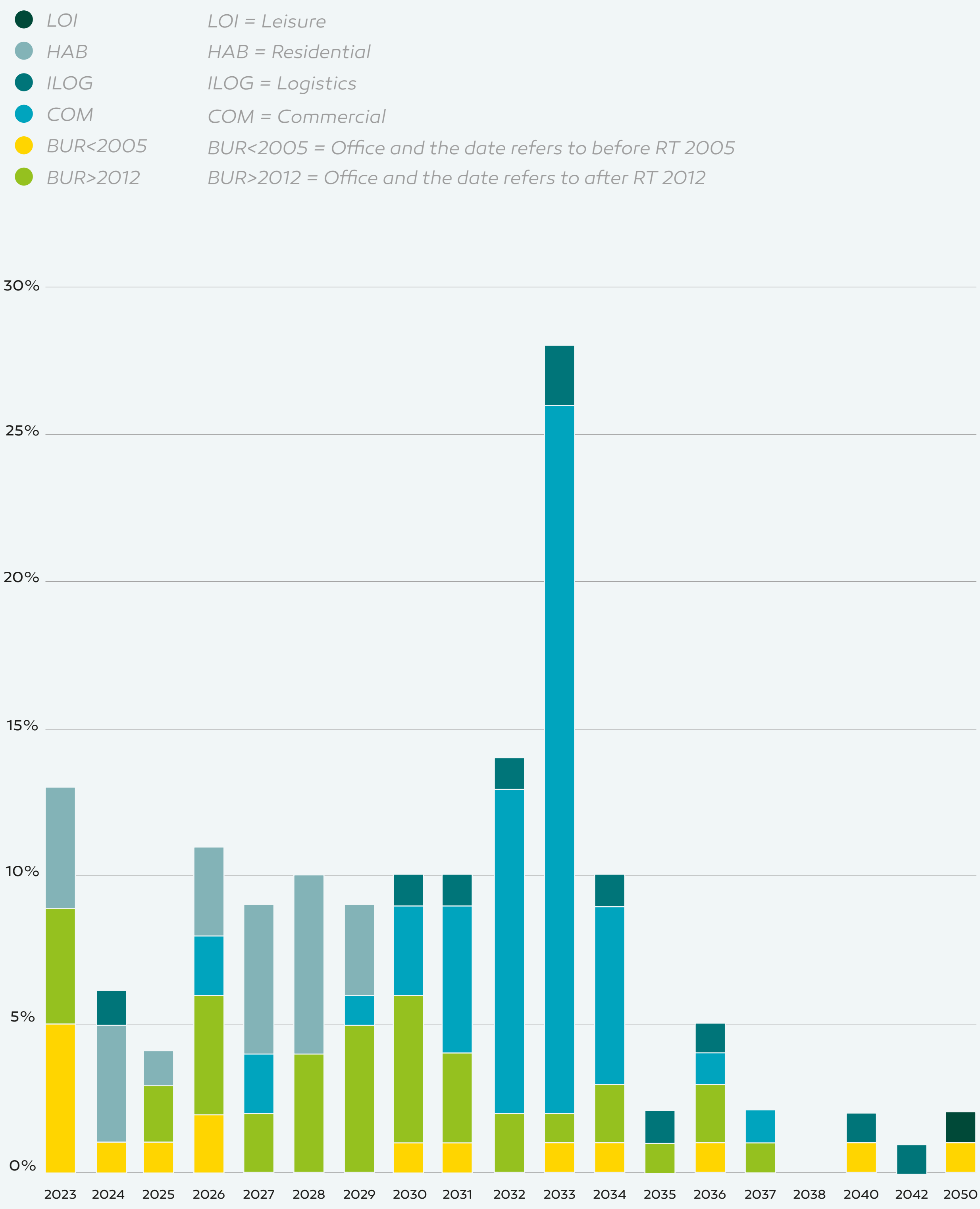
	NATIONAL GHG EMISSIONS/GDP (DOMESTIC + IMPORTED)	SHARE OF LOW-CARBON ENERGY (INCLUDING NUCLEAR)	PORTFOLIO WARMING POTENTIAL	COVERAGE RATE
Unit	tCO^2/M€PIB	%	°C	%
Portfolio Sovereign Bonds 2023	232,1	37%	1,8°C	93%
Portfolio Sovereign Bonds 2022	630	39%	1,8°C	96%

The sovereign bond portfolio is low-carbon, as it is largely invested in French (51%), Italian (24%) and Spanish (12%) government bonds. The portfolio has a warming potential of 1.8°C, in line with the objectives of the Paris Agreement.

› INVESTMENT PROPERTY PORTFOLIO

The GHG emissions/m2/year for each asset have been compared with the targets set out in the CRREM pathways, providing a snapshot of the portfolio in 2023. **To date, 36% of the portfolio by value, i.e. 86 assets out of 148, are already compliant with the 2030 targets.**

Last year of alignment with the CRREM Pathways



CLIMATE STRATEGY: CONTINUOUS IMPROVEMENT PLAN

1. **Taking into account companies' climate transition plans into the ESG analysis ;**
2. **Carbon intensity management:** developing a carbon intensity management tool and deploying it in 2024, starting with 3 pilot Regional Mutuals;
3. **Rolling-out the new sustainable investment programme** up to the end of 2027 (€1.2 billion from the end of 2023 to the end of 2027);
4. **Maintaining the current level of decarbonisation** of the portfolio (target of -50% by 2023);
5. **Extending the scope of asset classes** (real estate, infrastructure, private equity, etc.) in line with the NZAOA protocol and timetable;
6. Continuing the work to determine a **sector allocation target for the infrastructure portfolio;**
7. **Monitoring the progress made by companies**, in particular by putting in place a climate strategy with targets for reducing CO2 emissions, in line with the Paris Agreement;
8. Groupama is working to **define a quantitative climate target** that will be set every 5 years over the period 2030-2050;
9. **Groupama Immobilier :**
   - Setting a decarbonisation target expressed by reference to **CRREM** pathways;
   - Continuing to roll out the **multi-year works plan.**

VII. ALIGNMENT STRATEGY WITH LONG-TERM BIODIVERSITY GOALS

Aware of the rapid decline in biodiversity, the Group is continuing its efforts to contribute to global biodiversity objectives, on which the functioning of the economy entirely depends. For the Group, this means assuming its fiduciary responsibility, remaining true to its identity as a responsible investor and responding to the call from civil society.

Groupama's strategy is anchored in the regulatory framework defined in particular by the decree implementing article 29 of the "Energy Climate Law" and by the Kunming-Montreal Agreement, adopted in December 2022, which complements and clarifies the provisions of the Convention on Biological Diversity.

As a reminder, the targets of the Kunming-Montreal Agreement to which Groupama has undertaken to contribute are as follows:

Target 8 : reduce the impact of climate change (through the climate strategy).

Target 15 : monitor and publish the impact of companies financed by Groupama.

Target 19 : contribute to the need for biodiversity funding, estimated at $200 billion/year by 2030.

While the targets to be achieved were clearly defined by the Kunming-Montreal Agreement, they are not yet the subject of associated and clearly defined trajectories, unlike climate. In order to take an operational approach to the subject of biodiversity, Groupama has decided to use the work of the Finance for Biodiversity Foundation[6] to set targets for biodiversity and financing.

The Finance for Biodiversity Foundation has identified two main types of target: **internal targets** to be achieved by 2026 and **impact targets** to be achieved by 2030. The internal targets cover all of an investor's organisational resources, over which it has direct power, while the impact targets refer to the investments made, over which an investor has the ability to act indirectly.

Objectives set by the Finance for Biodiversity Foundation

Internal targets to be achieved by 2026

Cover all organizational resources of an investor, over which they have direct control.

Impact targets to be achieved by 2030

Cover investments made over which an investor has indirect influence.

Groupama has therefore reiterated its commitment to contribute to the global objectives on biodiversity by developing its own internal targets, linked to the COP15 targets to which the Group has committed in 2023.

The scope of the Group's biodiversity strategy covers the assets of Groupama Gan Vie whose management is delegated directly to GAM, i.e. listed equities and corporate bonds, which represents a total of €10,388 million and 14% of the Group's assets.

Although it will evolve over the medium to long term, the biodiversity strategy is currently based on the following pillars:

1. **Analysis of the impact and dependency** of the GGVie portfolio on biodiversity;
2. **Monitoring the biodiversity strategy** at governance level and training investment experts in biodiversity-related issues;
3. **Biodiversity has been an integral part** of the ESG analysis and issuer selection process for several years.

[6] Nature Target Setting Framework for Asset Managers and Asset Owners, Beta-version guidance, November 2023

A. GROUPAMA HAS RENEWED THE MEASUREMENT OF ITS PORTFOLIO'S BIODIVERSITY-RELATED IMPACTS AND DEPENDENCIES

1. THE SCOPE OF MEASUREMENT AND EXPOSURE TO IMPACTS AND DEPENDENCIES HAS BEEN EXTENDED

› GROUPAMA HAS USED THE SAME TOOLS TO ENSURE COMPARABILITY

In line with the recommendations of target no. 15 of the Kunming-Montreal Agreement, Groupama has continued to analyse the impacts and dependencies of the GG Vie portfolio on biodiversity, with the aim of identifying the most material sectors and conducting more detailed analyses.

For reasons of comparability and reliability, Groupama has chosen to reiterate the exercise carried out in 2022 and to use the ENCORE database. The analysis was conducted on an isoperimeter basis, i.e. on GGVie's listed equities and corporate bonds managed under mandate by Groupama Asset Management.

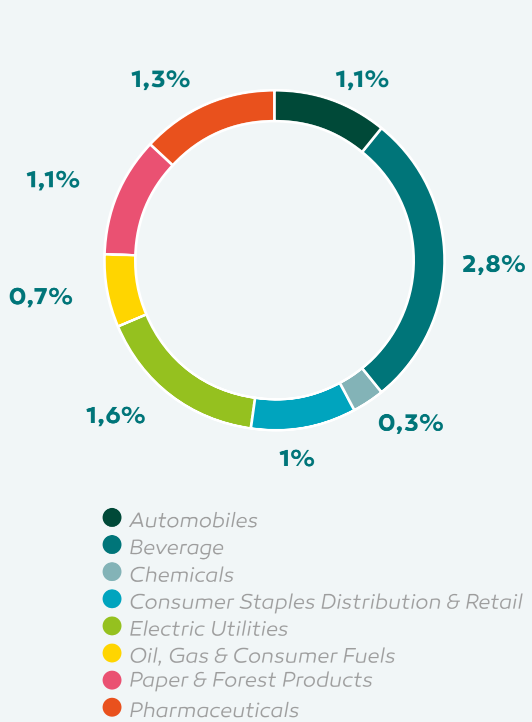
› GROUPAMA HAS BROADENED THE SCOPE OF ITS ANALYSIS OF EXPOSURE TO BIODIVERSITY RISKS

In addition to the work carried out in 2022, Groupama wanted to identify the proportion of its investments belonging to:

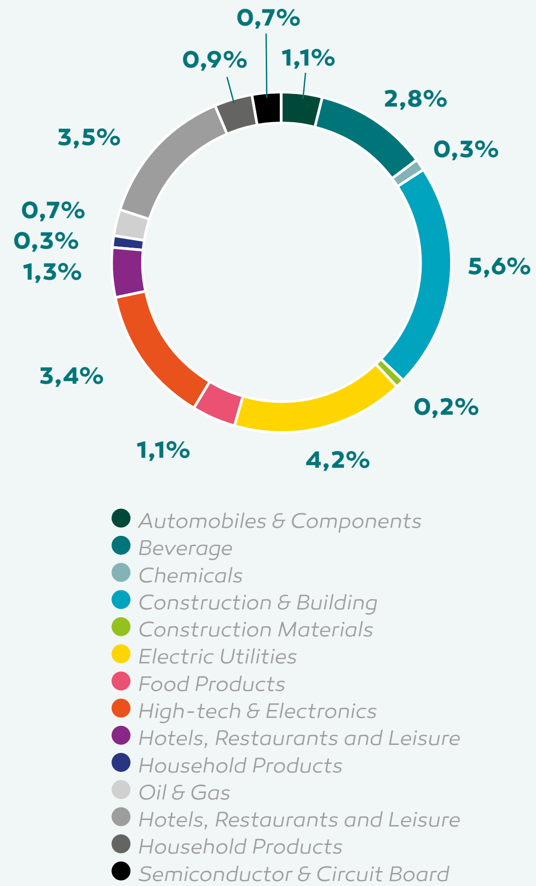
- **The 10 sectors flagged as priority sectors by the Finance for Biodiversity Foundation.** These ten sectors represent 30% of the market capitalisation of the MSCI ACWI index and 70% of its biodiversity footprint. 10% of GGVie's portfolio belongs to a sector considered a priority by the Finance for Biodiversity Foundation.
- **Sectors identified by Ceres as exposed to risks related to water quality and quantity** throughout the value chain[7]. The analysis shows that 26% of the portfolio belongs to sectors identified by Ceres as exposed to risks related to water quality and quantity across the entire value chain. The sectors are also very varied, although beverages, pharmaceuticals and utilities are over-represented.

[7] https://www.ceres.org/resources/reports/global-assessment-private-sector-impacts-

Portfolio exposure to priority sectors



Exposure to water risk



› GROUPAMA HAS MEASURED THE PRESSURE EXERTED BY ITS PROPERTY PORTFOLIO ON BIODIVERSITY

In accordance with the expectations of the IPBES and the Kunming-Montreal Agreement, the contribution of real estate assets to the 5 main factors of pressure on biodiversity was analysed:

ANALYSIS OF PRESSURES ON BIODIVERSITY	INDICATOR	CONTRIBUTION	IMPACT	MEASURES TAKEN
Urbanisation	The "Urbanisation" indicator assesses the process of consuming natural and semi-natural areas for the benefit of urban areas, as well as the level of fragmentation of environments. The higher the indicator, the more restrictive environments are for the development of biodiversity.	Assets are located in highly urbanised areas, leaving little room for natural spaces.	Low Medium 96%	• Biodiversity flash audits have been carried out on the first eight assets in order to assess the hosting potential and the CBS of the projects. • 0 assets built on undeveloped land in 2023.
Climate Change	The "Climate Change" indicator varies according to temperature trends (global trends and extreme weather events), implying a migration or adaptation of species. The higher the Climate Change indicator, the greater the risk of inadaptation, or even extinction.	The risk of species not adapting to changing temperatures is moderate for 95% of assets, and low for 5%.	4,1% 0% 95,9%	An energy and carbon assessment will be carried out in 2023 (see Climate Strategy), and action plans to reduce the building's carbon impact in operation will be rolled out in 2024.
Invasive Alien Species	The "Invasive Alien Species" indicator varies according to the number of different alien species identified. The higher the indicator, the greater the risk of ecosystem disruption (predation, spread of disease, etc.).	High risk of ecosystem disturbance for 82% of assets, linked to the number of exotic species identified in the area.	1,6% 15,9% 82,5%	Choice of local species in oasis courtyards.
Overexploitation of natural resources		Mainly operational activity	Low	Member of the Booster du Réemploi and member of the "Looping" platform
Pollution		Currently being evaluated via BIOdi-bat.	Medium	Light and noise pollution from buildings in operation.

2. GROUPAMA HAS RENEWED THE MEASUREMENT OF ITS BIODIVERSITY FOOTPRINT

> Groupama has continued to study the pressures on biodiversity exerted by the Groupama Gan Vie portfolio within the scope of its investments in listed equities and corporate bonds (excluding sovereigns) using the Corporate Biodiversity Footprint (CBF). Developed by Iceberg Data Lab, the CBF provides a quantitative measure, reflecting the extent to which ecosystems affected by a company's activities have been degraded.

The CBF quantifies the activity footprint more precisely across four dimensions identified as being among the main pressures on biodiversity:

1. **Change of land use ;**
2. **Water pollution ;**
3. **Air pollution ;**
4. **Climate change.**

The CBF relies on modelled data. Iceberg Data Lab's modelling systems are constantly evolving to reflect the most up-to-date knowledge on the four pressures analysed in this model. This year, Groupama noted a significant variation in the impact (km2.MSA) of the issuers in its portfolio.

> THE BIODIVERSITY FOOTPRINT OF GROUPAMA GAN VIE'S PORTFOLIO HAS BEEN SIGNIFICANTLY REDUCED BETWEEN 2022 AND 2023

As a result of variations in the impact of the issuers in the portfolio (km2.MSA), the biodiversity footprint of the Group's investments has decreased, regardless of the indicator used:

INDICATOR	2023	2022
Portfolio in millions of euros	9 822	8 999
Number of transmitters	183	177
Indicator A: Biodiversity footprint (km2.MSA) of companies without taking into account the percentage of ownership	-776 336	-952 838
Indicator B: Biodiversity footprint (km2.MSA) of companies, taking into account the percentage of ownership	-530	-643
Indicator C: average biodiversity intensity (km2.MSA per million euros invested)	-0,05	-0,07
Indicator D: average biodiversity intensity (km2.MSA per million euros of capital employed)	-0,04	-0,05

Those changes are difficult to interpret:

- The biodiversity footprint of almost 90% of the issuers included in the analysis has changed between 2022 and 2023.
- The biodiversity footprint of 29% of the issuers covered by the analysis has changed significantly in one year, i.e. by more than 1,000 km2.MSA either positively or negatively. The biggest change concerns Walmart, with a 27% reduction in its footprint between 2022 and 2023 for no obvious reason;
- Significant variations are difficult to interpret and are not always consistent with the issuer's sector of activity. For example, between 2022 and 2023, Mondelez's biodiversity footprint rose from -1,654 km2.MSA to -10,969 km2.MSA.

To help improve the quality of biodiversity data, Groupama will continue to measure the biodiversity footprint of its portfolio. In this respect, the CBF data is not yet sufficiently stable to provide a basis for its strategy of alignment with the long-term objectives related to biodiversity. Groupama therefore relies on complementary tools to manage its strategy.

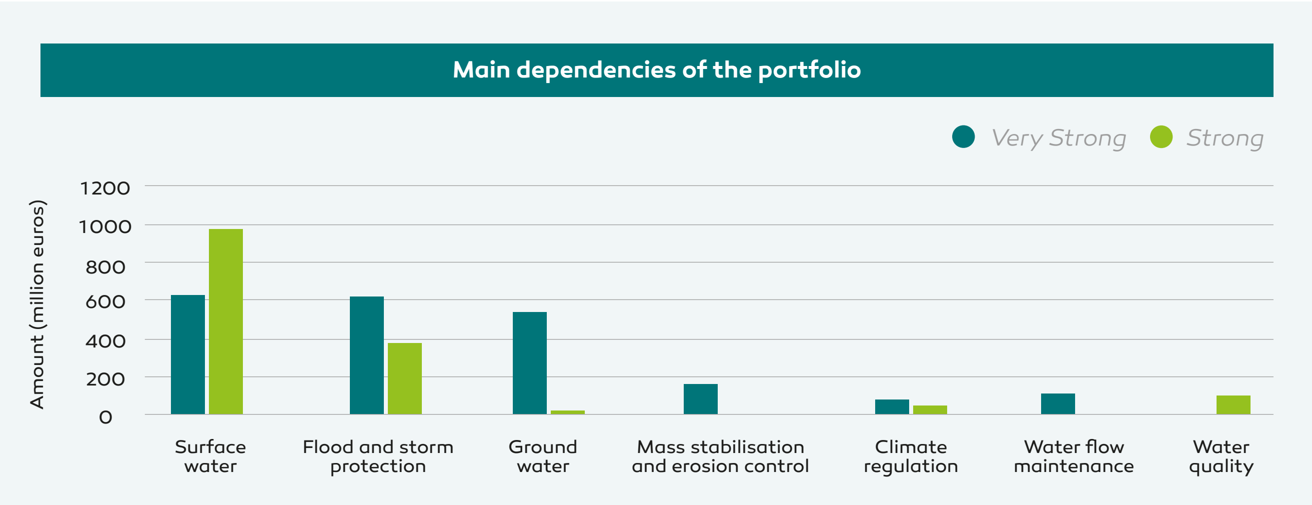
3. MEASURING PORTFOLIO DEPENDENCIES HAS REINFORCED THE ANALYSES ALREADY CARRIED OUT

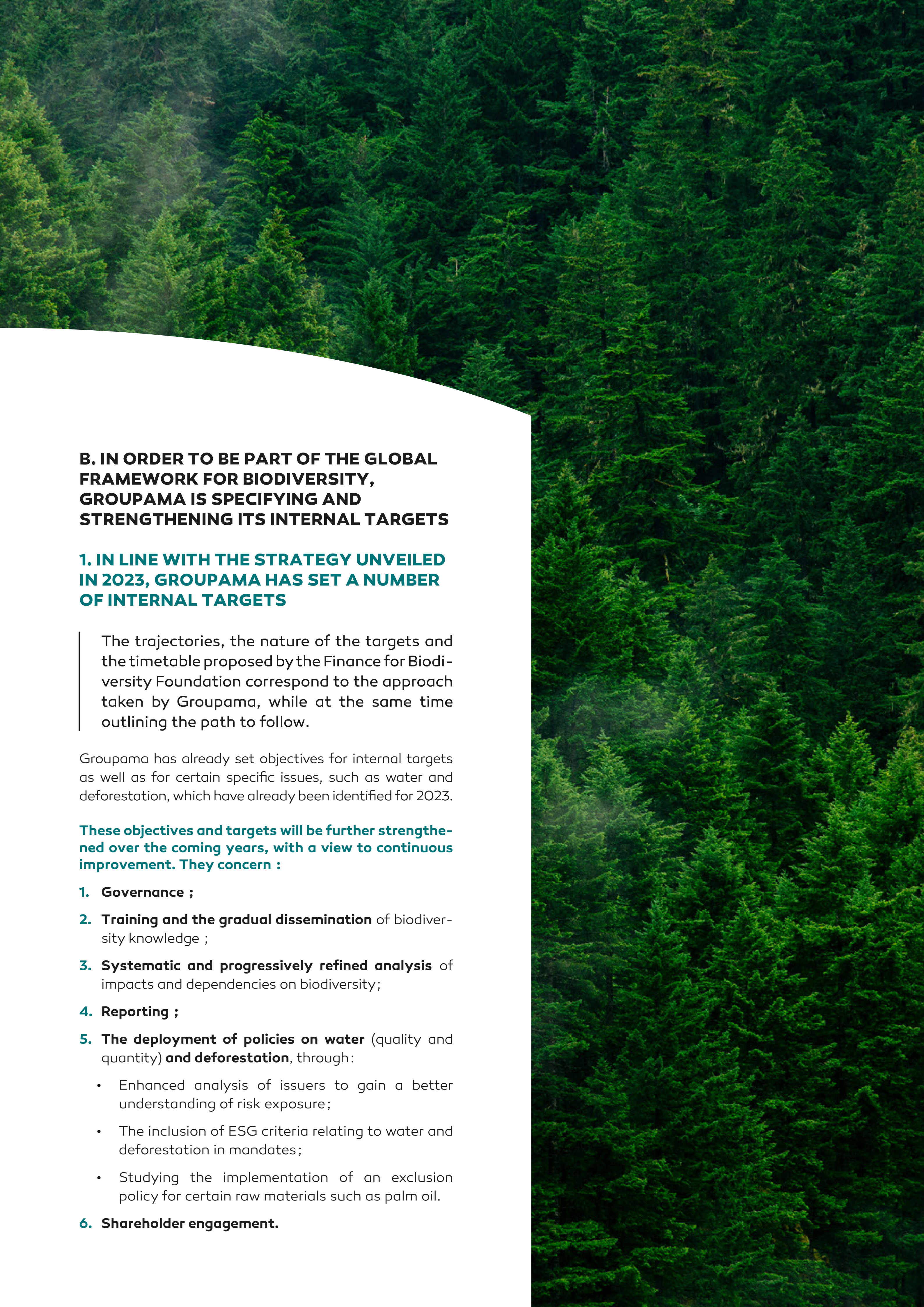
> THE PORTFOLIO REMAINS LARGELY DEPENDENT ON WATER-RELATED ECOSYSTEM SERVICES, REINFORCING THE DECISION MADE IN 2023 TO MAKE THIS ISSUE A PRIORITY

The dependency analysis shows that 35% of the listed equity and bond portfolio is highly or very highly dependent on at least one ecosystem service, which is lower than the results published in the Banque de France study of the French financial system (42%)[8].

More specifically, the GGVie portfolio is mainly dependent on water-related ecosystem services. The dependencies are the same as in 2022, but their values have changed slightly, in particular the very high dependencies on surface water (around -150 million euros) and groundwater (around -100 million euros).

[8] https://publications.banque-france.fr/un-printemps-silencieux-pour-le-systeme-financier-vers-une-estimation-des-risques-financiers-lies-la





B. IN ORDER TO BE PART OF THE GLOBAL FRAMEWORK FOR BIODIVERSITY, GROUPAMA IS SPECIFYING AND STRENGTHENING ITS INTERNAL TARGETS

1. IN LINE WITH THE STRATEGY UNVEILED IN 2023, GROUPAMA HAS SET A NUMBER OF INTERNAL TARGETS

> The trajectories, the nature of the targets and the timetable proposed by the Finance for Biodiversity Foundation correspond to the approach taken by Groupama, while at the same time outlining the path to follow.

Groupama has already set objectives for internal targets as well as for certain specific issues, such as water and deforestation, which have already been identified for 2023.

These objectives and targets will be further strengthened over the coming years, with a view to continuous improvement. They concern :

1. **Governance ;**
2. **Training and the gradual dissemination** of biodiversity knowledge ;
3. **Systematic and progressively refined analysis** of impacts and dependencies on biodiversity;
4. **Reporting ;**
5. **The deployment of policies on water** (quality and quantity) **and deforestation**, through:
   - Enhanced analysis of issuers to gain a better understanding of risk exposure;
   - The inclusion of ESG criteria relating to water and deforestation in mandates;
   - Studying the implementation of an exclusion policy for certain raw materials such as palm oil.
6. **Shareholder engagement.**

2. FIRST OF ALL, GROUPAMA WANTS TO STRENGTHEN ITS INTERNAL CAPACITIES IN ORDER TO BETTER UNDERSTAND THE CHALLENGES LINKED TO BIODIVERSITY

› THE FIRST STEP IS TO RAISE AWARENESS AMONG THE COMPANY'S GOVERNANCE AND EMPLOYEES THROUGH TRAINING AND MONITORING OF BIODIVERSITY ISSUES

Biodiversity will be monitored by the governance bodies, using a scorecard whose indicators are currently being drawn up. These could include the following indicators:

01 Exposure to priority sectors (% of assets under management).

02 Coverage by in-depth biodiversity analysis (%).

03 NEC rating of positions included in priority sectors.

04 Number of engagements with the worst-rated companies in the priority sectors.

05 Exposure to reputational risk linked to deforestation via the share of companies with the lowest ratings in the Forest 500.

06 Exposure to biodiversity-related reputational risk via the proportion of companies covered by a collective commitment initiative (NA 100, Spring).

From 2024 to 2026, Groupama is also committed to providing training cycles on subjects identified as material for Groupama, namely water and deforestation to teams specialised in these subjects.

› GROUPAMA EXTENDS ITS SHAREHOLDER ENGAGEMENT POLICY TO DEFORESTATION

In 2023, GAM became a signatory to the Spring initiative led by the Principles for Responsible Investment (PRI). The initiative, which is currently being rolled out, is intended to complement other collaborative engagement initiatives, foremost among which is Nature Action 100.

While the Nature Action 100 focuses on the 100 companies with the greatest impact on biodiversity, Spring will initially concentrate on the issues of deforestation and land degradation. It will also focus primarily on companies' engagement and advocacy activities.

As a signatory to the Spring Investor Expectation Statement, GAM is committed to supporting the coalition's objectives. To date, the practical details of how the coalition will operate are not yet known. Groupama will take a position once these have been determined.

3. AS OF 2023, GROUPAMA HAS ACTIVATED OPERATIONAL LEVERS TO GAIN A BETTER UNDERSTANDING OF ITS BIODIVERSITY RISKS

› GROUPAMA IS CONTINUING TO ROLL OUT ITS POLICIES ON TWO KEY ISSUES FOR BOTH BIODIVERSITY AND ITS PORTFOLIO : WATER AND DEFORESTATION

In 2023, Groupama first strengthened its analysis of several companies in terms of water consumption and the impact on its quality and availability. This analysis, covering 37 companies, assessed each one in relation to its sector and examined the policies in place.

The aim for 2024 is to update this analysis and to forward it regularly to fund managers. This analysis could also be refined to take better account of water-related risks once a more detailed risk map has been drawn up.

› SIMILARLY, GROUPAMA WISHES TO STRENGTHEN ITS ESG ANALYSIS IN TERMS OF EXPOSURE TO DEFORESTATION, WHILE STUDYING THE IMPACT OF IMPLEMENTING AN EXCLUSION POLICY THAT COULD CONCERN PALM OIL OR OTHER RAW MATERIALS

With regard to deforestation, Groupama has studied the tools available to analyse the deforestation risk of its portfolio in greater detail by 2026.

To this end, several tools were studied, in particular the Forest 500 ranking, developed by the NGO Global Canopy. An analysis of the coverage rate of its portfolio was also carried out. The objective for 2024 is to enrich the ESG analysis of the companies on the Forest 500 list in order to better identify and control risks. Ultimately, the aim will be to use the analyses in risk management and investment decisions.

In addition, given the seriousness of the issue, the introduction of a sectoral policy linked to certain raw materials is being studied.

BIODIVERSITY STRATEGY: CONTINUOUS IMPROVEMENT PLAN

Governance & training :

1. Development and monitoring of a biodiversity scorecard by the Group's governance bodies;
2. Training specialist teams in water and deforestation issues;

Policies :

3. Continuation and extension of annual reporting on impacts and dependencies;
4. Analysis of data on exposure to water-related risks and deforestation;
5. Progressive development of policies concerning the issues considered to be the most important for Groupama, i.e. water and deforestation, in particular through the study of sectoral policies linked to raw materials that have an impact on deforestation;
6. Integrating biodiversity into our shareholder engagement policy, in particular through participation in the Spring collective engagement initiative.

VIII. MANAGEMENT OF ESG RISKS

A. IDENTIFYING AND PRIORITISING SUSTAINABILITY RISKS

1. THE GROUP'S SUSTAINABLE INVESTMENT POLICY REPRESENTS A FIRST LEVER FOR RISK MANAGEMENT

As described in the "Overview of our ESG policy" section of this report, Groupama manages sustainability risks by reducing its exposure to the risks it considers most significant through a demanding sustainable investment policy.

While this policy focuses on climate risk, in particular transition risks and physical property risks, it is not limited to them. Our sustainable investment policy is based on :

1. **A policy of excluding fossil fuels** (46% of assets covered);
2. **Implementation of the list of ESG Major Risks** (76% of assets covered);
3. **Application of the Natural Capital filter** (9% of outstandings covered).

Groupama is also actively reducing its exposure to risk through its engagement policy and its strategies to align with global climate and biodiversity objectives.

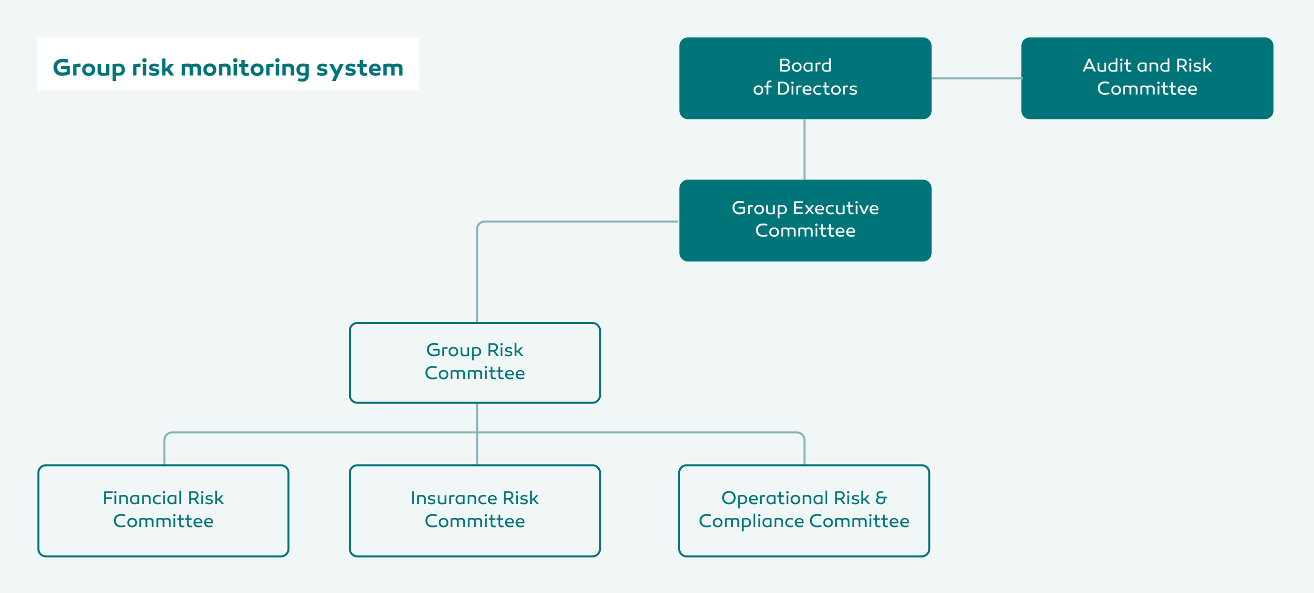
For investments in sovereign bonds, the country limit system has been updated to introduce sustainability via the ND-Gain index. The country limit system is part of the system put in place to limit concentrations (issuers, country, seniority, etc.) within portfolios.

2. THE RISK MONITORING SYSTEM INCLUDES CLIMATE RISKS

In order to manage all the risks to which it is exposed as effectively as possible, the Group has set up a global risk monitoring system that includes climate risk. Since 2014, this system has been based on the ORSA (Own Risk and Solvency Assessment) process, which takes the form of an annual report.

The risk monitoring system is governed at Group level by a number of bodies, including :

1. **Risk committees for each family of risks** (insurance, financial, operational and compliance), which define the risk management framework and report to the Group Risk Committee twice a year.
2. **The Group Risk Committee,** made up of members of the Group Executive Committee and the head of the key Risk Management function, draws on the work carried out by the risk committees for each risk family, and meets twice a year. It is responsible for monitoring the climate risk indicators described below;
3. Once a year, **the Executive Committee validates the mapping of major risks,** drawn up by the Risk Department to adapt to the Group's risk profile. Each risk is documented, quantified and examined by its specialist committee, then summarised for review by the Group Risk Committee and approval by the Audit and Risk Committee.



Major risks include risks identified by the Group's business lines. The need to account for climate change and the erosion of biodiversity has led Groupama to include sustainability risks within these major risks.

To this end, the following indicators for monitoring climate risks generated by investments are reviewed periodically:

1. **Direct and transparent listed equities and bonds, excluding unit-linked funds:**
   - Exposure to fossil fuels (gross value in millions of euros) ;
   - CO2 intensity and temperature (scope 1 & 2) ;
2. **Direct investment:**
   - The return in millions of euros of green & social bonds ;
   - The amount of additional sustainable investments (in net book value) ;
   - The NEC ;
   - The natural capital category (1, 2 or 3), already presented in the "Overview of our ESG policy" section;
   - Physical risks related to climate and biodiversity for property assets.

The Risk Department uses the reports and conclusions of the various entity committees to monitor these indicators at the asset level. A summary dashboard is reviewed by the Financial Risk Committee. This dashboard highlights the trajectory of Groupama's exposures with respect to the selected indicators (carbon intensity, green share, etc.).

In addition, for insurance risks, the Group Risk Department defines a set of insurance stress tests that include climate data (based, for example, on the occurrence of recent climate-related events over an infra-annual period), the objective of which is to simulate the impact on the Group's solvency. In 2023, Groupama participated in the stress test conducted by the ACPR (Autorité de Contrôle Prudentiel et de Résolution).

B. GROUPAMA STRENGTHENS THE ANALYSIS OF ITS EXPOSURE TO ENVIRONMENTAL RISKS

1. ASSESSMENT OF EXPOSURE TO THE PHYSICAL AND TRANSITION RISKS OF CLIMATE CHANGE

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 listed equity and corporate bond portfolios) and the ND Gain score for sovereign bonds.

› LISTED EQUITY PORTFOLIO (TRANSPARENT VIEW)

	2023		2022	
	% 2023	Coverage rate (%)	% 2022	Coverage rate (%)
Physical risk score (%)	19,7	83	18,9	88
Transition risk score (%)	36,7	83	34,5	88

› CORPORATE BOND PORTFOLIO (TRANSPARENT VIEW)

	2023		2022	
	% 2023	Coverage rate (%)	% 2022	Coverage rate (%)
Physical risk score (%)	17,2	88	16,5	87
Transition risk score (%)	37,2	88	31,8	87

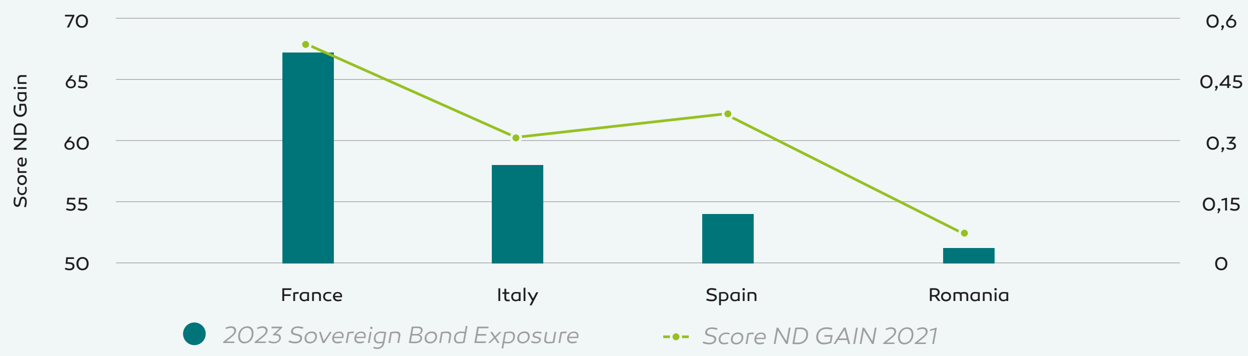
› SOVEREIGN BOND PORTFOLIO

To measure the exposure to physical and transition risks of investments in sovereign debt, which represent 40% of the Group's portfolio as of 31/12/2023, Groupama uses the Global Adaptation Index provided by the American University of Notre Dame (ND Gain Index).

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

The ND Gain score for 2023 is 64.2, stable compared with 2022 (64.4), which is explained by the stability of the portfolio between 2022 and 2023 with regard to its investments in sovereign bonds.

Groupama's exposure to the total sovereign bond portfolio as a function of the ND Gain score at 31/12/2023



› **PROPERTY PORTFOLIO**

In 2022 and 2023, Groupama has increased 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 (OID).

Climate risks

Physical climate risks on property assets are assessed for assets under management using the Bat-ADAPT tool on the R4RE platform.

The study reveals the physical risks by carrying out a cross-analysis:

- **Climate-related hazards** at the building site over time projections (heat waves, droughts, floods and marine submersions) from 2030 to 2090;
- **The vulnerability** of the building.

Bat-ADAPT is based on state-of-the-art climate and greenhouse gas emission projections (IPCC, DRIAC) and on a series of 42 intrinsic criteria linked to the building. To fill out the data required by the tool, Groupama Immobilier has been holding bi-weekly meetings with property managers since October 2023.

To date, 97.9% of French assets in number have been registered on Bat-ADAPT, making it possible to determine their geographical exposure, and for 57% the analysis is complete. Only 3.4% of assets do not present strong or very strong risks.

Cross-asset analysis shows one or more high or very high risks per asset:

- **Heat waves** affect 55% of assets (61% in value);
- **Flooding/precipitation** affects 31% of assets (43% by value);
- **Fires** represent a risk for 7% of assets (4.4% by value).

Below, the exposure of property assets to physical risk as a % of asset value.

Risk	Heat waves	Flooding (rising water tables and overflowing rivers)
Low	0%	11%
Medium	7%	34%
Strong	87%	33%
Very Strong	6%	22%

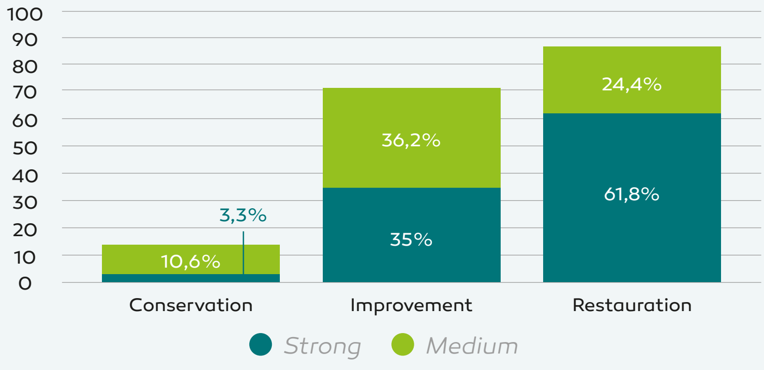
By 2024, the entire portfolio will have undergone a full Bat-ADAPT assessment. Gradually, 5-year adaptation plans will be rolled out for all assets exposed to high or very high risks.

Biodiversity risks

In 2023, all addresses were entered into BIODI-Bat, allowing for the measurement of biodiversity risk across the entire portfolio.

The results show that few of the assets are located in conservation areas, where urgent action is needed to protect potentially threatened biodiversity spots. The majority are located in reclamation zones, where the challenge is to recreate areas that are favourable to life.

Breakdown of assets depending on biodiversity risks



2. GROUPAMA HAS UNDERTAKEN WORK TO QUANTIFY CLIMATE-RELATED FINANCIAL RISKS

> While the science is clear on the long-term risks associated with climate change, the financial markets are struggling to incorporate them into their usual operations, and in particular into their traditional financial risk models. Yet valuing sustainability risks is essential for identifying the most material risks and mitigating them.

For this reason, the Group has undertaken a financial quantification of the climate risks in the GGVie portfolio. Initially, the analysis will focus on direct investments in corporate bonds and listed equities (excluding financials), i.e. €4.2 billion. The current methodology and the scope of greenhouse gas emissions (scopes 1 and 2) taken into account have led the Group to exclude, at this stage of the analysis, companies in the financial sector (see description of methodology below).

This year, the Group focused on analysing its exposure to transition risk and modelling the financial impact of transition risk on its portfolios.

For the purposes of its analysis, the Group has assumed that the introduction of a carbon tax is one of the preferred means of decarbonising the economy. The cost of carbon associated with the introduction of a carbon tax was chosen as a clear and understandable variable likely to have an impact on issuers in the event of a transition to a low-carbon economy.

To that end, 2 scenarios were modelled:

1. **An initial scenario based on the introduction of a uniform carbon tax in the economy** was simulated on the portfolio analysed. 3 indicators were examined:
   - The proportion of EBITDA at risk for each issuer in the scope analysed ;
   - The proportion of the portfolio with EBITDA at risk of more than 10% ;
   - The loss in value of the portfolio calculated as a change in interest rates.
2. **A second scenario including 2 additional variables was modelled,** taking into account the capacity to adjust the selling prices of the emitters' products and services according to the sectors and the credibility of the emitter's climate transition plan.

The carbon tax has been modelled as an annual tax, equal to the greenhouse gas emissions of the emitters' scopes 1 and 2, multiplied by a price per tonne of CO2 (e.g. €200/tonne of CO2).

EBITDA at risk is defined as the reduction in EBITDA associated with the application of the carbon tax. It is calculated by taking into account the issuer's greenhouse gases emissions under scopes 1 and 2.

Changes in EBITDA lead to changes in the credit spread of issuers (via changes in debt ratios) or in the valuation of listed shares (via changes in valuation ratios).

These analyses were in progress at the time this report was written. Their aim is to provide finer guidance for investment decisions with a view to complying with the Group's climate strategy.

3. GROUPAMA PAYS INCREASING ATTENTION TO BIODIVERSITY RISKS

Biodiversity risks can be categorised in the same way as climate risks. A distinction is made between :

1. **Physical risks,** linked to the erosion of biodiversity, refer to the loss of ecosystem services (climate regulation, pollination, water cycle, etc.) on which economic activities rely;
2. **Transition risks,** which are associated with the transition to an economy that is more respectful of ecosystems and its regulatory or financial consequences. For example, the European regulation on imported deforestation makes it possible to reduce the deforestation practices associated with certain commodities such as cocoa and coffee; it also entails the costs of certification and traceability of raw materials.

Within the scope analysed, the impacts generated by the investment portfolio mainly concern changes in land use. This represents a transition risk to which the Group is attentive. Among the very high levels of dependence in the portfolio analysed, water represents a potential physical risk (the ENCORE analysis is based on sector data, not issuer-specific data).

An in-depth assessment of water-related risks was carried out in 2023 on 37 issuers in order to identify their materiality and the policies in place to manage them.

As noted in the biodiversity section of this report, in the coming years Groupama will continue the work undertaken on characterising these risks in order to map them and integrate them into both ESG analysis and risk management.

BIODIVERSITY STRATEGY: CONTINUOUS IMPROVEMENT PLAN

1. Continued work on **quantifying climate-related risks;**
2. **Integrating major ESG risks** into risk monitoring ;
3. **Launch of a call** for tenders for the supply of data to improve its quality.

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