



CLIMATE TRANSPARENCY REPORT 2020

Natixis Assurances

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-B30C411A-4951-4F05-B916-ACEA65CE78BD/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

| Strategy and Governance - CC | | | TCFD Recommendation | | | |
|------------------------------|----------|------------|---------------------|----------|-----------------|-------------------|
| Indicator | Reported | Disclosure | Governance | Strategy | Risk Management | Metrics & Targets |
| SG 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | ✓ | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | Public | | | | |
| SG 07.5 CC | ✓ | Public | | | | |
| SG 07.6 CC | ✓ | Public | | | | |
| SG 07.7 CC | ✓ | Public | | | | |
| SG 07.8 CC | ✓ | Public | | | | |
| SG 13.1 | ✓ | Public | | | | |
| SG 13.2 | ✓ | Public | | | | |
| SG 13.4 CC | ✓ | Public | | | | |
| SG 13.5 CC | ✓ | Public | | | | |
| SG 13.6 CC | ✓ | Public | | | | |
| SG 13.7 CC | ✓ | Public | | | | |
| SG 13.8 CC | ✓ | Public | | | | |
| SG 14.1 | ✓ | Private | | | | |
| SG 14.2 | ✓ | Private | | | | |
| SG 14.3 | ✓ | Private | | | | |
| SG 14.6 CC | ✓ | Public | | | | |
| SG 14.7 CC | ✓ | Public | | | | |
| SG 14.8 CC | ✓ | Public | | | | |
| SG 14.9 CC | ✓ | Public | | | | |
| SG 15.1 | ✓ | Private | | | | |
| SG 15.2 | ✓ | Private | | | | |
| SG 15.3 | ✓ | Private | | | | |

| Symbol | Status |
|--|---|
| ✓ | The signatory has completed this sub-indicator |
| - | The signatory did not complete this sub-indicator. |
| | This indicator is relevant to the named TCFD recommendation |
| Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete. | |

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

| MAIN CHARACTERISTICS | |
|---|----------------------------------|
| Name | Natixis Assurances |
| Signatory Category | Insurance company |
| Signatory Type | Asset Owner |
| Size | US\$ > 50 billion AUM |
| Main Asset Class | Multi-Asset |
| Signed PRI Initiative | 2016 |
| Region | Europe |
| Country | France |
| Disclosure of Voluntary Indicators | 22% from 38 Voluntary indicators |

Natixis Assurances

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

| | | | | |
|-------|-----------|--------|---------------|---------|
| SG 01 | Mandatory | Public | Core Assessed | General |
|-------|-----------|--------|---------------|---------|

New selection options have been added to this indicator. Please review your prefilled responses carefully.

| | |
|---------|---|
| SG 01.1 | Indicate if you have an investment policy that covers your responsible investment approach. |
|---------|---|

| | |
|---------|------------------------------------|
| SG 01.6 | Additional information [Optional]. |
|---------|------------------------------------|

As an asset owner, Natixis Assurances can exert significant influence towards the consideration of Environmental, Social and Governance concerns.

The ambition of Natixis Assurances is based on three realities:

1. The first is based on a shared conviction within the company of the link between companies' extra-financial commitments and the sustainability of their performance.

2. The second reality is the acceleration of macro-environment changes. Beyond the proven need for green financing in the coming years in Europe (nearly €380bn/year over the period 2020-2030 according to the European Commission), the energy transition is already well under way.

The financial ecosystem has evolved considerably since these last few years, supported by a growing share of new regulatory incentives.

The European Commission's Action Plan for Sustainable Finance published in March 2018 should make it possible to federate practices around the green and encourage transparency for sustainable integration.

3. As a responsible investor in the long term of the savings entrusted to us, Natixis Assurances puts in place a management and governance system that anticipates the challenges of sustainable development and enables a strategic commitment to the Climate.

The ESG team actively participates in two committees:

- Quarterly: Natixis Assurances' Investment Committee with a review of the ESG performance of the portfolios and the evolution of our ESG investments (Natixis Assurances' climate engagement to reach 10% of investment dedicated to green assets each year)

- Semi-annual: Natixis Assurances' ESG committee with all the business lines represented (General Management, Strategy, Risk, Development, Unit-linked, Communication, Investments, etc.).

| | | | | |
|----------|---|--------|-------------|---------|
| SG 01 CC | Mandatory to Report Voluntary to Disclose | Public | Descriptive | General |
|----------|---|--------|-------------|---------|

| | |
|------------|---|
| SG 01.6 CC | Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon. |
|------------|---|

Yes

| |
|--|
| Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products. |
|--|

Since 2018, Natixis Assurances is actively incorporating climate-related risks in financing and investment decisions.

Natixis Assurances' climate strategy includes identification and management of climate-related risks and opportunities.

- **Climate-related risks:** Natixis Assurances' has made a voluntary and concrete contribution to the fight against climate change by aligning its investment policy with the Paris Agreement goals for a global temperature increase of under 2°C. Therefore, Natixis Assurance is measuring the carbon footprint of its investments (induced and avoided) and has set up an internal tool to assess the temperature of its portfolio (based on avoided carbon emissions and induced carbon footprint), ensuring adequation with Natixis Assurances' commitment.

- **Climate-related opportunities:** The company commits close to 10% of its investments each year to green assets, with the objective that 10% of total AuM be comprised of green assets by 2030 at the latest. In 2019, Natixis Assurances' teams exceeded their initial target, by achieving a total of 15% of flows across all asset classes, which represents €1bn invested in green assets in 2019. This success testifies to the consideration given to climate issues in all of the company's functions. As part of active discussions undertaken by Natixis Assurances with its asset managers on ESG, opportunities emerged as to the possibility for Natixis Assurances to invest in thematic funds in line with its climate policy.

Moreover, throughout all ESG analysis conducted and resulting in an overall ESG risk score, climate risks and opportunities are considered at issuer-level. These ratings subsequently impact the investment decision process and are monitored annually.

No

| | |
|-----------------------------|--|
| SG 01.7 CC | Indicate whether the organisation has assessed the likelihood and impact of these climate risks? |
|-----------------------------|--|

Yes

| | |
|--|---|
| | Describe the associated timescales linked to these risks and opportunities. |
|--|---|

Natixis Assurances understands that climate-related risks and opportunities have varying timescales. As such, the physical and transition risk analysis conducted by Mirova considers these differences in the evaluation of the materiality of each risk. For example, while physical risks may only have substantial impacts on sea-level rise in several decades, physical risks from extreme events and transition risks linked to regulation may influence company valuations in the short term.

No

| | |
|-----------------------------|---|
| SG 01.8 CC | Indicate whether the organisation publicly supports the TCFD? |
|-----------------------------|---|

Yes

No

| | |
|-----------------------------|---|
| SG 01.9 CC | Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities. |
|-----------------------------|---|

Yes

| | |
|--|----------|
| | Describe |
|--|----------|

Since 2018, Natixis Assurances is actively incorporating climate-related risks in financing and investment decisions.

Natixis Assurances' climate strategy includes identification and management of climate-related risks and opportunities.

- Natixis Assurance is measuring the carbon footprint of its investments (induced and avoided) and has set up an internal tool to assess the temperature of its portfolio (based on avoided carbon emissions and induced carbon footprint)
- The company commits close to 10% of its investments each year to green assets, with the objective that 10% of total AuM be comprised of green assets by 2030 at the latest.

Moreover, throughout all ESG analysis conducted and resulting in an overall ESG risk score, climate risks and opportunities are considered at issuer-level. These ratings subsequently impact the investment decision process and are monitored annually.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Article 173-VI of France's Law on Energy Transition for Green Growth (LTECV) with the goal to clarify the principles of this ESG-Climate approach.

https://www.assurances.natixis.com/upload/docs/application/pdf/2019-06/natixis_rapport-investissement_esg_juin_2019_2019-06-28_16-35-39_546.pdf

- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The ESG and Climate Policy of Natixis Assurances is decided by the top management of Natixis Assurances. Board committees (board of holding insurance and board of life insurance) assess the ESG performance of portfolios and decide concrete contribution to the fight against climate change by determining climate strategies for each asset class.

To make innovative decisions related to climate issues, Natixis Assurances has set up an ESG committee chaired by the Top management of Natixis Assurances. It proposes objectives, actions plan and evolution of RI Policy. The RI governance enables Natixis Assurances to share a common vision and to communicate to all stakeholders such as CEO, Chief Investment Officer, Chief Business Development Officer, Chief Communication Officer, Chief Risk Officer, and Chief Strategic Officer.

It aims to elaborate evolving sustainable policies based on the review of our ESG criteria portfolios. It exhibits:

- Evolutions of RI Policy (Sustainable risk) and ESG KPI
- Calibration of green solutions on long term projections with sensitivity
- Themes and criteria of the Investment Policy

SG 07.7 CC

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Senior management of Natixis Assurances is actively engaged with investment teams and asset managers on ESG considerations.

The investment team, including senior members, regularly organise meetings with ESG experts to define the allocation of the green portfolio. An ESG team at the investment department of Natixis Assurances is in charge of assessing RI strategies and structuring ESG initiatives such as the climate strategy. Senior management is in charge of the oversight of such activities.

Internal working group are also organized within Natixis to elaborate a coherent, common and transversal framework with asset managers, bank and insurance activities (SRI asset managers with ESG research such as Mirova, Green Hub of Natixis, ESG team of asset managers and Natixis CSR).

In addition, the ESG team actively participates to the Strategic Forum of Natixis Assurances.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13**Mandatory****Public****Descriptive****PRI 1****SG 13.1**

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

Following Natixis Assurances' commitments towards ESG considerations, the company has undergone specific initiatives towards climate-related issues. Based on a method developed by Mirova's research teams and carbon data from Carbone4, Natixis Assurances has set up a portfolio temperature measurement (fixed income mandates and dedicated equity funds) to meet its commitment.

- Yes, in order to assess future climate-related risks and opportunities

Describe

The methodology adopts a global life cycle carbon footprint to account for emissions from companies and assess their contribution to the energy transition. This method makes it possible to calculate an indicator at the company and portfolio level to assess the level of alignment with a climate scenario.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

The company commits close to 10% of its investments each year to green assets, with the objective that 10% of total AuM be comprised of green assets by 2030 at the latest. The approach covers all asset classes with specific targets and KPIs for each of them, defined on yearly basis.

ESG indicators are monitored quarterly and put into perspective the progress of Natixis Assurances' responsible investment strategy.

SG 13 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

SG 13.4
CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

Natixis Assurances integrates on more than 65% of its direct investment the scoring of Mirova and excludes negative ratings.

The company develops a strong governance to identify the Climate risk profile portfolio and report to the Top Management. A transversal collaboration has been set up with the group Natixis, with the creation of a Green hub and CSR Department, facilitating interaction between business fields (bank, insurance and asset managers)

The ambition of Natixis Assurances and Natixis on Climate Transition has been translated into strong and harmonized commitment : since 2018, Natixis Assurances has made a voluntary and concrete contribution to the fight against climate change by aligning its investment policy with the Paris Agreement goals for a global temperature increase of under 2°C. The company commits close to 10% of its investments each year to green assets, with the objective that 10% of total AuM be comprised of green assets by 2030 at the latest.

One of our climate KPI is the assessment of the temperature of assets, performed on funds at the upstream investment processes and on our portfolios. The method to assess the portfolio's temperature relies on the following steps :

- The IEA provides amount of investment per technology and sectors (breakdown between renewable energy, fossil energy) for every temperature scenario (corresponding to the global warming at 2100). The investment corresponding to each temperature scenario are translated into induced and avoided carbon emissions on horizons by Carbone 4.
- These information are then extrapolated by Mirova to obtain the link between temperature, avoided and induced carbon emissions.
- Carbone 4 calculates avoided and induced carbon emissions of our portfolio. Mirova reinterpretes them into temperature portfolio.

The deduction of the part of green assets necessary to target a portfolio compatible with a 2°C scenario at a horizon (2030 for Natixis Assurances) is then realized: the strategic allocation of green assets is then defined to converge linearly towards the target.

- Inform active ownership
- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

Acting as a responsible investor requires interpreting the economic world within its social and environmental context. This analysis cannot be limited to a study of the short/medium-term profitability for each asset individually, but rather requires an understanding of interactions between the various public and private players, small/medium/large-sized companies, and developed and developing economies in order to ensure that growth of each player is compatible with the balance of the rest of the system.

It is a long-term approach that guarantees that today's choices will not have negative consequences for future generations.

Understanding these complex relationships requires:

- a clear interpretation of the major transitions our societies are undergoing
- an attempt to anticipate the consequences of these transitions as part of our investment strategies.

Natixis Assurances relies on Mirova's expertise on ESG scoring, which includes climate-related risks.

For each of the major sector analysed by the ESG research team, major sustainability challenges - including climate-related physical risks and opportunities- are scrutinized to their level of impact.

This level of impact also reflects their level of materiality according to the time-frame considered: high impact is for short-term risks and opportunities, moderate impact is for medium-term risks and opportunities, low impact is for long term risks and opportunities.

- No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

| Provider | Scenario used |
|---------------------------------------|--|
| IEA | <input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) |
| IEA | <input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | <input checked="" type="checkbox"/> Sustainable Development Scenario (SDS) |
| IEA | <input type="checkbox"/> New Policy Scenario (NPS) |
| IEA | <input type="checkbox"/> Current Policy Scenario (CPS) |
| IRENA | <input type="checkbox"/> RE Map |
| Greenpeace | <input type="checkbox"/> Advanced Energy [R]evolution |
| Institute for Sustainable Development | <input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP) |
| Bloomberg | <input type="checkbox"/> BNEF reference scenario |
| IPCC | <input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 |
| IPCC | <input type="checkbox"/> RPC 6 |
| IPCC | <input type="checkbox"/> RPC 4.5 |
| IPCC | <input type="checkbox"/> RPC 2.6 |
| Other | <input type="checkbox"/> Other (1) |
| Other | <input type="checkbox"/> Other (2) |
| Other | <input type="checkbox"/> Other (3) |

| | | | |
|----------|-----------|--------|---------|
| SG 14 CC | Voluntary | Public | General |
|----------|-----------|--------|---------|

| | |
|------------|--|
| SG 14.6 CC | Provide further details on the key metric(s) used to assess climate-related risks and opportunities. |
|------------|--|

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|--|---------|-------------|--------------------|
| Climate-related targets | <input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Weighted average carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Carbon footprint (scope 1 and 2) | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Portfolio carbon footprint | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Total carbon emissions | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Exposure to carbon-related assets | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |

**SG 14.7
CC**

Describe in further detail the key targets.

| Targettype | Baseline year | Target year | Description | Attachments |
|--|---------------|-------------|--|-------------|
| <input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | 2018 | 2030 | Natixis Assurances commits close to 10% of its investments each year to green assets. | |
| <input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target | 2018 | | Natixis Assurances has made a voluntary and concrete contribution to the fight against climate change by aligning its investment policy with the Paris Agreement goals | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | | |

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Climate-related risks are integrated within the overall risk management process in three distinct ways for Natixis Assurances.

Firstly, exclusionary policies for coal and tar sands are based, in addition to Natixis Assurances' desire to contribute to the fight against climate change, on a risk management concern that these investments may become stranded assets during the investment time horizon of our holdings. This is an example of a risk management-induced investment policy which covers Natixis Assurances' assets.

Secondly, assets which are covered by an ESG rating include the analysis of climate-related risks. The overall ESG score used to measure the ESG risks of issuers present in our portfolio, or subject to investment in the near future, includes the assessment of the issuer's environmental sustainability. This particularly includes how the business's activity is exposed to transition risks.

Thirdly, climate-related risks are more specifically addressed through the systematic analysis of an issuer's carbon footprint and intensity. The higher the carbon footprint, the higher the issuer is theoretically exposed to transition risks (e.g. regulatory evolutions on carbon taxes). Moreover, these induced emissions, when combined with avoided emissions, can be used to generate a portfolio temperature which provides an overall assessment of the climate-related risk of the portfolio and its coherence with various energy transition scenarios (e.g. the IEA's energy scenarios).

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9
CC

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.