



CLIMATE TRANSPARENCY REPORT

2019

Groupama Asset Management

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 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-98E982E3-E448-4622-90E8-41ADF0D3D80D/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). 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 2019 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 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
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 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	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	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

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	Groupama Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	Europe
Country	France
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Groupama Asset Management

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.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Groupama AM is a long-standing player in sustainable finance in France and Europe. We placed sustainable investment at the heart of our strategic vision for the long term, with generalized integration of ESG factors into investment analysis and investment decisions. We launched our first SRI fund in 2001, Euro Capital Durable, and created a team of internal financial and ESG analysts in 2003. In 2016, we enhanced the integration of ESG factors into investment analysis by merging non financial analysis with financial analysis, as we believe it is the best way to have a material approach of ESG integration.

Groupama AM also assists investors in defining and calibrating appropriate operational criteria if they are wishing to take ESG factors into account in their investment management.

In 2018, Groupama AM decided to launch a new ESG Strategy, in order to put in place a more formalized approach of ESG integration into our investment decisions and to enhance our ability to answer our clients' demands on ESG aspects. For that, a new division was created and the Director of Research was also appointed Director of ESG Strategy, directly referring to our CEO.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Incorporation of ESG criteria

Groupama AM offers its customers a resolutely active, conviction-based management approach, with an emphasis on medium to long-term investment. Our approach aims to incorporate ESG in every asset class (equity, credit and sovereign bonds). This conviction-based style of investment management requires to understand the transformations taking place in our society, prompt and effective identification of risks and rapid detection of the new opportunities for generating added value. We believe that three transitions are profoundly transforming today's business models and that ESG provides a key to analyze their impacts on corporates :

Energy and environmental transition: change over from an economy founded on fossil fuels to an economy based on low-carbon energy sources, with management of the environmental impacts of their activities.

Digital transition: in-depth transformation of the internal processes of companies and of their relations with their customers and suppliers and with civil society, due to the use of new technologies and their capacity to store and manage data on a massive scale ("big data").

Demographic transition: consequences of social trends - ageing population, urbanization and increasing inequalities - confronting companies with new challenges in the management of their human capital and customers.

With the combination of the ESG and financial roles in the Research team, the same analyst is undertaking the entire investment analysis. For each sector under review, our analysts determine the specific sectorial impacts of these transitions, which help them to select the relevant and material Environmental, Social and Societal criteria for their investment case. Governance is based on a cross-sectorial approach, and is a key

element of our fundamental analysis. The assessment of each E, S and G pillar can then impact one of our financial criteria and therefore leads to a single combined financial and ESG recommendation. With this fundamental financial and ESG analysis, we aim to identify the players that are best positioned or most at risk with regard to the three transitions - digital, demographic and environmental.

Groupama AM is also establishing a list of the highest-risk issuers in terms of ESG, our List of Major ESG Risks. These companies are identified based on two sources : controversial companies flagged by our provider and confirmed with an internal analysis, and companies with very low governance standards according to our internal analysis.

Proprietary tools disclose this internal ESG and financial research to portfolio managers, enabling them to integrate ESG factors in their investment process.

Our SRI range is composed of three funds, two of them are certified by the French "Label ISR"

SICAV Euro Capital Durable - Label ISR.
 FCP GROUPAMA Crédit Euro ISR - Label ISR
 FCP GROUPAMA Etat Euro ISR

Shareholder engagement

For Groupama AM, shareholder engagement is a deliberate and constructive initiative by one or more investors to demand that identified companies make real efforts to improve their ESG practices. Our approach is based on both individual and collaborative engagement and on our strong presence on the Paris market.

Our individual engagement process is based on:

- A direct and recurrent dialogue on ESG subjects with the top management of the European large caps;
- A rigorous voting policy (in place since 2001), which is updated annually. Mobilizing portfolio managers, analysts and middle office, the exercise of voting rights covers more than 200 general assemblies in all the countries of the European area.
- Meetings with companies before their General Meetings: discussions on the draft-resolutions.

Collaborative engagement: participation in collective actions to promote shareholder dialogue as part of the PRI platform. In 2018 we structured our engagement collaborative process. A methodology for selecting, validating and implementing each collaborative commitment was set up. Each new commitment must be signed directly by our CEO.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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1. We assess environmental issues through our fundamental analysis. Climate related-risks and opportunities are included into our global vision and taken into account for each analyzed company. To identify, assess and manage climate-related risks and opportunities, we have an environmental analysis which has 4 pillars depending on the sectors:

- Strategic management of environmental (including climate) issues: identify physical risks, transition risks, opportunities related to climate change, governance on environmental issues, management risks process...
- Change in business model: current positioning of finished products / activities, means implemented by the company to change its business model (% capex in low carbon activities, development of green products/services, new technologies, eco-conception, innovation, etc)
- Climate: carbon footprint, energy efficiency, internal carbon pricing, positioning the company in a 2°C scenario

- Resource management and externalities: 1/ efficiency of the production tool (input): energy consumption, water consumption, protection of biodiversity, 2/ externalities management (output) : waste management, recycling, circular economy

Therefore, these environmental and climate issues are taken into account in the final recommendation if they have or will have a material impact on the company's activities and results.

2. Green bonds: We have developed an in-house "Green bonds" methodology. This approach aims to assign an internal assessment to each green bond. Four criteria are analysed : 1/financial characteristics of the green bond are equivalent to commun bond from the same issuer 2/ environmental quality of the projects 3/ environmental and social impact are assessed for each eligible project 4/ transparency and reporting (including impact indicators).

3. For our Asset and Liability Management :

a. For the last two years, we have been analyzing the climate change exposure of a part of our assets, ie. directly invested equity and corporate bonds in our Asset and Liability Management portfolios (ALM). We choose to focus on 5 sectors, partially because they are carbo-intensive sector and partially because they are providing solutions regarding climate change (Auto, utilities, capital goods, materials and energy). We are classifying each year these issuers in 3 categories, based on our internal fundamental analysis. Each one of this category have an implication regarding portfolio management and investment decisions.

Category 1: issuers favorably positioned in relation to the energy transition => Retention or strengthening of securities

Category 2: issuers whose positioning and/or implementation of climate policies seem unconvincing in terms of coherence between objectives and means or in terms of dynamic => Issuers "under supervision": No new investment, and in case of prolonged degradation or non-progression, a progressive disinvestment will be plan.

Category 3: issuers whose positioning penalizes the energy transition => Total disengagement is targeted.

b. Exclusions: progressive disinvestment of companies for which more than 30% of Revenue or Production mix is linked to coal, and no new investment in companies for which oil sands represents more than 15% of their reserves.

c. A targeted amount invested in Green Bonds.

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

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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We integrate ESG factors into our investment analysis. Analysts identify ESG material issues across the sector and/or company. ESG material issues (including climate related-risks and opportunities) are issues which have or will have an impact on the company's financials. These issues are taken into account into our final recommendation for an outlook of 18 months. Therefore, our timescale to assess likelihood and impact is 18 months.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

**SG 01.10
CC**

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

Yes

Describe

Within our ESG strategy, we intend to identify and manage all material ESG-related risks and opportunities. Climate is an integral part of our ESG approach.

Our ESG Strategy is implemented by a specific team, with its Director directly referring to Groupama AM's CEO. The implementation of ESG policies is decided and reviewed by a quarterly ESG Strategy Committee.

Under the ESG Strategy, several working groups were set up, including one whose objective was to formalize the identification of ESG related-risks and opportunities following a sector-specific approach. One of the recommendation of this working group was to undertake a review of our Environmental analysis in order to better highlight climate-related issues and align our analysis with TCFD recommendations, by identifying Climate- Governance, Strategy, Risk Management, Metrics & Targets. This review was conducted in 2018 and led to an evolution of our Environmental fundamental analysis.

In our environmental fundamental analysis, we use three KPI's to assess the transition risks :

- The carbon footprint: we use scope 1, scope 2, scope 3 First tier suppliers for all sectors and we use sectorial-related carbon footprint when relevant (g CO2/km for the auto sector).
- Green Share: percentage of positive activities in the revenue of companies. It addresses only the positive side of company activities
- ICTE: Indicator of the Contribution to the Environmental Transition. It is based on the environmental impact of all the products and services of the company: 100% is the best product or service performance available, 0% the industry average and -100% the worst. For example, for a utility, renewable energy would have 100%, and coal -100%. By netting positive and negative contribution to the environmental transition, this indicator is given a full picture of the issuer's performance and contribution and therefore giving an indication of its ability to face transition risks.

No

**SG 1.12
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

SG 02

Mandatory

Public

Core Assessed

PRI 6

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

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

URL

URL

{hyperlink: <http://www.groupama-am.com/en/about-us/our-business/>}

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink: https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink: https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink: https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/12/Politique-exclusion-juillet17-new-charte.pdf}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{[hyperlink:https://www.groupama-am.com/wp-content/uploads/2016/11/Shareholder-Commitment-2017.pdf](https://www.groupama-am.com/wp-content/uploads/2016/11/Shareholder-Commitment-2017.pdf)}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{[hyperlink:https://www.groupama-am.com/wp-content/uploads/Politique-de-vote-2018-version-anglaise.pdf](https://www.groupama-am.com/wp-content/uploads/Politique-de-vote-2018-version-anglaise.pdf)}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{[hyperlink:https://www.groupama-am.com/en/a-responsible-vision-of-finance/](https://www.groupama-am.com/en/a-responsible-vision-of-finance/)}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{[hyperlink:https://www.groupama-am.com/en/a-responsible-vision-of-finance/](https://www.groupama-am.com/en/a-responsible-vision-of-finance/)}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/en/areas-of-expertise/our-expert-teams/}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/en/about-us/a-responsible-gouvernance/}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/en/a-responsible-vision-of-finance/}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2016/11/Shareholder-Commitment-2017.pdf}

Attachment

Reporting

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

{[hyperlink:https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf](https://www.groupama-am.com/wp-content/uploads/2018/06/Article-173_Investisseur2018VFdocx.pdf)}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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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

Other Chief-level staff or head of department

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

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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CSR Director

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

	Other role, specify (2)
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	Other description (2)
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Other role, specify (2)

- 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 for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Within our ESG strategy, we intend to identify and manage all material ESG-related risks and opportunities. Climate is an integral part of our ESG approach.

Our ESG Strategy is implemented by a specific team in Groupama AM, with its Director directly referring to Groupama AM's CEO. The implementation of ESG policies is decided and review by a quarterly ESG Strategy Committee.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Director of Research and ESG strategy defines strategic targets and actions plans, and reports on these climate-related issues monthly to the Executive Committee and quarterly to the ESG Strategy Committee.

Investment analysts have a responsibility to elaborate methodologies and tools related to climate change. They integrate climate-related risks and opportunities into their investment analysis.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

Our approach aims to incorporate ESG in every asset class (equity, credit and sovereign bonds). ESG criteria provide a key to understanding the three transitions that are profoundly transforming today's corporate models: 1/Energy and environmental transition 2/Digital transition 3/ Demographic transition.

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

Describe

We have integrated climate-related issues into our analysis methodology for several years. We have also developed an in-house "green bonds" methodology, in order to enhance our investment in this asset class. We are also using a 2° scenario analysis for a part of our assets (ALM).

- No, not to assess future ESG/climate-related issues

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

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

Last year, we started working on a 2°C scenario analysis with a provider. For the moment, this work concerns only a part of our portfolio, our asset and liability management (ALM).

Our goals for this year are:

- make the link with the carbon footprint in order to have a more forward-looking vision
- integrate this analysis into our environmental methodology in order to evaluate the positioning of each

company in a 2°C scenario

- Incorporation into investment analysis
- 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 the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes

Describe

For the last two years, we have been analyzing the climate change exposure of a part of our assets, ie. directly invested equity and corporate bonds in our Asset and Liability Management portfolios (ALM).

We choose to focus on 5 sectors, partially because they are carbo-intensive sector and partially because they are providing solutions regarding climate change (Auto, utilities, capital goods, materials and energy). We are classifying each year these issuers in 3 categories:

- Category 1: issuers favorably positioned in relation to the energy transition
- Category 2: issuers whose positioning and/or implementation of climate policies seem unconvincing in terms of coherence between objectives and means or in terms of dynamic
- Category 3: issuers whose positioning penalizes the energy transition

This classification is made based on our internal fundamental analysis, which relies on four pillars

- Strategic management of environmental (including climate) issues: identify physical risks, transition risks, opportunities related to climate change, governance on environmental issues, management risks process, is the company member of the initiative Science-Based Targets?

- Change in business model: current positioning of finished products / activities, means implemented by the company to change its business model (% capex in low carbon activities, development of green products/services, new technologies, eco-conception, innovation, etc)

- Climate: carbon footprint, energy efficiency, internal carbon pricing, positioning the company in a 2°C scenario

- Resource management and externalities: 1/ efficiency of the production tool (input): energy consumption, water consumption, protection of biodiversity, 2/ externalities management (output) : waste management, recycling, circular economy

Each one of this category have an implication regarding portfolio management and investment decisions:

- Category 1: Retention or strengthening of securities
- Category 2: issuers "under supervision". On these issuers we plan not to increase the exposure. In case of prolonged degradation or non-progression, a progressive disengagement will be plan.
- Category 3: total disengagement is targeted.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input checked="" 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	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Inequality

Other, specify(2)

other description (2)

urbanization

None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			307	000	000
Currency	EUR				
Assets in USD			350	254	191

Specify the framework or taxonomy used.

We have 307 millions euro of assets under management invested in Green Bonds. We invest in Green Bonds following our internal methodology. Four criteria are analysed : 1/financial characteristics of the green bond are equivalent to commun bond from the same issuer 2/ environmental quality of the projects 3/ environmental and social impact are assessed for each eligible project 4/ transparency and reporting (must include impact indicators)

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	When analysing a company, we are taking into account their climate-related target	Depends on the company	Depends on the company
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Metrics used to assess climate related risks and opportunities in our internal analysis For two SRI portfolios, this indicator has to be lower than the benchmark	tons CO2e/USD million of revenue	Carbon intensity of each constituents weighted at the portfolio level
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Metrics used to assess climate related risks and opportunities in our internal analysis	tons CO2e/USD million of revenue	data from Trucost
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	For two SRI portfolios, this indicator has to be lower than the benchmark	tons CO2e/USD million of revenue	Carbon intensity of each constituents weighted at the portfolio level
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Metrics used to assess climate related risks and opportunities in our internal analysis	tons CO2e	data from Trucost
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	must be lower than the benchmark	tons CO2e/USD million of revenue	data from Trucost

SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Monthly	The carbon intensity of the portfolio level has to be lower than the benchmark's	File 1:FR0010271528.pdf
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Monthly	The carbon intensity of the portfolio level has to be lower than the benchmark's	File 1:FR0010694182.pdf
<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 risks management processes for identifying, assessing, and managing climate-related risks.

☉ Process for climate-related risks is integrated into overall risk management

Please describe

We have put in place a new environmental analysis to better highlight climate-related issues and align our analysis with TCFD recommendations.

We have a fundamental analysis of environmental issues. Climate related-risks and opportunities are included into our global vision and taken into account for each analyzed company. Investment analysts have a responsibility to integrate environmental issues into their analysis and a distinction should be made between an issuer's environmental policy analysis and environmental thematic analysis.

To identify, assess and manage climate-related risks and opportunities, we have an environmental analysis which has 4 pillars depending on the sectors:

- Strategic management of environmental (including climate) issues: identify physical risks, transition risks, opportunities related to climate change, governance on environmental issues, management risks process, is the company member of the initiative Science-Based Targets?
- Change in business model: current positioning of finished products / activities, means implemented by the company to change its business model (% capex in low carbon activities, development of green products/services, new technologies, eco-conception, innovation, etc)
- Climate: carbon footprint, energy efficiency, internal carbon pricing, positioning the company in a 2°C scenario
- Resource management and externalities: 1/ efficiency of the production tool (input): energy consumption, water consumption, protection of biodiversity, 2/ externalities management (output): waste management, recycling, circular economy

In this environmental fundamental analysis, we use three KPI's to assess the transition risks :

- The carbon footprint: we use scope 1, scope 2, scope 3 First tier suppliers for all sectors and we use sectorial-related carbon footprint when relevant (g CO2/km for the auto sector).
- Green Share: percentage of positive activities in the revenue of companies. It addresses only the positive side of company activities
- ICTE: Indicator of the Contribution to the Environmental Transition. It is based on the environmental impact of all the products and services of the company: 100% is the best product or service performance available, 0% the industry average and -100% the worst. For example, for a utility, renewable energy would have 100%, and coal -100%. By netting positive and negative contribution to the environmental transition, this indicator is given a full picture of the issuer's performance and contribution and therefore giving an indication of its ability to face transition risks.

Therefore, these environmental and climate issues are taken into account in the final recommendation if they have or will have a material impact on the company's activities and results.

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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Yes

Please describe

Groupama AM participated in an initiative set up by AFG (French Asset Management Association), MEDEF (the French Business Confederation) and FFA (French Federation of Insurance) bringing together issuers and investors in order to define a communication framework on corporate climate strategy and related indicators. We relied on the TCFD recommendations to set this reporting framework and extract the essential information expected.

Groupama AM also participated in two working Group inside the initiative Finance for Tomorrow :

- Workshop on Climate risks for investors : aiming to analyse how, as investors, we are analysing physical and transition risks, which tool are we using and rely on and their limits.
- Workshop on Professionnal Training : aiming to define a list of ESG and climate "knowledge" that each member of a financial institution needs to acquire.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

No