

To achieve carbon neutrality of its investment portfolio by 2050, Groupama has committed to ambitious intermediate climate targets

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

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

In alignment with the NZAOA's Target Setting Protocol, **Groupama has committed to the following climate targets:**

- **€1.2 billion investment** in sustainable assets between 2022 and 2024, particularly in infrastructure, property, and green bonds. To date, 83% of this target has been achieved.
- **50% reduction in the carbon intensity** (Scope 1 & 2) of its private bond and listed equity portfolios by the end of 2029, based on the end of 2021.



Groupama also engages companies on climate matters through its asset manager Groupama Asset Management.

Indeed, shareholder engagement constitutes a natural extension of ESG analysis and of the integration of these criteria into investment decisions. This approach, anchored in the strong and early involvement of Groupama AM on ESG issues on the Paris stock market since 2002, is based on individual and collaborative engagement actions. The shareholder engagement of Groupama AM is based on a dialogue policy and voting policy that correspond to the following main themes:

- Sustainability risks (consists of Major ESG Risks and Fossil Fuel Policy)
- Ecological and energy transition
- Pay gaps

The shareholder engagement initiatives of Groupama AM are deployed in three fields of intervention:

1. Individual engagement initiatives with targeted companies, as well as direct and regular shareholder dialogue with company management - in the portfolio or not, and regardless of the asset class (stocks, bonds...).
2. Participation in joint collaborative initiatives, on both the European and international scale, either in the framework of the collaborative engagement platform of the PRI, or by participating in the submission of external resolutions at AGMs. In 2022, Groupama AM joined 2 new collaborative initiatives, supporting the principle of Say on Climate resolutions or parity within executive committees in France.
3. A demanding voting policy, which has been in place since 2001, combined with the possibility of consulting with companies on draft resolutions presented at their Annual General Meetings. In line with its commitments in favour of the fight against climate change and with its "coal" policy, Groupama AM encourages:
 - a presentation to the vote of the shareholders of the climate policy every 3 years
 - a review of the past year every year.

Groupama AM will support climate resolutions filed by companies if they present one or more of these elements:

- Quantitative targets for reducing CO2 emissions (minimum scope 1 and 2) compatible with the Paris Agreements
- An objective of carbon neutrality by 2050 accompanied by intermediate objectives (CT, MT, LT)

Groupama commits to engaging with the main GHG emitters representing 65% of the carbon emissions in its private bond and equity portfolio.

Groupama undertakes to publish the level of achievement of these targets annually, as well as any difficulties encountered in their implementation.