

# CSR REPORT 2020

## CARDIF LUX VIE



**CARDIF LUX VIE**  
BNP PARIBAS GROUP

The insurer  
for a changing  
world



# EDITORIAL

**Christian GIBOT**  
Cardif Lux Vie CEO



*"At Cardif Lux Vie, we all work in pursuit of the same goal every day: to make Luxembourg life insurance accessible. This mission has required us to think again about our model and take account of how our business impacts on our ecosystem and the world around us.*

*We believe that our company makes a positive impact when we work in the interests of the business, our clients, our partners and the environment. That means putting people first, whatever our role: as insurer, investor, employer or corporate citizen.*

*Living up to our responsibilities, last year we increased our commitments and stepped up our efforts to contribute to sustainable growth. This report, the first of its kind for Cardif Lux Vie, bears witness to our progress and our commitment to CSR, providing transparency for our stakeholders.*

***At Cardif Lux Vie, we all work in pursuit of the same goal every day: to make Luxembourg life insurance accessible***

*As you can read in this report, we have introduced specific measures in relation to our investments, our products and services. Accordingly, the assets in our General Fund are managed in strict compliance with environmental, social and governance (ESG) criteria. We prioritise investments in companies that achieve the best scores in these criteria..*

*We also take forward projects aimed at improving the wellbeing of our teams. And we contribute at a local level to various charitable and community initiatives.*

*I personally believe that the pandemic has reminded us of the importance of working in the collective interest and of more broadly incorporating management of risk and long-term impacts in our business development.*

*It is a pleasure to present this report, which introduces our responsible, committed strategy and highlights our desire to respond to the climate and social challenges that lie ahead, with all of the professionalism and ambition that this response requires. "*





This report presents Cardif Lux Vie's Responsible Engagement Strategy. Following the example of its shareholders BNP Paribas Cardif and BGL BNP Paribas, the company pursues a Corporate Social Responsibility (CSR) policy that was defined in 2016 on four main pillars:

- **Responsible investments;**
- **Responsible products and services;**
- **People-centric business;**
- **Corporate citizen.**

# 1<sup>ST</sup> PILLAR

## RESPONSIBLE INVESTMENTS

Cardif Lux Vie puts **responsibility at the core of its investment strategy** making three key undertakings to support this ambition:

- **Undertaking I - Develop investments that will have a positive impact** through targeted selection of the financial assets that make up the General Fund. Also, to promote these investments with a positive impact through our range of unit-linked vehicles.
- **Undertaking II - Take action against climate change** by taking account of the carbon footprint of the company's financial assets throughout its own-account investment processes and gradually normalising this approach to all assets and strategies within the scope of our regulated obligations.
- **Undertaking III - Consolidate the ESG analysis and shareholder engagement** throughout our investment strategies and processes, and gradually normalise this approach in the countries in which we operate.

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**With assets totalling €577 million as at December 2020, Cardif Lux Vie is growing its positive-impact investments (including off-balance-sheet commitments).** In order to maintain this progress, the company has undertaken to increase its **positive-impact investments<sup>1</sup> in the General Fund by €400 million between now and the end of 2025.** Thanks to the new European taxonomy, we are able to identify the green element of our portfolios.

**Cardif Lux Vie also takes account of climate issues in its investment policy.** A **carbon-transition filter** built into the non-financial analysis process allows us to **evaluate companies' energy transition strategies.** The investment universe excludes those ranked lowest. This approach is helping Cardif Lux Vie to continue to reduce the **carbon footprint** of its portfolio of directly held securities.

**With €300 million in green investments at the end of 2020, Cardif Lux Vie is increasing its contribution to the energy and green transition year on year.** Also in 2020, the company expanded coverage of its **ESG filter to 95% of the assets in the General Fund.** Alongside its shareholder BNP Paribas Cardif, the company is standing firm on climate change initiatives such as **the PRI** (Principles for Responsible Investments).

## 01. COMMITMENT

# INCREASING OUR CONTRIBUTION TO THE ENERGY AND GREEN TRANSITION

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According to the GIIN<sup>(1)</sup>, “impact investments are investments made with the intention to generate positive, measurable social and environmental impact”. How Cardif Lux Vie incorporates this definition in its investments:

- Through **green bonds**, which finance projects that have environmental objectives: reducing climate change, adapting to climate change, conservation of natural resources, preservation of biodiversity and prevention and management of pollution;
- Through **social bonds**, or **SDG bonds**, which fund projects contributing to the United Nations Sustainable Development Goals (SDGs);
- Through **eco funds**: supporting the energy transition, energy efficiency, sustainable food production and agriculture, reducing climate change, managing waste, etc.;
- Through **social funds**: wellbeing at work, job creation, inclusion, etc.;
- Through **community funds**: education, sustainable mobility solutions, customer satisfaction, social and inclusive economy, etc.;
- Through **real estate assets** with certified or recognised environmental performance, and/or offering a social or community dimension.



(1) The Global Impact Investing Network, GIIN, brings together all kinds of investors: institutional, foundations, etc. Its mission is to increase awareness and participation in impact investment around the world.



### Growth of assets in impact investments held by Cardif Lux Vie at 31 December, in € millions



### Cardif Lux Vie targets for 2025

**+€400**  
 millions  
 positive-impact  
 investments



# PARTICIPATING INNATIONAL AND INTERNATIONAL INITIATIVES

Cardif Lux Vie and its shareholder BNP Paribas Cardif are involved in a number of initiatives on the world stage

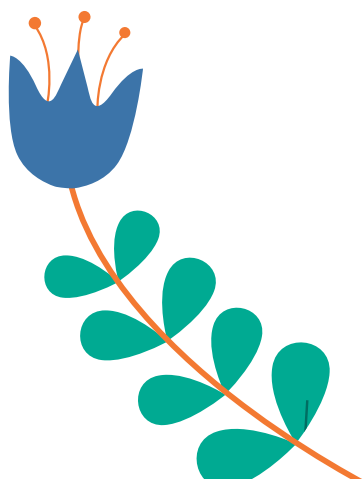
## Recent memberships



**2018:** BNP Paribas becomes a founding signatory of the **Tobacco-Free Finance** Pledge. The Group thereby signals its desire to withdraw from involvement with the tobacco industry. BNP Paribas Cardif, which is also a signatory, had decided in 2017 to stop offering finance and investment services to the tobacco industry. This decision affects the producers, wholesalers and merchants whose revenue is derived principally from tobacco.



**2016:** BNP Paribas Cardif signs up to the **Principles for Responsible Investment (PRI)**. The PRI is a UN-supported independent network of investors. The aim of the Principles is to develop a common structure through which ESG issues can be incorporated for investors. They thus provide BNP Paribas Cardif with a framework for promoting Socially Responsible Investment (SRI) both within the company and outwardly towards its partners.







## 02. IMPLEMENTATION

Cardif Lux Vie pursues the implementation of its responsible investment policy in respect of all of its assets under management.

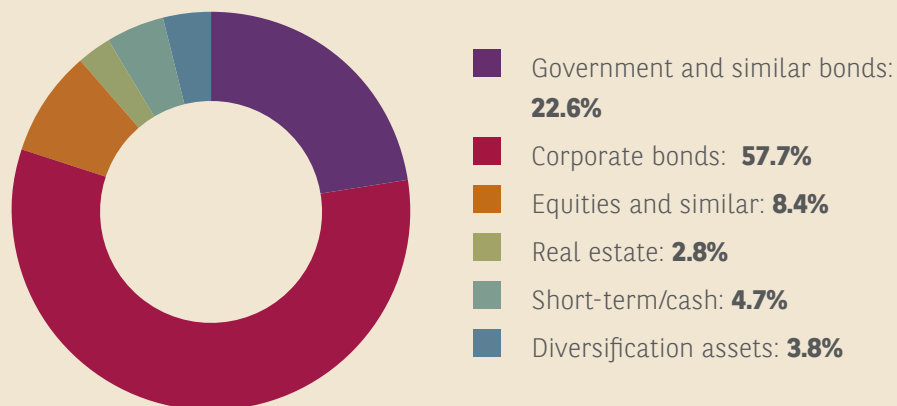
At **31 December 2020**, the assets managed for own account (General Fund and Own Funds) totalled **€9.55 billion**. The **Units of Account** represented almost **€18 billion**.

### THE GENERAL FUND BY CARDIF LUX VIE

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#### Breakdown of assets in the Cardif Lux Vie General Fund at 31 December 2020 (market value)

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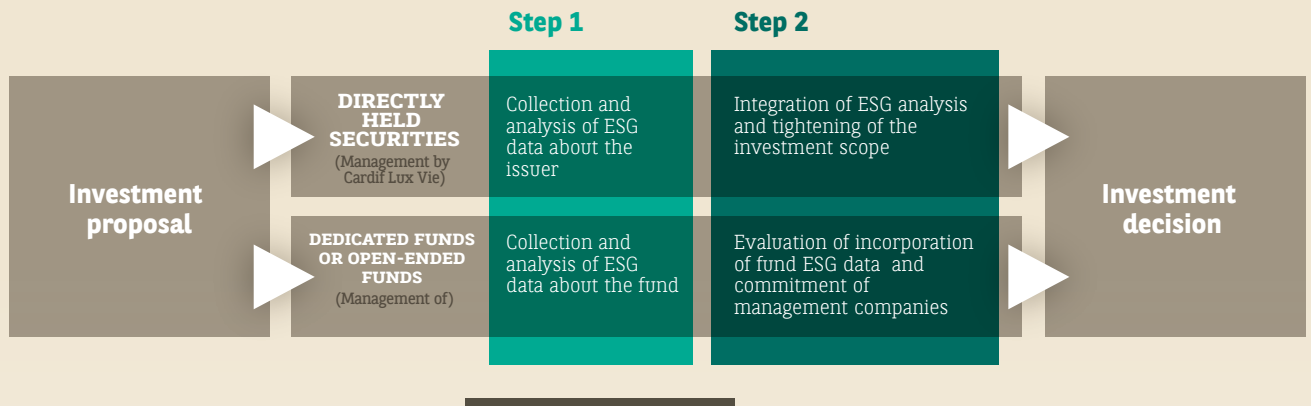


Cardif Lux Vie incorporates its ESG policy into its investment process for management of the General Fund. This policy is adapted according to the type of asset, whether these are directly held securities (shares and bonds) or funds. The policy consists of two main steps:

- Collection of data and ESG analysis;
- Monitoring of compliance with ESG criteria.



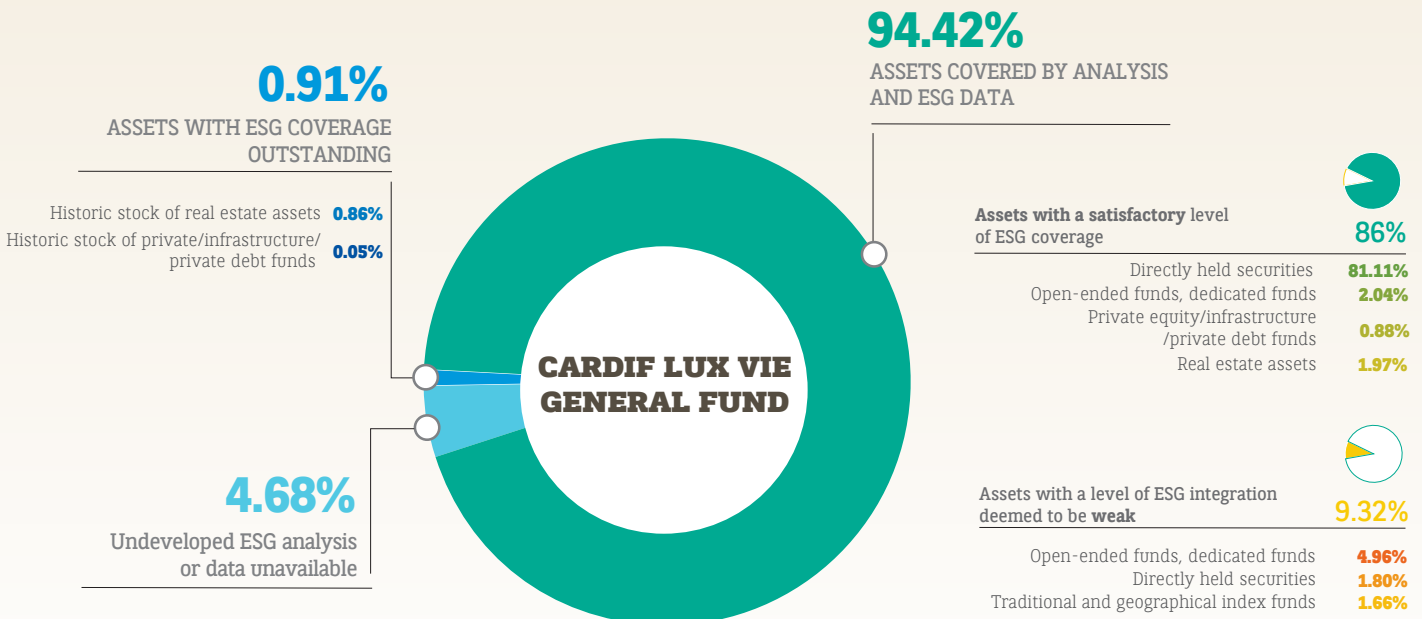
## Overview of the ESG policy as applied to the Cardif Lux Vie investment processes



In order to carry out non-financial analysis of its investments, Cardif Lux Vie collects ESG data specific to each asset class. It then analyses this data and incorporates it into the management process and filtering of the investment universe.

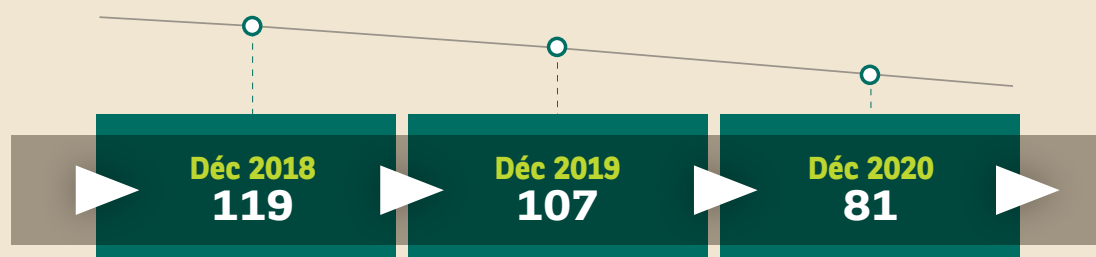
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## Level of ESG integration by asset class 31 December 2020



Data at market values

## Carbon intensity of the corporate equities & bonds portfolio in relation to turnover (T), scopes 1 and 2



Values in t CO2e/€m(T) Source: Vigeo Eiris for greenhouse gas emissions

The carbon intensity is estimated at 31 December 2020 to be **81 t CO2e/€m(T)**, compared with 107 t CO2e/€m(T) at 31 December 2019, which is a **reduction of 24.3%**. In comparison, the composite benchmark carbon intensity (Stoxx600 + QW5A) is estimated to be 205 t CO2e/€m(T) at the same date compared with 214 t CO2e/€m(T) at the end of 2019, which is a reduction of 4.2%.

### Unlisted securities

We implement the aforementioned Group sectoral exclusions, and pose forty questions about ESG as part of our due diligence. Moreover, specific reporting is requested and we put in place side letters to obtain assurances that the external managers actually implement exclusions of contentious sectors.

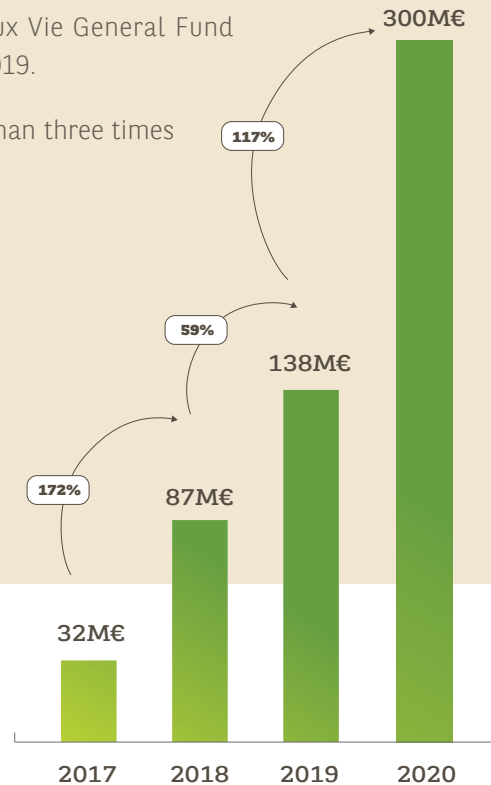
Therefore, **93%** of our credit bonds and **100%** of our directly held shares are now subject to these ESG & low-carbon economy transition filters.



## Green Bonds

In 2020, green-bond assets in the Cardif Lux Vie General Fund increased overall by **117%** compared with 2019.

In 2020, they totalled almost **€300m**, more than three times the level at the end of 2018.



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In 2020, Cardif Lux Vie invested in particular in bonds issued by the Dutch gas and electricity distribution companies **Enexis and Alliander**. These bonds are funding infrastructure for the distribution of electricity generated from renewables, as well as projects to improve energy efficiency using new technologies, and the construction of low-energy buildings.

In terms of shares, our benchmark is now the Eurostoxx 50 ESG, which, unlike our previous Eurostoxx 50 benchmark, applies an ESG filter to select its components. In addition, we have strengthened our positions in the BNP Paribas Aqua fund and started an investment in a fund of global equities selected on the basis of ESG criteria (Mirova Global Sustainable Equity).

In 2020, we made an investment in a real estate fund that specialises in social infrastructure; its purpose is to invest in healthcare, education and social housing. Furthermore, we also have an exposure in a fund that specialises in renewables (Copenhagen Infrastructure IV), which will invest in offshore and onshore wind farms, as well as in solar power and biomass projects. We will continue to study positive-impact investments in the areas of forestry and energy transition in 2021.



## Climate performance indicators

In order to have an overview of the environmental performance of its portfolios, Cardif Lux Vie uses additional indicators that capture both the climate impact (high GHG emissions) and the contribution to the low-carbon transition (i.e. green activities).

Indicators show a positive trajectory for the portfolios compared to its benchmark index<sup>1</sup>, resulting from a decarbonisation effort led by the asset management teams

### THE PORTFOLIO'S CARBON INDICATOR

Carbon footprint of the equity and corporate bond portfolio (scopes 1, 2 & 3) in tCO<sub>2</sub>e per million euros invested:

**2020: 513 tCO<sub>2</sub>e/€m invested**  
versus 942 tCO<sub>2</sub>e for the benchmark

### ALIGNMENT OF THE PORTFOLIO WITH THE PARIS AGREEMENT TRAJECTORY

According to the Trucost report, the estimated temperature trajectory of the equity and corporate bond portfolio is between **1.75°C and 2°C**.

The equivalent trajectory for the benchmark is between 2°C and 3°C.

The "Temperature" indicator provides a dynamic analysis of the company's carbon performance. This includes a study of the company's historical carbon trajectory and a projection of its future performance. This performance trajectory is compared against a baseline scenario, based on the goals of the 2015 Paris Agreement, with the aim of limiting global warming to less than 2°C.

### PHYSICAL AND TRANSITION RISKS

**Physical risks: 86%** of companies in the equity and bond portfolio have "low exposure"

**Transition risk:** EBITDA<sup>2</sup> at risk of the corporate equity and bond portfolio  
(Scenario of high carbon prices by 2030)

**4.04%** versus 9.43% for the benchmark

### AVOIDED EMISSIONS ON GREEN BONDS

**867 tCO<sub>2</sub>e per million euros invested**

This is the amount of greenhouse gas emissions avoided due to projects financed by green bonds.

The calculation of avoided emissions takes account of the entire project life cycle:

- Construction: suppliers, materials, etc.
- Operation: energy consumption.
- Project end-of-life: waste management, recycling.

The calculation then annualises the avoided emissions over the life of the bond. Lastly, the emissions are compared against a benchmark, such as the country's energy mix, to obtain a differential for the avoided emissions.

- 1- The CEaR coverage of the BM is 83.78%.
- 2- EBITDA (earnings before interest, taxes, depreciation, and amortisation).





## Electricity mix of the corporate equity and bond portfolios



Within its equity and corporate bond portfolios, Cardif Lux Vie analyses the electricity mix of energy producers and distributors. The electricity mix refers to the proportion of different energy sources in electricity production/distribution.

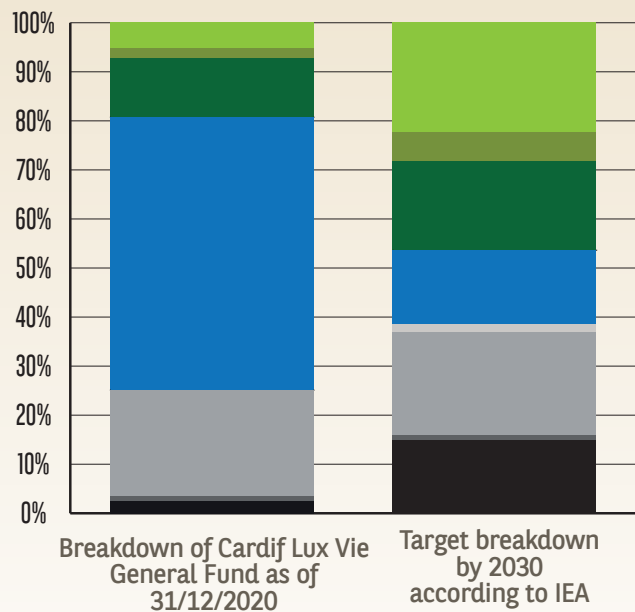
Cardif Lux Vie compares the electricity mix of energy producers and distributors against the electricity mix proposed by the International Energy Agency (IEA) in its scenario of 2°C by 2030 (Energy Technology Perspectives 2017). This scenario defines the energy mix needed to limit the rise in temperature of the Earth's surface to 2°C, based on a carbon budget allocated by business sector.

The energy mix of the assets of electricity producers and distributors in the portfolio is less carbonised than that of the IEA's baseline scenario.

### This difference is due to :

- The application of filters to the investment universe in a way that favours the selection of companies with a less carbon-intensive electricity mix (thermal coal exclusions and carbon filter).
- The strong influence of the energy policies pursued in the countries in which the selected companies operate. Electricity producers in the portfolio are mostly based in western Europe, especially France. In those regions, nuclear energy and hydropower are over-represented compared with the world average.

Analysis of the electricity mix of energy producers and distributors



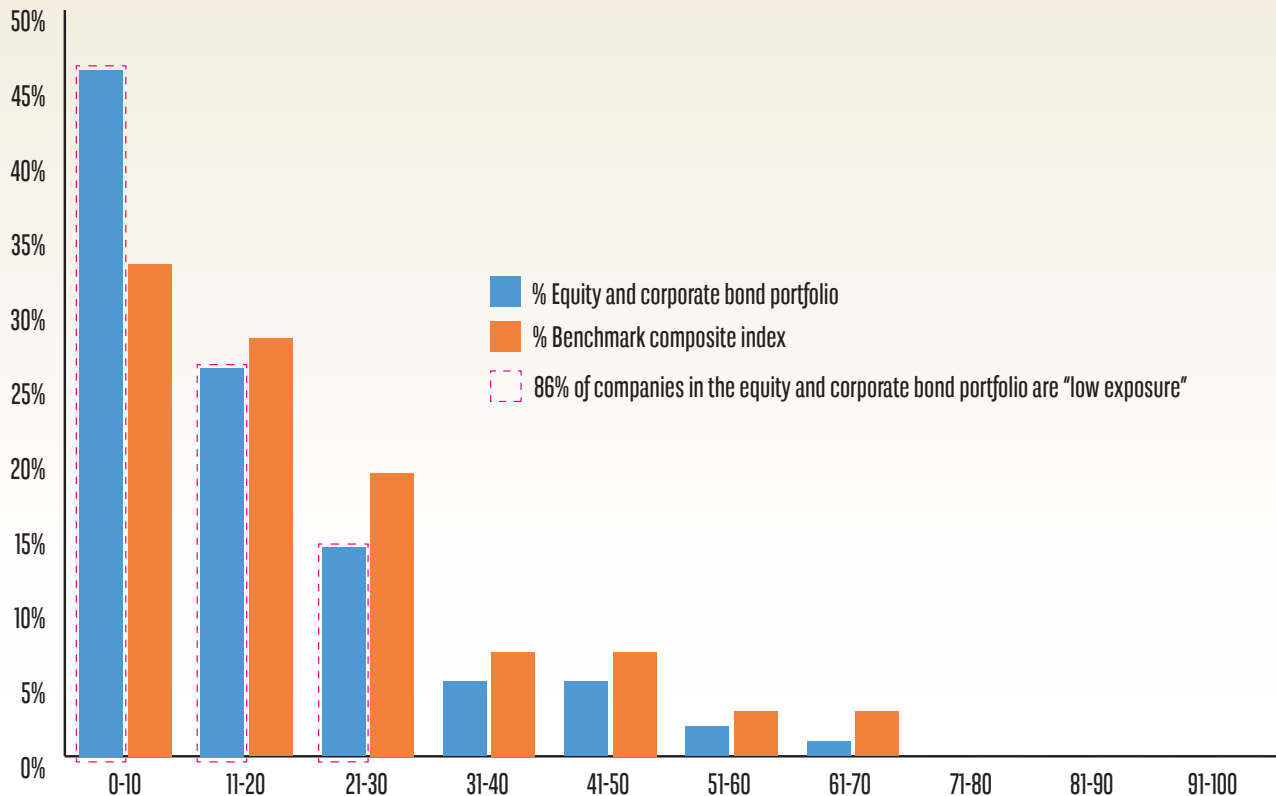
	Breakdown of Cardif Lux Vie General Fund as of 31/12/2020	Target breakdown by 2030 according to IEA
Other renewables	5.18%	22.31%
Biomass	2.11%	5.92%
Hydroelectric	11.97%	18.16%
Other Sources	0.00%	0.00%
Nuclear	55.4%	15.06%
Fossil Fuel with CCS	0.00%	1.62%
Natural Gas	21.55%	21.04%
Oil	1.10%	0.96%
Coal	2.45%	14.94%

## Physical risks

For these risks, the analysis covered seven weather events that may affect the activities of the companies included in the portfolio: fires, extreme cold, heat waves, drought, coastal flooding and hurricanes.

Trucost, a non-financial rating agency, carried out a long-term analysis of the pattern of such weather events using a **high climate change scenario**<sup>1</sup>. This scenario corresponds to the current trajectory of greenhouse gas emissions if no action is taken. It would lead to a rise in temperatures of more than 4° by 2100. Methodological bias: the results of this analysis provide new insight, but data comprehensiveness and precision still need to be improved<sup>2</sup>.

Distribution by decile of the physical risk scores of the corporate assets held by Cardif Lux Vie, as a percentage of market value, at 31 December 2020



86% of companies in the equity and bond portfolio are in the "weak" zone (the top three deciles). The analysis of physical risks shows that the portfolio is less exposed to physical risks than the benchmark composite index.



- 1- The BNP Paribas Cardif Group applies the worst-case scenario of RCP 8.5 established by the Intergovernmental Panel on Climate Change for 2050.
- 2- This difference compared with the benchmark index is also explained by the significant weighting of the financial sector, which is less exposed to transition risk than other sectors. Given the lack of transparency around data from the financial sector, the figures should be viewed in context.

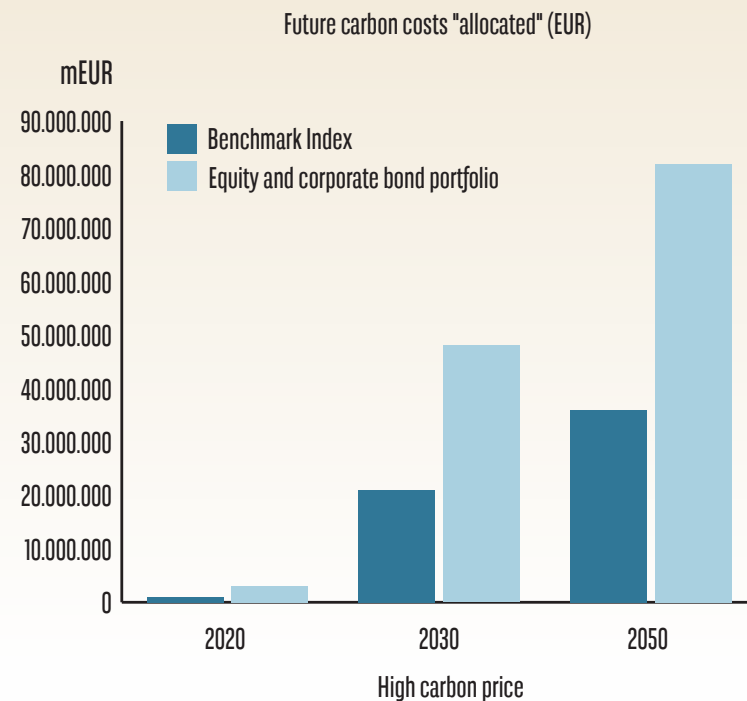


## Transition risks

Cardif Lux Vie focuses its analysis of transition risk around two areas, namely the portfolio's exposure to the future carbon price, on the one hand, and to "stranded assets"<sup>1</sup>, on the other.

### Exposure of the portfolio to future carbon prices, "High carbon price" scenario.

Future carbon costs in millions of euros "allocated" at 31 December 2020.



The above graph shows that Cardif Lux Vie seems to have low exposure to transition risk under the "high carbon price"<sup>2</sup> scenario. The portfolio is less exposed than its benchmark over the three horizons analysed, reflecting the strict application of successive sectoral exclusions and the carbon transition filter. This approach means selecting companies that have committed to energy transition.

1 - High carbon price of \$120 by 2030  
 2- Stranded assets are assets that are particularly dependent on fossil fuels and are at significant risk of impairment.



## EBITDA at risk of the equity and corporate bond portfolio at 31/12/2020 (scenario of a high carbon price by 2030)

	Ebitda at risk (average %)	Share of companies whose Ebitda at risk is > 10% <sup>1</sup>
Equity and corporate bond portfolio	<b>4,04%</b>	<b>10,22%</b>
Benchmark Index	9,43%	18,43%

Sources : Trucost / Cardif Lux Vie

The EBITDA at risk of the equity and corporate bond portfolio is lower than that of its composite benchmark.

In 2020, exposure to the sectors most vulnerable to transition risk averaged 4.04% of the EBITDA of companies in the equity and corporate bond portfolio, versus 9.43% for the benchmark Index.

The most exposed sectors are construction and materials, energy and utilities (especially water and electricity).

Cardif Lux Vie's investment exposure to companies with at-risk EBITDA (whose ratio of future carbon costs to EBITDA<sup>2</sup> exceeds 10%) is lower than that of the benchmark index (10.22% versus 18.43%)<sup>3</sup>

- 1 - Percentage of the holding with EBITDA at risk >10%:  
This indicator refers to Cardif Lux Vie's investment exposure to companies with an EBITDA at risk of more than 10%. It is used to identify companies that are exposed to an increase in carbon prices.
- 2 - Ratio of future carbon costs to EBITDA: potential carbon cost that the company will have to pay in 2030, assuming a high carbon price (2°C scenario).
- 3 - under the high carbon price scenario



## Exposure to activities eligible for the European taxonomy at 31/12/2020 (as % of assets)

The Trucost investment analysis shows that the equity and corporate bond portfolios held directly by Cardif Lux Vie are significantly exposed to activities eligible for the EU taxonomy.

The percentage of revenue linked to those activities is 27.5%. This percentage measures eligibility on the basis of economic activities in the EU NACE classification, according to the Trucost methodology.

It is not yet a definitive measure of eligibility given that the EU taxonomy methodology has still to be finalised.

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## Exposure to “stranded” assets: calculation of the “brown share “ (as % of assets)

Equity and corporate bond portfolio	<b>6,9%</b>
benchmark Index	11,4%



As part of the transition risk analysis, Cardif Lux Vie monitors the exposure of its equity and corporate bond portfolio to fossil fuels (oil, gas and coal). These are referred to as “stranded assets”.

The Trucost methodology identifies the brown share in order to assess the portfolio’s exposure to issuers that are engaged in fossil fuel extraction or the generation of power from fossil fuels.

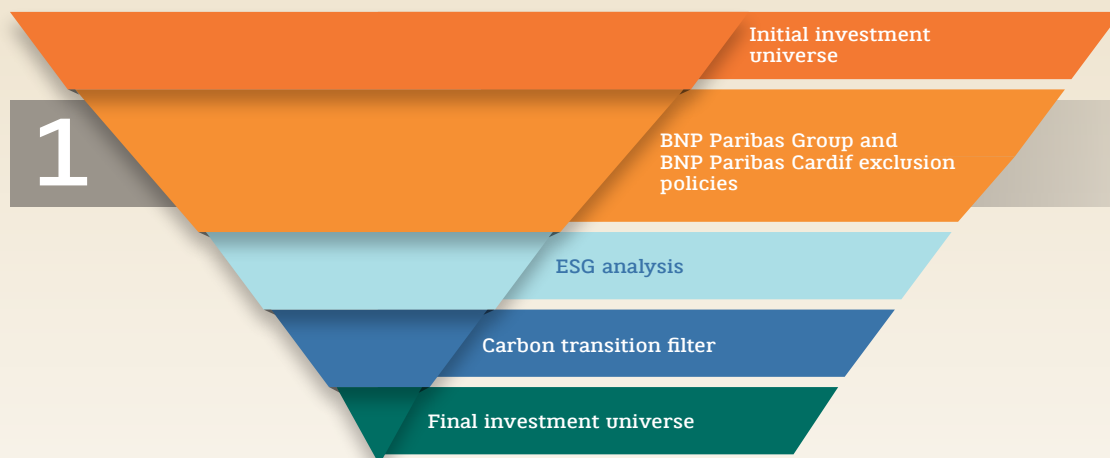
The proportion of companies involved in fossil fuels represents 6.9% of the total value of the equity and corporate bond portfolio.





## Asset selection methodology

### Exclusion policies in the non-financial analysis of directly held securities



The first stage of the ESG analysis for directly held securities is based on the sectoral policies of the BNP Paribas Group and of BNP Paribas Cardif. In addition to the restrictions under these policies, Cardif Lux Vie adheres to specific undertakings relating to the tobacco and carbon sectors.



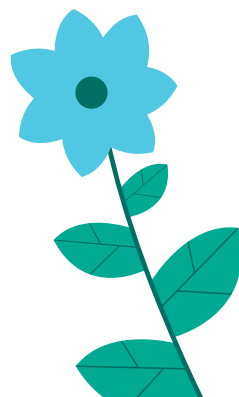
### Tobacco

Since 2017, BNP Paribas Cardif **has excluded from its General Fund any producers, wholesalers and distributors** whose revenue is derived primarily from tobacco. In 2018 it signed the Tobacco Pledge to cement this position.

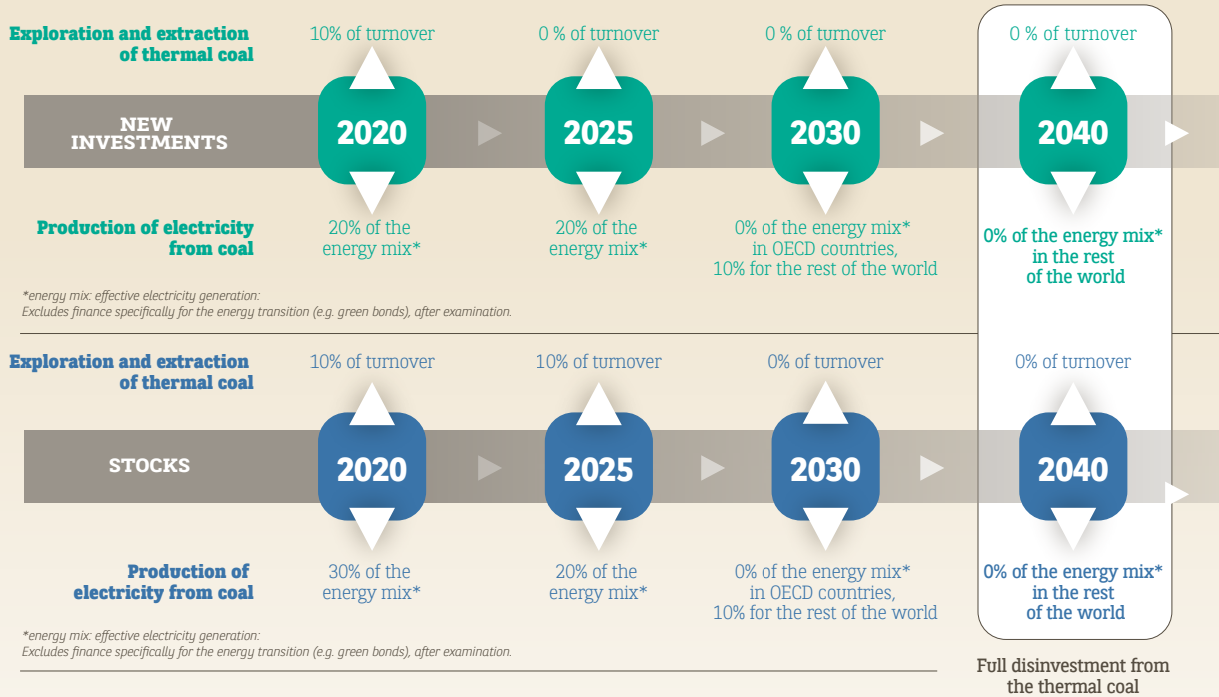
### Carbon fuels

In 2019, Cardif Lux Vie excluded companies producing more than 30% of their electricity from coal, and mining companies with more than 10% of turnover derived from thermal coal.

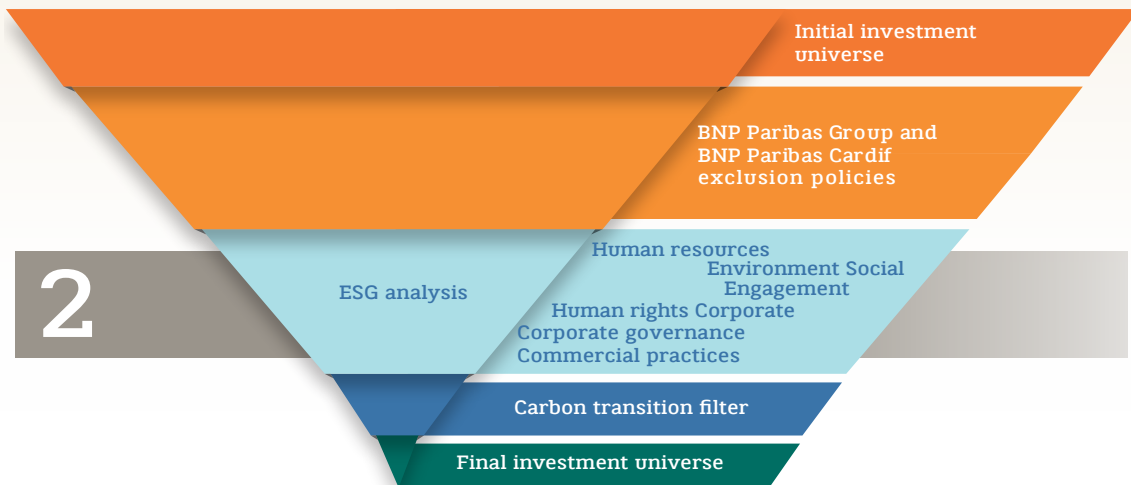
Cardif Lux Vie is preparing **for a complete withdrawal from this sector by 2030 at the latest for countries in the EU and the OECD, and by 2040 for the rest of the world.**



## Cardif Lux Vie schedule for withdrawal from thermal coal

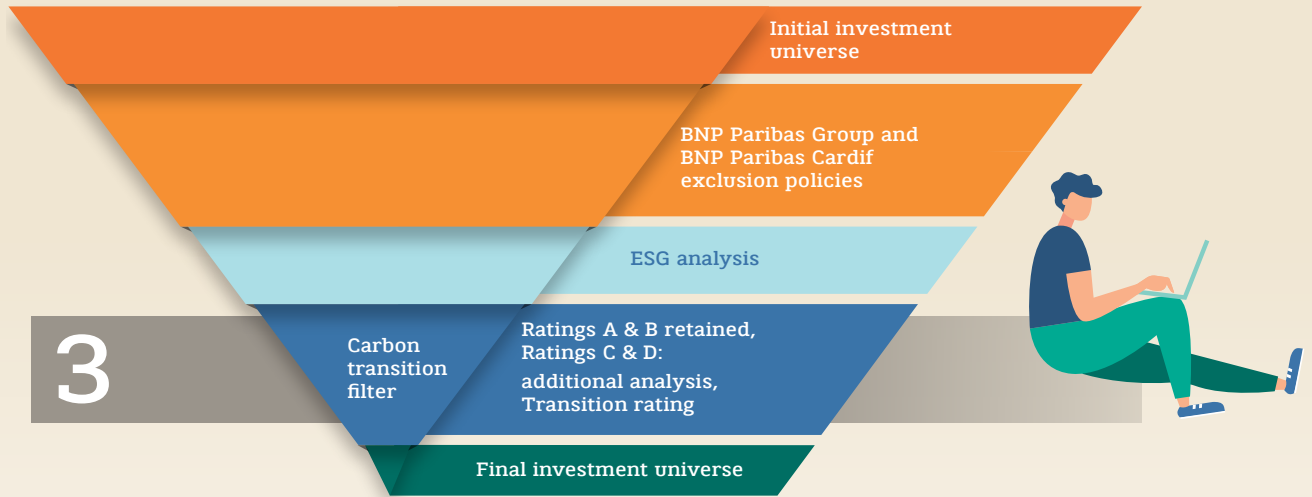


## ESG analysis in the non-financial analysis of directly held securities



The second step of the ESG analysis involves the incorporation of ESG criteria. Cardif Lux Vie extended the scope of its analysis in 2019. This now covers assets held directly by the General Fund, funds and funds of funds. The process for all BNP Paribas Cardif entities is based on the Vigeo Eiris rating method for integration of ESG criteria. This method allows the ESG performance and risks of each company to be evaluated against 38 criteria. There are six categories of criteria: environment, human resources, human rights (work), commercial practices, social engagement and corporate governance. Cardif Lux Vie applies a best-in-class sectoral approach in its ESG filter. Each security or company is assigned a rating relative to its sector and performance level within each of these six categories. The ratings provide us with an evaluation of the global ESG performance. Companies that achieve the best performance in their sector are prioritised in the final investment decision.

## The carbon transition filter in the non-financial analysis of directly held securities

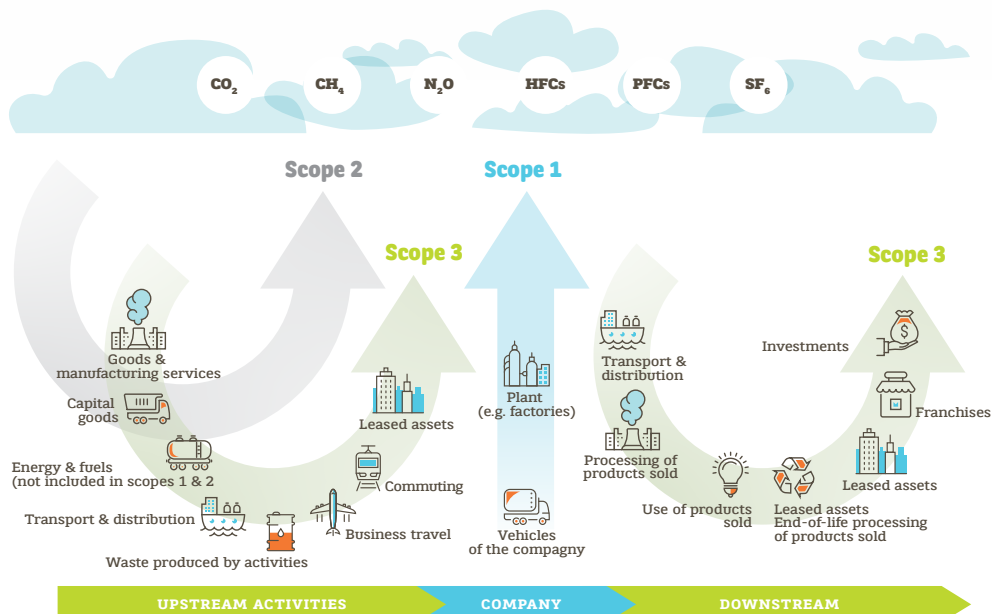


The approach is rounded off by a final selection step. In addition to this best-in-class selection, we also take account of an energy transition rating linked to the carbon footprint, excluding the worst-performing elements in relation to these criteria.

The carbon performance of directly held corporate assets has continued to improve significantly in 2020. Rigorous selection of companies based on their level of carbon involvement has had a very positive impact on this improvement.

A number of methodologies are applied to standardise the absolute carbon footprints of corporate assets making up a portfolio of financial assets. These methodologies allow us to calculate the carbon intensity at various levels. Cardif Lux Vie has chosen to measure intensity of absolute carbon emissions for each company relative to its turnover according to scopes 1 and 2. This measure is expressed as tonnes of CO<sub>2</sub> equivalent per € million of turnover, weighted according to the weighting in the portfolio. The calculations for scope 3 will be carried out from 2021.

## Reporting scope: scopes and emissions throughout the value chain



# UNIT-LINKED INVESTMENTS

In relation to the unit-linked investments proposed as part of its policies, in its range of External Funds Cardif Lux Vie advertises those that have an SRI label.

In 2020, Cardif Lux Vie had a list of almost **50 funds with an SRI label** in its range.

## Principal SRI labels



LABEL ISR - supported by the Ministry for the Economy and Finance, this SRI label is awarded following a strict validation process conducted by independent organisations.



TOWARDS SUSTAINABILITY - launched by the Belgian Financial Sector Federation Febelfin in February 2019, the purpose of this label is to provide clarity and transparency for sustainable investments. The standard combines three requirements: transparency, ESG analysis across all portfolios and low-threshold exclusions, not just for carbon but also for non-conventional fossil fuels.



LUXFLAG - a European ESG label launched by the Luxembourg agency Luxflag, which guarantees respect for ESG criteria throughout the investment chain.



GREENFIN LABEL - launched by the Ministry for the Environment in June 2019 (and replacing the TEEC label), this label guarantees the green credentials of investment funds and targets financial participants acting for the common good, thanks to transparent and sustainable practices. A feature of this label is that it excludes funds that invest in companies operating in the nuclear and fossil fuel sectors.



FINANSOL - first awarded in 1997, the Finansol label distinguishes solidarity-based savings products.



FNG SIEGEL - a sustainability label present mainly in Germany, Austria, Switzerland and Liechtenstein.



### 03. SHARE

The Cardif Lux Vie strategy with regard to the various ESG criteria is sustained by the strong commitment of all of its partners.

The insurer encourages and participates in this commitment through events, internal communications and public statements.







## 2<sup>ND</sup> PILLAR RESPONSIBLE PRODUCTS AND SERVICES

Cardif Lux Vie is a **top provider** of life insurance in Luxembourg. Our **business development strategy** is focused on our mission to “make Luxembourg life insurance accessible”, or more inclusive, easier to understand, more simple, easier to buy and to use.

Several initiatives have been launched in this respect in the past two years.

- Editorial review of all of the client correspondence throughout the life of the policy (annual information, special conditions, endorsements following a transaction, changes in guarantees or beneficiary clauses, etc.). Our documents have thus been simplified (to optimise the way in which information is organised, removal of address page, portrait format rather than landscape etc.) and completely rewritten to make them clearer and easier to understand.
- Availability of our subscription packs in an interactive digital format “Smart PDF”. The aim is to offer secure, streamlined and paperless processes.
- In the local Luxembourg market, our brokerage website is very visual and well structured. Our partners are provided with a single QR code to provide anyone with access, whatever device they are using, at any time or location. They can therefore easily share this information with their clients during meetings, whether these be in-person or virtual.





## 3<sup>RD</sup> PILLAR

# PEOPLE-CENTRIC COMPANY

**As a responsible employer and in common with the work of its principle shareholder BNP Paribas Cardif, Cardif Lux Vie is seeks to take account of all changes in society that allow its employees to develop and grow.**

### Diversity, equality, responsibility

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Reflecting Luxembourg and the diversity of its multicultural society, the Cardif Lux Vie workforce spans almost **20 different nationalities**. Cardif Lux Vie is committed to these people, encouraging diversity, promoting wellbeing at work and supporting employees with their future career ambitions.

This commitment translates in figures to **40%** female representation on both the Board of Directors and the Executive Committee, and also to the signing of the Diversity Charter Lëtzebuerg.

### Remote working

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The multinational profile of our work force raises the issue of mobility, daily journeys to and from the office and a work-life balance. Therefore, one year before the start of the Covid-19 crisis, we undertook a major exercise to roll out remote working.

At the end of 2019, a pilot project was launched involving 20 employees and managers living in the four countries that make up the greater region around Luxembourg. This focus allowed us to open up an internal conversation, take the foot off the break and embark on a journey culminating in the signing of a charter to implement remote working. This meant that we were ahead of the game, and when the pandemic hit in March we were able to switch all of our staff to remote working (apart from essential on-site roles) with all of the necessary IT and collaboration tools in place.



## 4<sup>TH</sup> PILLAR

# THE CORPORATE CITIZEN

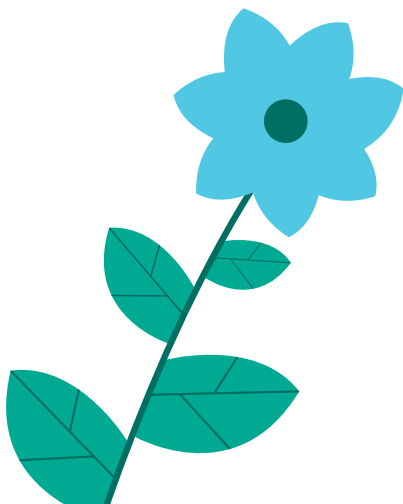
**Following the example set by its principal shareholder BNP Paribas Cardif, Cardif Lux Vie contributes to the development of the local community in Luxembourg. The company is committed to the collective interest and demonstrates this through its solidarity and its actions. Our teams are directly engaged in a range of civic, environmental and ethical campaigns.**

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### Solidarity at the heart

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Cardif Lux Vie supported 7 local associations over the course of the past year. The projects were numerous and included charity running events, collections of toys for disadvantaged children, financial donations to the Omega 90 association which supports patients receiving palliative care and families facing bereavement, and donations of IT equipment to combat digital exclusion. Several dozen employees were directly involved as volunteers. Through the 1MillionHours2Help programme, we encourage our staff to get involved and contribute some of their working hours to help the associations as they strive to create a more inclusive and greener world.



## Managing the environmental impact of our consumption

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In order to make our own contribution to reduce plastic, we got rid of **100%** of plastic cups. Our visitors and employees are now encouraged to use mugs and glasses.

We also raised awareness among our work force of good practices with regard to print management. We have already decreased our paper consumption by almost 20%, and **95%** of our office supplies are recycled and/or recyclable.

In order to reduce packaging waste at lunch breaks, we suggested that our staff adopt ECOBOX, a deposit system for multi-use food packaging.

## Committed to reforestation projects in Luxembourg

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Last year we joined forces with partners and our employees to contribute to reforestation projects in Luxembourg. This way we are helping to restock the woodlands that are essential for maintaining the fragile equilibrium of our planet.

Our efforts have already resulted in the planting of **4,000 trees** and we have recently announced a partnership with Reforest'ation seeking to plant **4,300 new trees** at Tarchamps and Bras-Doncols in Luxembourg, areas which had been affected by insects.





# GLOSSARY

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## **DUE DILIGENCE**

Process in which an investor studies the documents of a target company before engaging in a transaction.

## **CARBON FOOTPRINT**

The measure, at a given time, in tonnes of “the quantity of GHGs expressed in terms of CO<sub>2</sub>e, emitted into the atmosphere by an individual, organisation, process, product, or event from within a specified boundary”. (Authors: Pandey, Agrawal & Pandey, 2011; Source: ScienceDirect).

## **SOCIAL AND SOLIDARITY ECONOMY (SSE)**

Encompasses the traditional parts of the social economy, such as associations, collectives, cooperatives and foundations, as well as new forms of social enterprise. The latter include commercial entities that have a social utility objective and that decide to observe the principles of the social and solidarity economy.

## **GENERAL FUNDS**

Also referred to as “funds in euros”, these funds are the vehicles used for life insurance policies and are traditionally composed of bonds, shares and real estate assets. The insurer’s commitments in relation to the general fund are represented by a value expressed in euros.

## **DEDICATED FUNDS**

Funds reserved for no more than 20 unit holders.

## **OPEN-ENDED FUNDS**

Investment funds to which multiple investors may subscribe (the units are available on demand, both for sale and purchase).

## **GEOGRAPHICAL FUNDS**

Funds that invest in certain countries or geographical areas.

## **EMERGING MARKETS FUNDS**

Funds that invest principally in emerging markets included in the MSCI Emerging Markets index.

## **INFRASTRUCTURE FUNDS**

Funds that invest in public utilities providing essential services and promoting economic and social development.

## **RESPONSIBLE INVESTMENT**

Generic term for a range of approaches that incorporate environmental, social and governance (ESG) criteria in financial management. Responsible investment may be based on a structured, systematic process for selection of securities in an identified fund, and also support the participants in an inclusive, low-carbon economy. Such funds are referred to as SRI (socially responsible investment) funds. (Source: Novethic).

## **GREEN INVESTMENT**

Refers to a practice relating to socially responsible investment, which consists of qualifying all of the transactions that seek to prioritise the energy transition and reduce the environmental impact.

## **GREEN BOND**

A green bond is issued for the purpose of financing a project with high value-added for the environment. This may include securities issued by companies, entities or governments, in which Cardif Lux Vie may invest directly, or via funds, i.e. collective investments.

## **SOCIAL BOND**

A social bond is issued for the purpose of funding a project with high social value-added. This may include securities issued by companies, entities or governments, in which Cardif Lux Vie may invest directly, or via funds, i.e. collective investments.

## **SUSTAINABLE DEVELOPMENT GOALS (SDG)**

The 17 goals were defined as the core of the United Nations Agenda 2030. They integrate the three dimensions of sustainable development: economic, social and environmental. The SDGs cover all of the issues that arise across these dimensions, such as climate, biodiversity, energy, water, poverty, gender equality, economic prosperity, peace, agriculture, education.

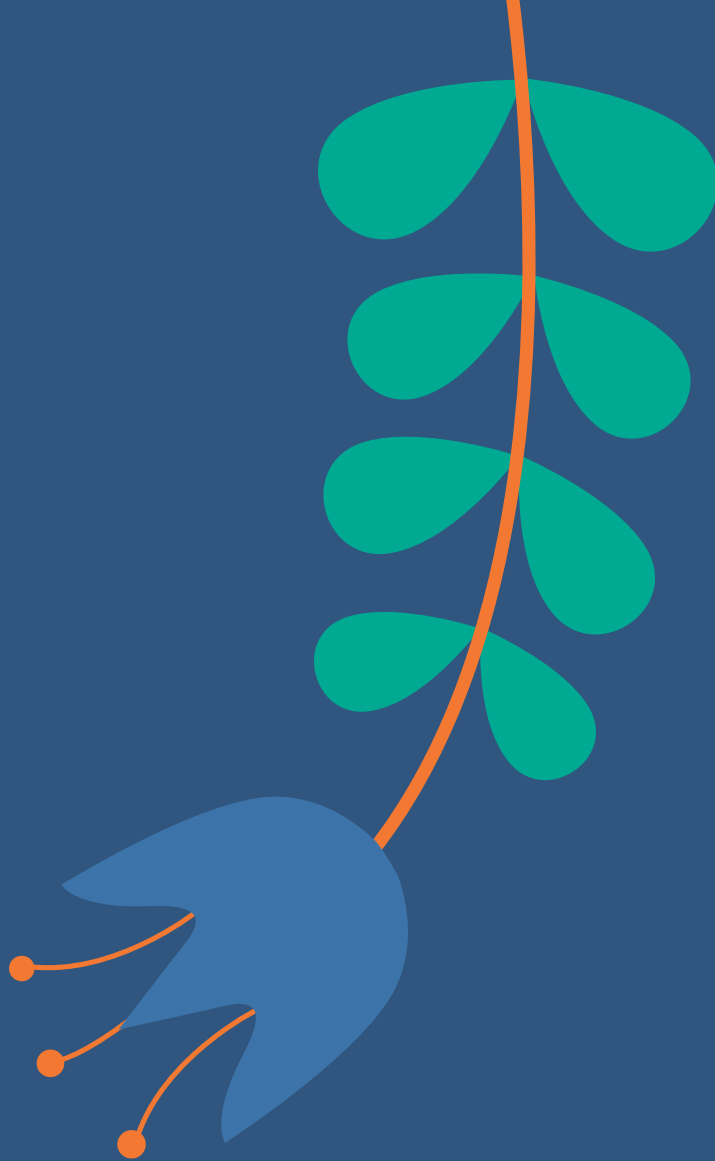
## **DIRECTLY HELD SECURITIES**

These securities are held by Cardif Lux Vie with no intermediary. They may take the form of shares or bonds.

## **UNIT-LINKED VEHICLES**

Just like the General Funds, unit-linked vehicles are used as the basis of life insurance products. . The insurer’s commitment in the case of unit-linked vehicles is expressed as a number of units, the value of which is determined by the market.





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