



# CSR REPORT 2022 CARDIF LUX VIE



**CARDIF LUX VIE**  
BNP PARIBAS GROUP

The insurer  
for a changing  
world



## EDITORIAL

Alexandre DRAZNIÉKS  
CEO Cardif Lux Vie

Geopolitical, climatic and social issues have profoundly changed the context in which we operate. This new reality has highlighted the urgent need to rethink our relationship with the world, while reminding us of the importance of taking action at every level. Now, more than ever, each player must assume his or her role and commit to the collective interest.

I am convinced that for Cardif Lux Vie, as for all the other companies in our sector, the current period represents a great opportunity to rethink our business models and create value for the benefit of our partners and clients.

Last year, we pursued our approach with a determined, responsible and committed mindset, working on a wide range of initiatives to make an ever more positive impact on society and the environment.

As an investor, we have continued to place responsibility at the heart of our strategy. Developing positive-impact investments, taking action against global warming and consolidating ESG analysis are among the commitments we make every day.

### ***“Rethinking our business models and creating value for our partners and clients”***

It is our mission to make insurance more accessible, as such we have continued to take steps to improve our clients' experience. Digitalisation, updating our documentation OR renewing our documents, simplification of our procedures, etc., many projects have been carried out to achieve this goal.

As an insurance company operating in Luxembourg, once again this year we were keen to work alongside local players to contribute to a fairer, more socially responsible world. I would like to take this opportunity to pay tribute to all the employees who have devoted their time and energy to volunteer work/service, volunteering etc.

More than ever, I believe in the benefits of acting together and in the power of collective intelligence. So it gives me great pleasure today to introduce the latest edition of our CSR report, and I hope you enjoy reading it.

Alexandre DRAZNIÉKS





# A RESPONSIBLE INVESTOR COMMITTED TO THE ENVIRONMENT

## OUR COMMITMENTS

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

- **Commitment I - Develop positive impact investments<sup>1</sup>** when selecting financial assets for the General Fund. Also, to promote these investments with a positive impact through our range of unit-linked vehicles.
- **Commitment II - Act against global warming**, by taking into account the carbon dimension of its financial assets in order to encourage companies to implement the lowcarbon transition of their business models.
- **Commitment III - Consolidate ESG analysis and shareholder engagement** in all investment strategies and processes.

**At 801 million as at december 2022, Cardif Lux Vie's positive impact investments (including off-balance sheet commitments) are growing.** To maintain this pace, the Company has committed to increasing its positive impact<sup>1</sup> investments by €400 million in the General Fund between 2020 and 2025.

**Cardif Lux Vie also takes into account climate issues in its investment policy** A carbon transition filter, integrated into the non-financial analysis process, is used to assess companies' energy transition strategies. Companies that are not committed to the transition to a low-carbon economy are excluded from the investment universe. Thanks to this work, Cardif Lux Vie is able to continuously reduce the carbon intensity of its directly held securities' portfolio.

**Already having invested 570 million EUR in green assets by the end of 2022, Cardif Lux Vie is dedicated to continue contributing to more sustainable energy year after year.** That same year, 96.3% of the assets in the Company's General Fund were covered by its ESG filter. Together with its shareholder BNP Paribas Cardif, the company continues to participate in market initiatives that reinforce its commitment to the climate (membership of the Net Zero Asset Owner Alliance since 2021).

(1) POSITIVE IMPACT INVESTMENT: These are investments made with the intention of generating a positive and measurable social, societal and/or environmental impact, while generating a return on Investments. Intentionality is the desire to achieve one or more Sustainable Development Goals (for example, contributing to the energy transition by installing renewable energy infrastructure). Measurability refers to the evaluation of the implementation of this intention through environmental and/or social indicators (e.g. GWh produced by these renewables).





**Arnaud MIROUDEL**  
Head of Asset Management

*“We are convinced that it is our responsibility to help build a more sustainable world. As a fully committed investor, we encourage the energy and ecological transition and support companies and governments in adapting to tomorrow’s world”*

## NATIONAL AND INTERNATIONAL INITIATIVES SUPPORTED BY BNP PARIBAS CARDIF

### CARDIF LUX VIE, WITH ITS SHAREHOLDER BNP PARIBAS CARDIF, IS INVOLVED IN A NUMBER OF GLOBAL INITIATIVES

**2013**

**Sustainable Building Plan Membership:** BNP Paribas Cardif has signed the charter for energy efficiency in public and private tertiary buildings, initiated by the Sustainable Building Plan.



**2016**

**Signing of the Principles for Responsible Investment (PRI):** BNP Paribas has signed the Principles for Responsible Investment (PRI). At the initiative of the United Nations, their aim is to develop a common structure for integrating ESG issues into the financial sector.



**2016**

**Signing of the Montreal Carbon Pledge:** BNP Paribas Cardif to, not only, raise investor awareness of climate issues but also the carbon footprint of their portfolios.



**2017**

**Sustainable Real Estate Observatory (SREO) membership:** The SREO brings together private and public sector professionals from the French property sector to promote sustainable development and innovation.



**2018**

**Signing of the Tobacco-Free Finance Pledge:** BNP Paribas is a founding signatory of the Tobacco-Free Finance Pledge and is contributing to its development within the financial sector. The Group thereby signals its desire to withdraw from any involvement related to the tobacco industry. BNP Paribas Cardif ceased its tobacco investment activities in 2017 and joined the Tobacco-Free Finance Pledge in 2018.



**2020**

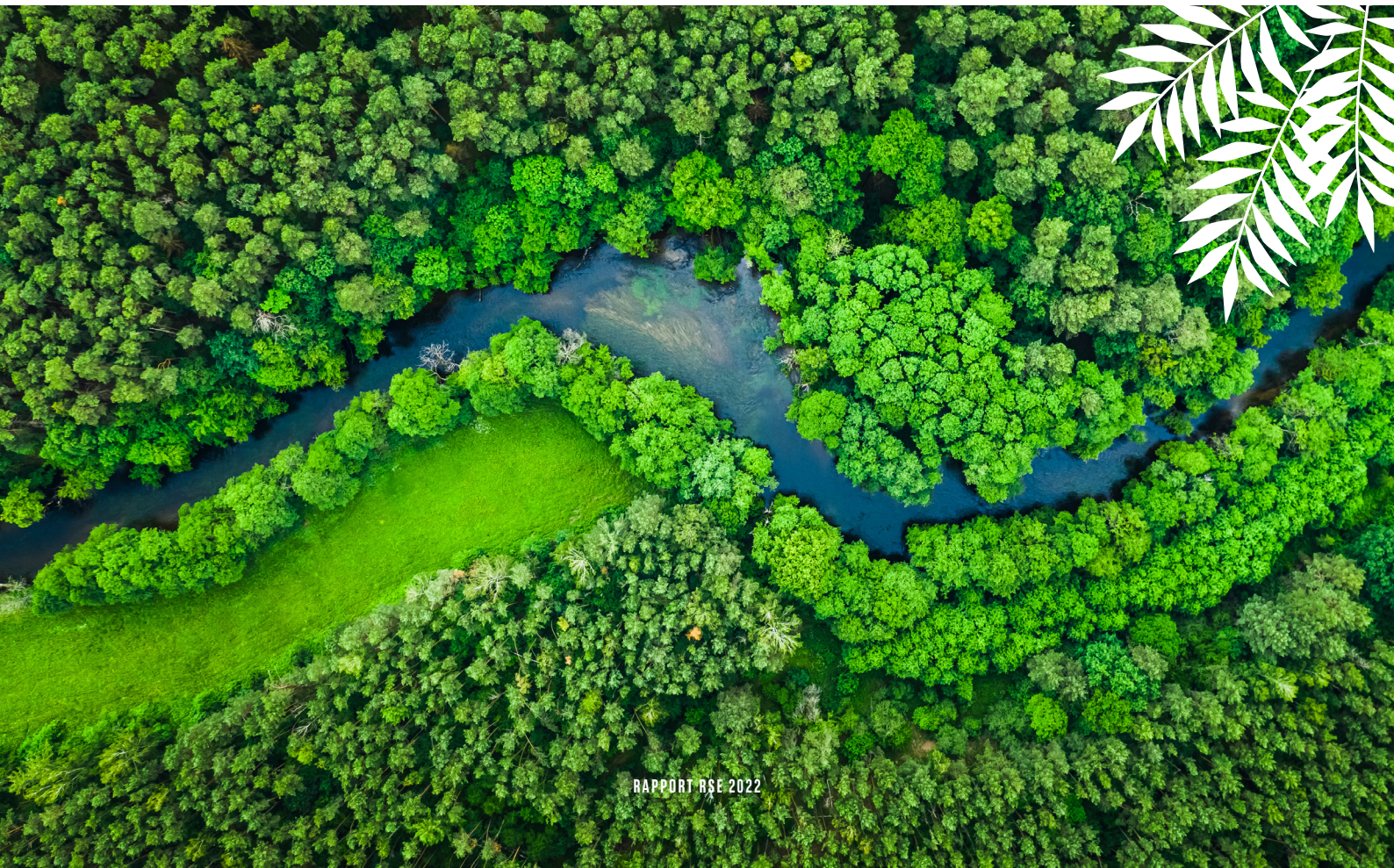
**CDP membership:** The CDP encourages investors, companies and cities to measure and understand their impact on the environment. The organisation holds the largest database of environmental performance. It gathers information on greenhouse gas emissions, water management and the impact on forests.

**2021**

**Net-Zero Asset Owner Alliance:** BNP Paribas Cardif is a member of the Net-Zero Asset Owner Alliance (NZAOA) and is committed to aligning its investment portfolio towards a carbon-neutral path by 2050. The aim is to help limit global warming to 1.5°C higher than pre-industrial temperatures, in accordance with the Paris Agreement. BNP Paribas has also joined the Net-Zero Banking Alliance.

**2021**

**BNP Paribas Cardif joined Climate Action 100+:** promotes dialogue with the companies concerned to achieve three objectives: encouraging better climate governance, encouraging a reduction in greenhouse gas emissions and increasing the transparency of corporate reporting on climate issues.





## OUR APPROACH WITHIN THE GENERAL FUND

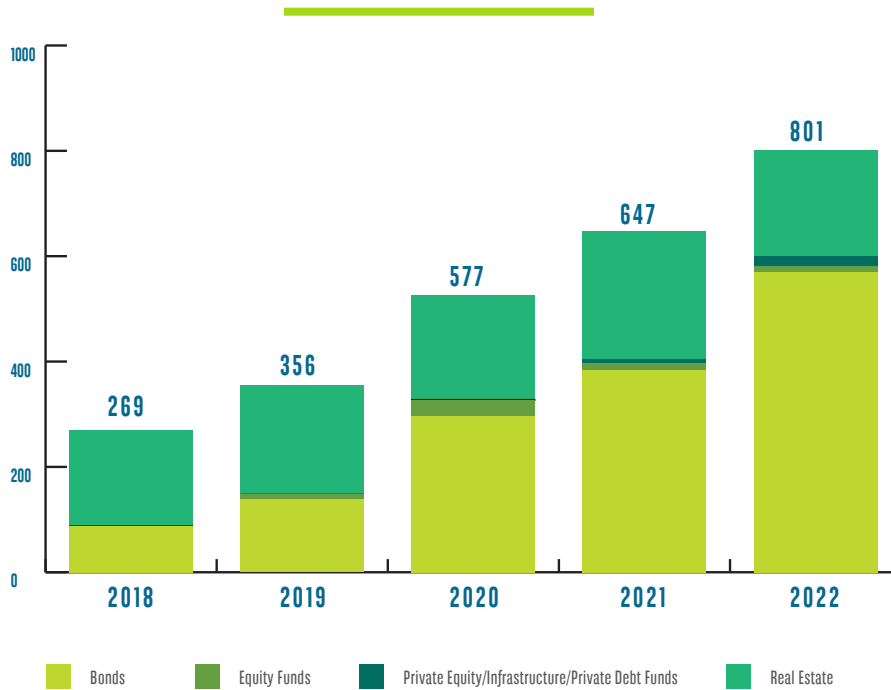
### MAKE A GREATER CONTRIBUTION TO THE ENERGY AND ECOLOGICAL TRANSITION

Positive impact investments are made with the intention of generating a positive and measurable social, societal and/or environmental impact, while generating a return on investment. Intentionality is the desire to achieve one or more Sustainable Development Goals (for example, contributing to the energy transition by installing renewable energy infrastructure). Measurability refers to the evaluation of the implementation of this intention through environmental and/or social indicators (e.g. GWh produced by these renewables). Cardif Lux Vie incorporates this definition through several asset classes:

- **Green Bonds:** financing projects with environmental objectives: mitigating climate change, adapting to climate change, preserving natural resources, preserving biodiversity, preventing and controlling pollution;
- **Bonds with a social vocation** or **SDG Bonds:** financing projects that contribute to the United Nations' Sustainable Development Goals\* (SDGs);
- **Funds with environmental themes:** energy transition, energy efficiency, sustainable food and agriculture, climate change mitigation and waste management;
- **Funds with social themes:** well-being in the workplace, job creation and inclusion;
- **Funds with societal themes:** education, sustainable mobility solutions, client satisfaction and the cooperative and voluntary sectors;
- **Property assets** whose environmental performance is certified or labelled, and/or which have a social or societal dimension.

\* <https://www.un.org/fr/exhibit/odd-17-objectifs-pour-transformer-notre-monde>

## Evolution of Cardif Lux Vie outstanding positive impact investments worth millions of euros.



## Cardif Lux Vie's objectives for 2025



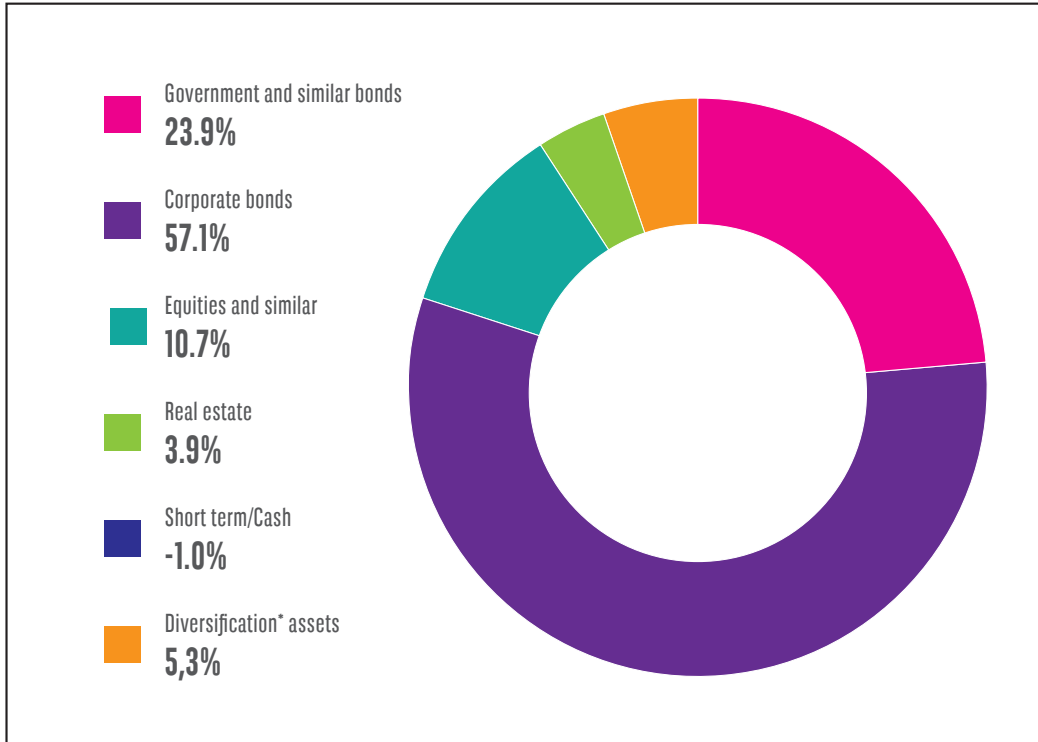
Cardif Lux Vie continues to deploy its responsible investment policy across all its assets under management.

**On the 31st December 2022, assets under management in the General Fund totalled €7.9 billion.** The Units of Account represented almost 22 billion euros.





## Breakdown of assets in the Cardif Lux Vie General Fund at 31 December 2022 (market value)



\* emerging debt, high yield, private debt and macro interest rate hedge funds.

### ESG POLICY APPLIED TO THE INVESTMENT PROCESS

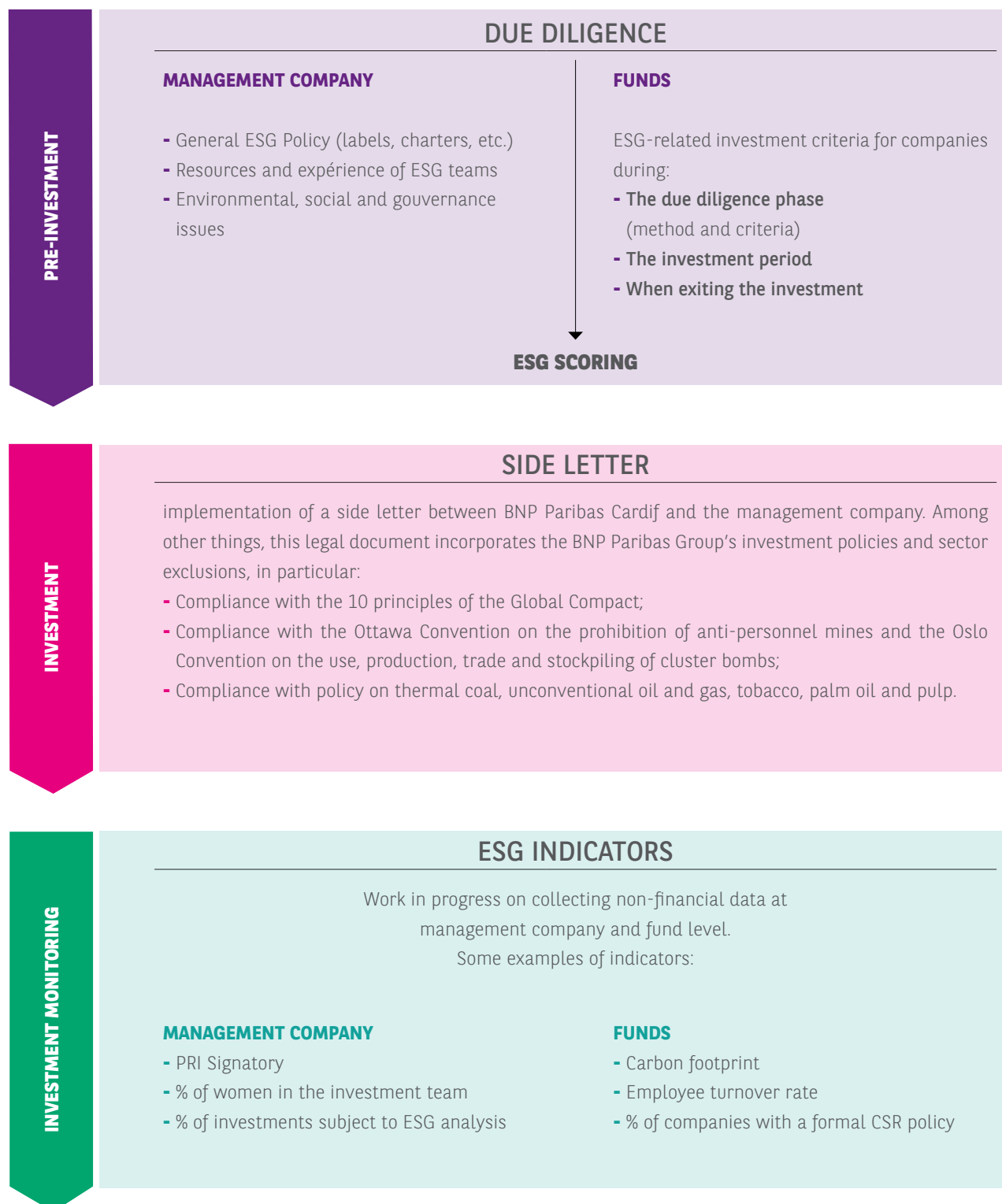
In managing the General Fund, Cardif Lux Vie integrates its ESG strategy into its investment processes. This strategy is adjusted according to the nature of the assets, i.e. directly held securities (equities and bonds) or funds and property assets. The policy consists of two main steps:

- Data collection and ESG analysis;
- Monitoring the integration of ESG criteria.

Before making a financial commitment, management companies are questioned about their ESG criteria integration process: firstly, at the level of the management company and its governance, and then at the level of the companies financed by the fund. This due diligence enables an ESG score to be established, which will be taken into account when the investment is validated by the asset management department.

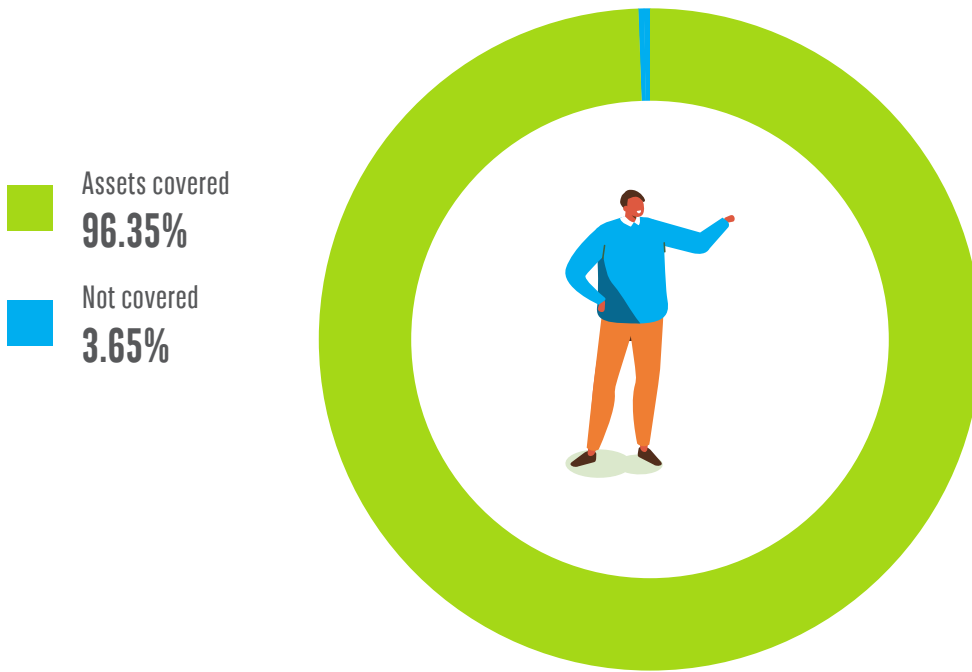


## Non-financial analysis of unlisted funds diagram





## ESG coverage of Cardif Lux Vie's General Fund assets, at market value on 31/12/22

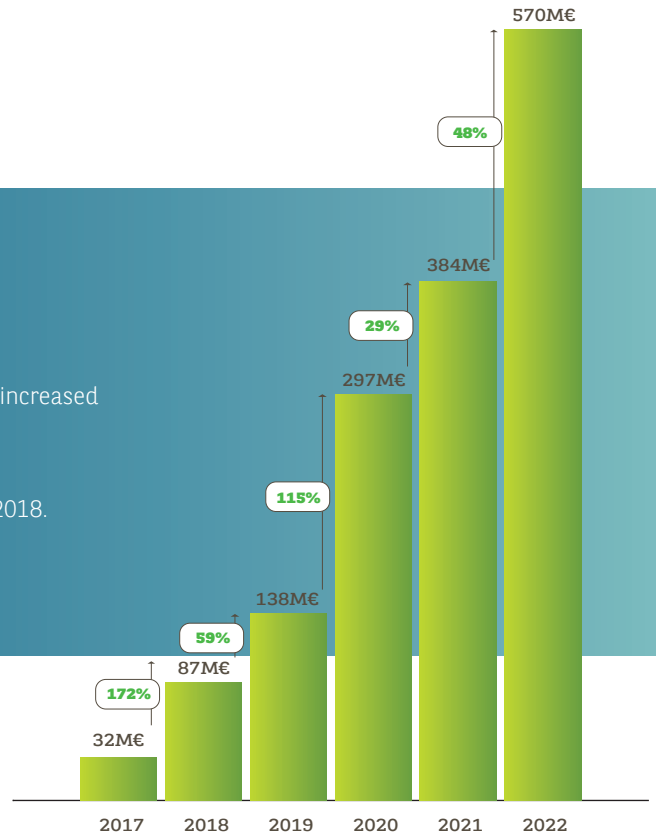


## GREEN BONDS

### IN 2022,

the outstanding amount of CVL's General Fund have increased by **48%** compared with 2021.

They totalled almost **570 M€**, 6 times more than in 2018.



## Emissions avoided on green bonds



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

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

- > **Construction:** suppliers, materials, etc.
- > **Operations:** energy consumption.
- > **The end of the project's life:** waste management, recycling.

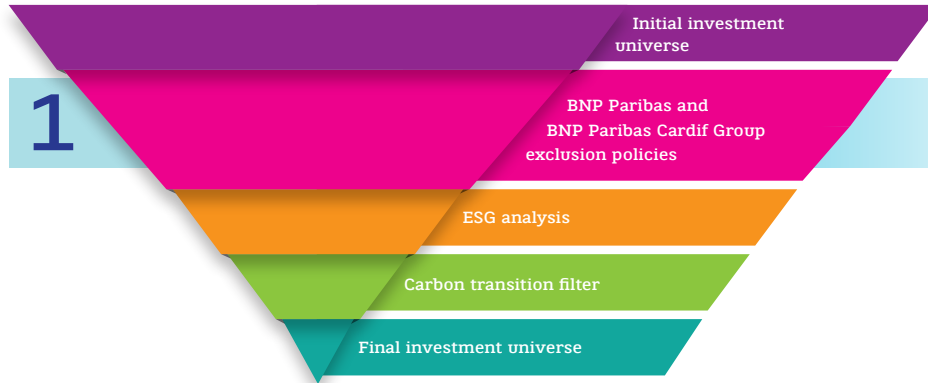
The calculation then annualises the avoided emissions over the life of the bond. Lastly, the emissions are compared against a benchmark, such as the country's energy mix, to obtain a differential corresponding to the avoided emissions.

Source: S&P Trucost



## OUR METHODOLOGY

### EXCLUSION POLICIES IN THE NON-FINANCIAL ANALYSIS PROCESS OF DIRECTLY HELD SECURITIES



The first step in the ESG analysis of directly held securities is to look at the company’s activity or the country in which it operates, which must not be under embargo or subject to financial sanctions. A specific filter, based on external ratings, assesses the extent to which the four pillars of the United Nations Global Compact (respect for international labour standards, human rights, the environment and the fight against corruption) have been properly integrated. Companies precluded by this filter are excluded from the investment universe. The sector exclusions of the BNP Paribas Group and the specific exclusions of BNP Paribas Cardif (commitments on thermal coal or tobacco) are also applied.

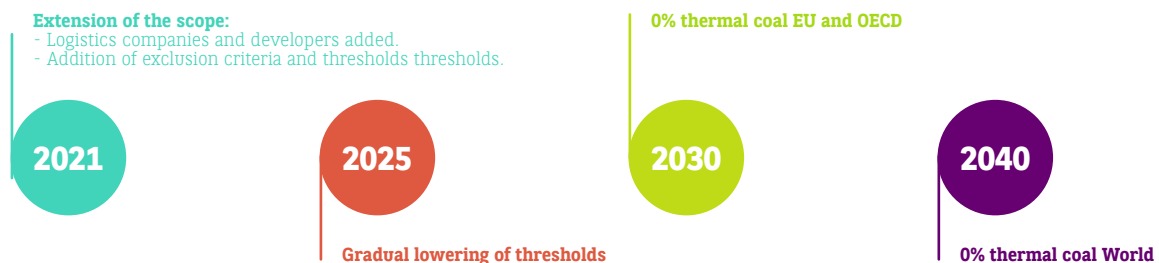
### Tobacco

Since 2017, BNP Paribas Cardif has applied a “tobacco-free” investment policy within its portfolios. The insurer has been a signatory of the Tobacco Free Finance Pledge since 2018. BNP Paribas Cardif excludes manufacturers, wholesalers and distributors whose turnover is derived from tobacco in excess of 10%.

### Thermal coal

Cardif Lux Vie will definitively exit this sector by 2030 at the latest for countries of the European Union and the OECD zone, and by 2040 at the latest for the rest of the world.

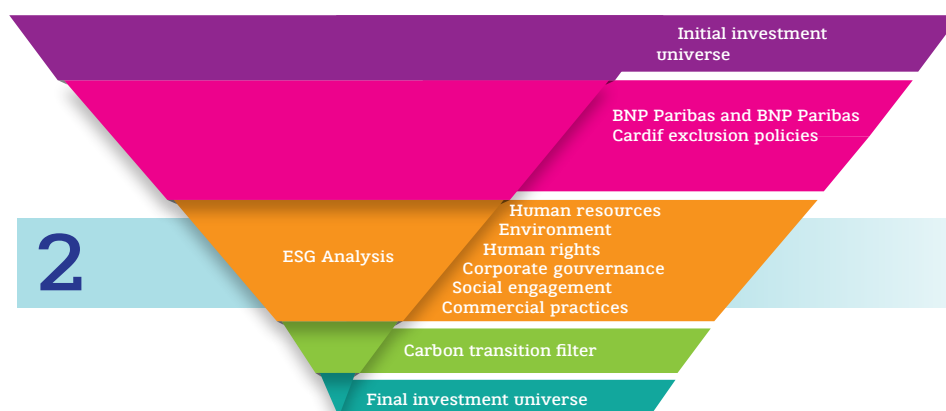
### BNP PARIBAS CARDIF’S THERMAL COAL EXIT TIMETABLE



		2020 ← → 2040			
<b>DEVELOPERS</b>		<b>2021</b>	<b>2025</b>	<b>2030</b>	<b>2040</b>
New projects (coal mines, coal-related infrastructure), coal-fired power stations, transport capacity)		0 thermal coal			
<b>MINING COMPANIES</b> (exploration and extraction of thermal coal)		<b>2021</b>	<b>2025</b>	<b>2030</b>	<b>2040</b>
Share of thermal coal in turnover	As % of turnover	10%	0% <small>(stock: 10%)</small>	0%	0%
Thermal coal extraction (millions of tonnes extracted)	In M tonnes	10	0 <small>(stock: 5 M)</small>	0	0
<b>LOGISTICS</b> (transport and storage of thermal coal)		<b>2021</b>	<b>2025</b>	<b>2030</b>	<b>2040</b>
Share of turnover	As a %	20%	15%	10% 0%*	0%
<b>ELECTRICITY GENERATION FROM COAL</b>		<b>2021</b>	<b>2025</b>	<b>2030</b>	<b>2040</b>
Share of turnover	As a %	20%	15%	10% 0%*	0%
	As % of mix	20%	20%	10% 0%*	0%
Electricity generation from coal (effective generation)	En Giga W	10	8	5 0*	0

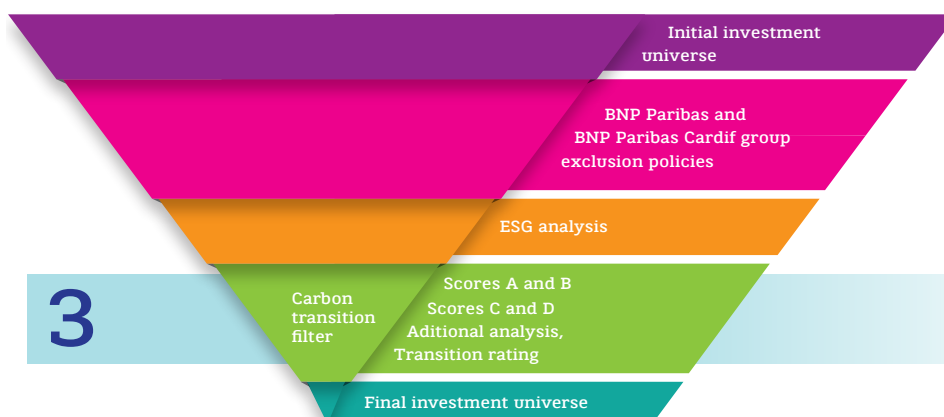
(\*) UE / OCDE

## ASG ANALYSIS AS PART OF THE NON-FINANCIAL ANALYSIS PROCESS FOR DIRECTLY HELD SECURITIES



The integration of ESG criteria is the second stage of the ESG analysis. The process for all BNP Paribas Cardif entities is based on non-financial data from Moody's ESG Solutions for the integration of ESG criteria. Moody's methodology assesses the ESG performance and risks of each company using 38 criteria. These criteria are grouped into six categories: human resources, environment, respect for human rights in the workplace, corporate governance, community involvement and market behaviour. Cardif Lux Vie applies a best-in-class sectoral approach in its ESG filter. Each company is given a score for its sector and its level of performance in each of these six categories. The ratings provide us with an evaluation of the global ESG performance. Companies are ranked by decile according to this rating. Within each sector, Cardif Lux Vie excludes all new investments in companies with ESG scores in the bottom 3 deciles.

## THE CARBON TRANSITION FILTER IN THE NON-FINANCIAL ANALYSIS PROCESS FOR DIRECTLY-HELD SECURITIES



The approach is rounded off by a final selection step. In addition to this “Best In Class” selection, we also take into account an energy transition score coupled with carbon emissions. Companies that emit more than 1 million tonnes of CO<sub>2</sub> equivalent and whose energy transition strategy is deemed weak (score below 30) are excluded from the investment universe.

The carbon performance of directly held corporate assets will continue to improve in 2022 (see page 17). The selection of companies using the ‘carbon’ transition filter contributed in part to this improvement.

Various methods can be used to standardise the ‘absolute’ carbon emissions of the assets of the companies making up a portfolio of financial assets.

### Cardif Lux Vie has chosen to measure:

- The carbon emissions intensity of each company relative to its turnover (see page 16). This measure is expressed in tonnes of CO<sub>2</sub> equivalent per million euros of turnover, assessed by the weight in the portfolio.
- The carbon footprint of equity and corporate bond portfolios. This measure is expressed in teq CO<sub>2</sub> per million euros invested. These methods allow us to calculate the carbon intensity at various levels. Cardif Lux Vie has chosen to measure the absolute carbon intensity of each company relative to its turnover according to scopes 1 and 2 (see page 16). This measure is expressed in tonnes of CO<sub>2</sub> equivalent in millions of euros of turnover, weighted by the weight in the portfolio.

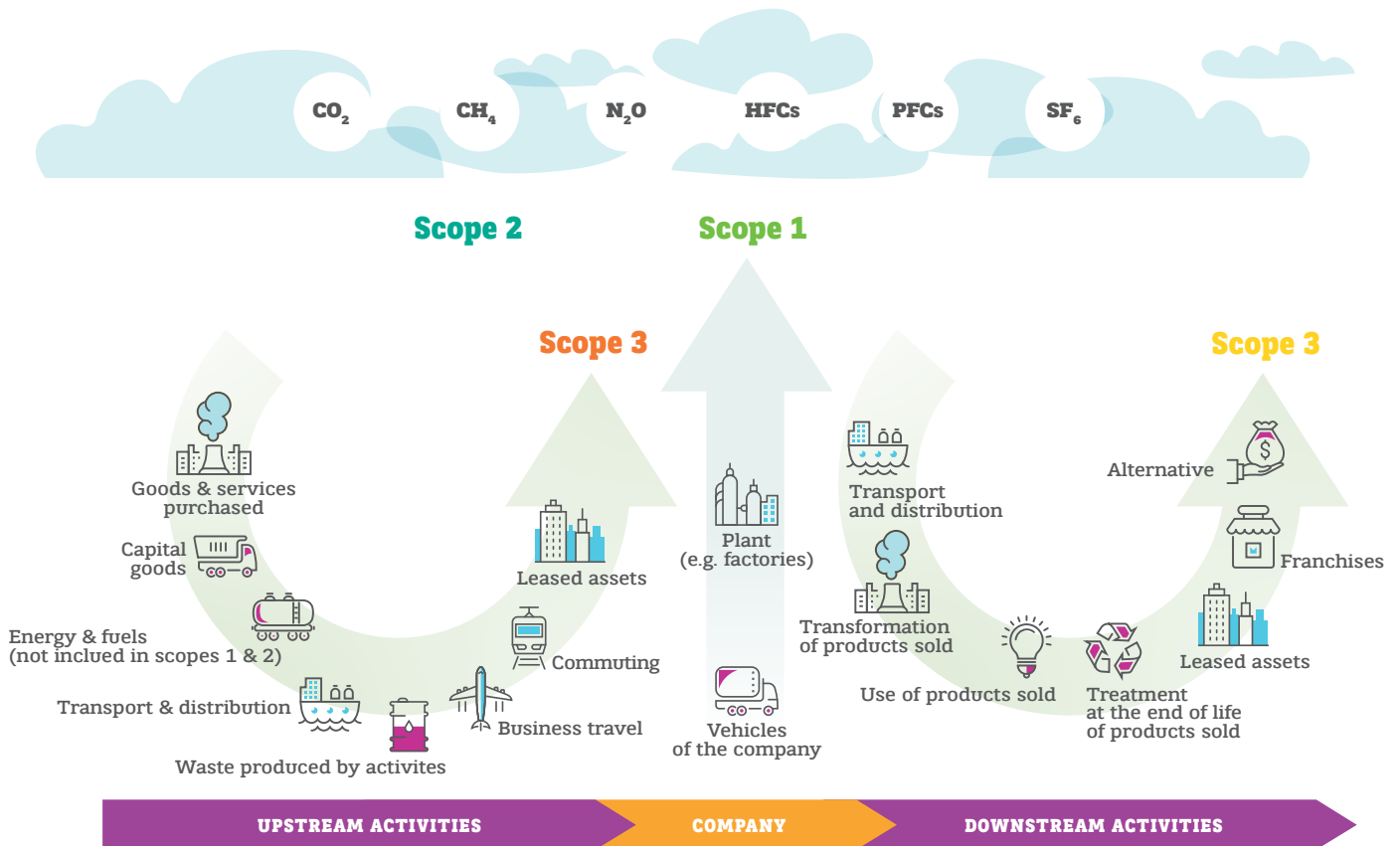


## SCOPES AND CARBON EMISSIONS ACROSS THE ENTIRE VALUE CHAIN



**Jaafar NACIRI**  
*Manager of unlisted assets*

*“Following on from our participation in the world’s largest infrastructure fund dedicated to low-carbon hydrogen, this year we have strengthened our strategy in favour of positive-impact investments through a new commitment to the Global Timber Fund managed by Salm-Salm & Partner. The aim of this fund is to ensure the sustainable management of forests in Europe and internationally, while preserving an ecosystem that protects biodiversity and natural resources.”*







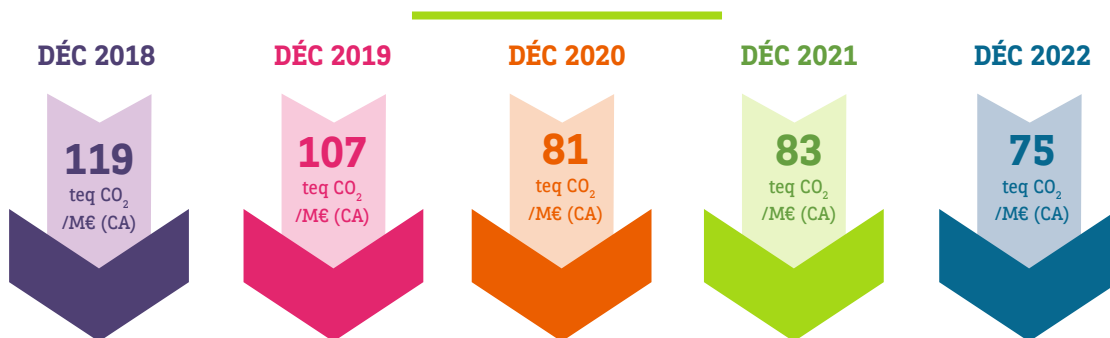
## OUR CLIMATE PERFORMANCE AND BIODIVERSITY INDICATORS

To obtain an overall view of the General Fund's environmental performance, Cardif Lux Vie uses additional indicators that capture both the impact on the climate (greenhouse gas emissions) and the contribution to the low-carbon transition (green activities).

This year, Cardif Lux Vie calculated the biodiversity footprint of its equity and corporate bond portfolios. This is a second assessment, carried out by Carbon4 Finance, using the Global Biodiversity Score (GBS) measurement tool (see page 21) developed by CDC Biodiversité (Caisse des Dépôts). This biodiversity footprint score provides an essential analysis for integrating these issues into the investment strategy.

### PORTFOLIO CARBON METRICS

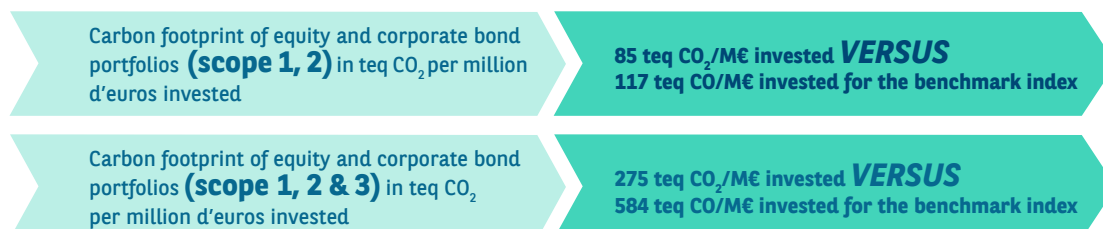
#### Carbon intensity of the corporate equity and bond portfolio in relation to turnover, scopes 1 and 2



Source: BNP Paribas Cardif

The carbon intensity of the portfolio has fallen slightly over the period. This is estimated at 75 teq CO<sub>2</sub>/M€(turnover) at 31 December 2022, compared with 83 teq CO<sub>2</sub>/M€(turnover) at 31 December 2021. By comparison, the carbon intensity of the composite benchmark index (Stoxx600 + QW5A) is estimated at 122 teq CO<sub>2</sub>/M€(turnover) at the same date, compared with 221 teq CO<sub>2</sub>/M€(turnover) at the end of 2021.

#### Carbon footprint of the portfolio equities and corporate bonds at 31/12/2022



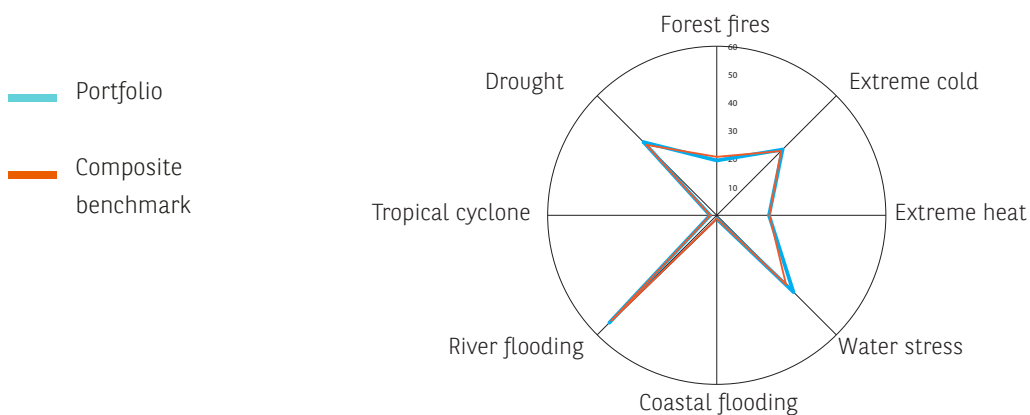
Sources: S&P Trucost Ltd

## PHYSICAL AND PORTFOLIO TRANSITION RISKS

The weather hazards exposure score is an assessment of the exposure to major physical risks (extreme heat, water stress, coastal flooding, river flooding, tropical cyclone, drought) of the companies held in the Cardif Lux Vie General Fund. This score changes on a scale of 1 to 100, so a score of 100 corresponds to a very high risk, while a score of 1 means that the risk is low.

The graph below shows the exposure score by type of risk of the Cardif Lux Vie General Fund against the benchmark indicator under a "High Scenario 2050\*".

### Exposure score by weather hazard for corporate equities and bonds held directly on 31/12/2022 (High scenario 2050)



Source: S&P Trucost

The physical risk profile of the Cardif Lux Vie General Fund is identical to its benchmark indicator. The hazards associated with river flooding and water stress are the most representative, with exposure scores of 54 and 38 respectively in the scenario shown\*.

(\*) The high climate change scenario (SSP5-8.5) assumes that total greenhouse gas emissions triple by 2075 and that global average temperatures rise by 3.3 to 5.7°C by 2100.

## TRANSITION RISK

EBITDA\* at risk of the equity and corporate bond portfolio at 31/12/2022

(Scenario of high carbon prices by 2030)

	EBITDA AT RISK (AVERAGE %)	SHARE OF COMPANIES WITH EBITDA AT RISK >10%*
Equity and corporate bond portfolio	10.38%	13.73%
Composite benchmark	25.17%	20.45%

Source: S&P Trucost

(\*) **Portion (%) of holdings with EBITDA at risk >10%:**  
This indicator refers to the proportion of Cardif Lux Vie's outstanding investments in companies whose EBITDA at risk is greater than 10%. It identifies the companies most exposed to carbon price rises. The methodology used by provider S&P Trucost to calculate this indicator had been reviewed at the end of 2021.

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

### Trucost ESG Analysis

### S&P Global

According to the Trucost study, the estimated temperature trajectory of the equity and corporate bond portfolio is between 1.5°C and 2°C. That of the benchmark indicator is also between 1.5°C and 2°C.

### carbon4 | finance

According to the Carbon4 Finance study, the temperature of the equities and corporate bonds portfolio is 2.4°C compared with 2.5°C for the benchmark.

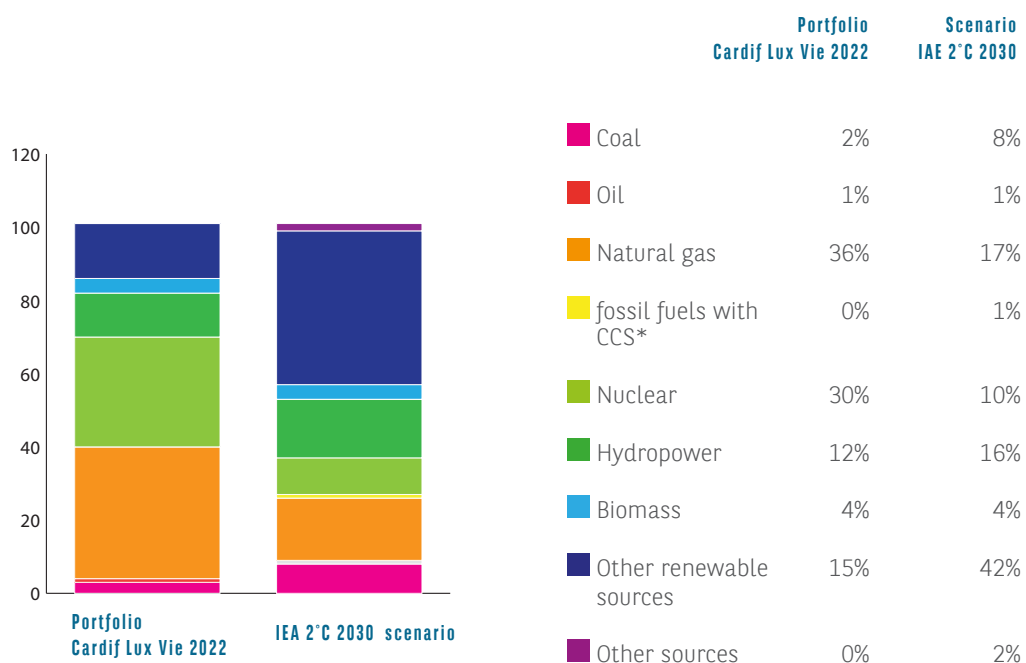
**EBITDA**: Earnings Before Interest, Taxes, Depreciation, and Amortisation. This is an American financial indicator that measures the financial profitability of a company's operating cycle and production process.

**Trucost**: 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.

**Carbon4 Finance**: The alignment of a portfolio can be described as its contribution to the transition towards a certain economy, defined by a specific climate scenario, and leading to an implicit temperature increase by the end of the century. This is what Carbon4 Finance is seeking to provide with an alignment metric, which is based on strong hypotheses formulated by Carbon 4 and Carbon4 Finance, and which is in line with a certain vision of the future.



## ELECTRICAL MIX



Source: S&P Trucost

Within its General Fund equity and corporate bond portfolios, Cardif Lux Vie analyses the electricity mix of electricity producers and distributors. The electricity mix represents the proportion of the various energy sources in electricity production/distribution.

Cardif Lux Vie compares its electricity mix of producers and distributors with the electricity mix presented by the IEA (International Energy Agency) in its 1.5°C scenario for 2030 (Energy Technology Perspectives 2017). This scenario defines the energy mix needed to limit the rise in temperature of the Earth's surface to 1.5°C, based on a carbon budget allocated by business sector.

### ***This difference can be explained by:***

- The application of filters on the investment universe to encourage the selection of companies with a less carbon-intensive electricity mix (exclusions linked to thermal coal and application of the carbon filter).
- The significant influence of the energy policies of the countries in which the selected companies operate. Electricity producers in the portfolio are mostly based in western Europe, especially France. In these regions, nuclear and hydroelectric power are over-represented compared to the global average.

CCS : that removes CO2 from exhaust gases of factories using large quantities of fossil fuels, which is then injected underground in hopes that this will be permanent.



## BIODIVERSITY FOOTPRINT ASSESSMENT

### METHODOLOGY

The Global Biodiversity Score (or GBS) can be interpreted as the equivalent of the carbon footprint for biodiversity. It allows economic actors, companies and investors, to assess the impacts of their activities on biodiversity.

The metric used is the MSA (Mean Species Abundance) which assesses the ecological integrity of ecosystems on a scale from 100% (undisturbed ecosystem) to 0% (totally degraded ecosystem). As the pressure increases, the percentage decreases.

This indicator is based on the GLOBIO model, which aims to simulate the impact of different scenarios of human pressure on biodiversity. The MSA is a metric recognised by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) for the assessment of ecosystem integrity (comparison between original and disturbed ecosystems).

The EXIOBASE model allows turnover data to be translated into greenhouse gas emissions and raw material consumption.

## IMPACT ANALYSIS IS A 4-STAGE PROCESS:

### 1. Economic data recovery:

companies create products and services and generate turnover.

### 2. Recovery of ecological inventories:

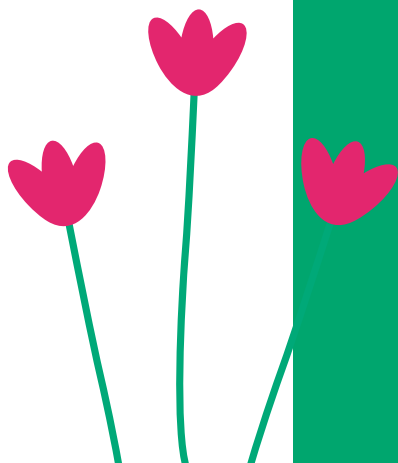
in order to achieve this turnover, companies need raw materials (metals, minerals, water, etc.).

### 3. Identifying the pressures on biodiversity:

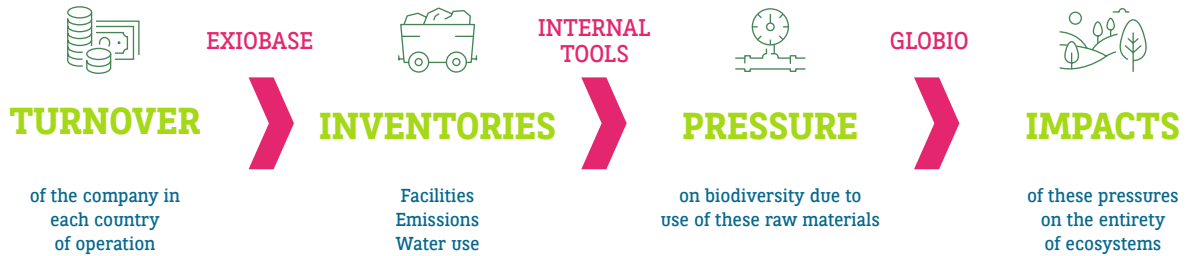
this consumption of natural resources puts pressure on biodiversity.

### 4. Translating pressure into impact on ecosystems:

these pressures are translated into an indicator, the Mean Species Abundance (MSA). This indicator therefore makes it possible to quantify the impact of these pressures on a given area.



## Assessing a company's biodiversity footprint






GBS covers all sectors of activity. More precise analyses are carried out on the most impacting sectors (climate, but also agriculture and the chemical sector).

Carbon4 Finance's BIA-GBS has introduced the MSA.m<sup>2</sup> equivalent: the MSA is then multiplied by the surface area concerned. Impacts on biodiversity are expressed in MSA.m<sup>2</sup> (or average abundance of species per square metre): 1 MSA.m<sup>2</sup> lost is equivalent to the total destruction of 1m<sup>2</sup> of initially intact natural area.

The footprint accounts for 2 types of impact:

- > **statics impacts**, which correspond to all cumulative impacts prior to the assessment period;
- > **dynamic impacts**, which correspond to impacts that have taken place during the period under review.

The BIA-GBS covers both land and freshwater pressures.

	 <b>LAND</b>	 <b>FRESH WATER</b>	 <b>MARINE</b>
Change of use of land and sea	Land use Fragmentation Rock fill	Wetland conversion	Not covered
Direct operation	Pressures caused by resource extraction (agriculture, timber, mining, etc.)	Disturbance of the water system due to water use	
Climate change	Climate change	Hydrological disruption due to climate change	
Pollution	Aerial nitrogen deposition Ecotoxicity	Land use in wetlands Eutrophication of freshwater Ecotoxicity	
Invasive species	Not covered		

## Results of the directly held of equity and corporate bonds portfolio on 31/12/22

The results presented relate to 97% of the equity and corporate bond portfolio held directly by Cardif Lux Vie.

### Biodiversity footprint in MSA.m<sup>2</sup>/k€ invested:

	Footprint MSA.m <sup>2</sup> /k€ portfolio	Footprint MSA.m <sup>2</sup> /k€ composite benchmark
Aquatic Dynamic	0	0.1
Aquatic Static	3.5	5.8
Terrestrial Dynamic	2.1	3.5
Terrestrial Static	51.4	78.3

Source: Biodiversity Impact Analytics powered by the Global Biodiversity Score™ database, Source: GBS 1.1, 02/22, Carbon4 Finance

On 31/12/2022, for every €1,000 invested, the impact of the equity and corporate bond portfolio is equivalent to:

- The artificialisation of 3.5m<sup>2</sup> of aquatic biodiversity (5.8m<sup>2</sup> for the benchmark indicator) and 51.4m<sup>2</sup> of terrestrial biodiversity (78.3m<sup>2</sup> for the benchmark indicator) in terms of static impact;
- The artificialisation of 0m<sup>2</sup> of additional aquatic biodiversity (Vs. 0.1m<sup>2</sup> for the benchmark) and 2.1m<sup>2</sup> of additional terrestrial biodiversity (against 3.5m<sup>2</sup> for the benchmark) in terms of dynamic impact.

**Cardif Lux Vie, as a subsidiary of BNP Paribas, contributes to the Group's commitment to biodiversity, in particular through thematic investments dedicated to natural capital.**

**Biodiversity:** Biodiversity is the network of all living organisms, whether terrestrial, marine or aquatic, and the ecological complexes to which they belong. This network produces oxygen, regulates water, temperature and air quality of the planet as well as natural hazards. These are the ecosystem services that biodiversity provides.

## BNP PARIBAS AND THE PRESERVATION OF THE BIODIVERSITY

**BNP Paribas is convinced of the importance of the risks and opportunities associated with biodiversity and has been committed to preserving biodiversity for several years:** inclusion of criteria relating to deforestation and biodiversity in financing and investment policies since 2012, dialogue with clients in the most sensitive sectors, proposals for products and services based on nature-based solutions, signature of act4nature commitments in 2018 (updated in 2021), publication of a position on ocean protection in 2019, extension to biodiversity of research programmes supported by the BNP Paribas Foundation in 2019, etc.

## CARDIF LUX VIE TARGETS THE PROTECTION OF BIODIVERSITY IN ITS INVESTMENT CHOICES

**As a responsible investor, Cardif Lux Vie is committed to helping protect biodiversity.** This includes investing in funds aimed at preserving biodiversity.

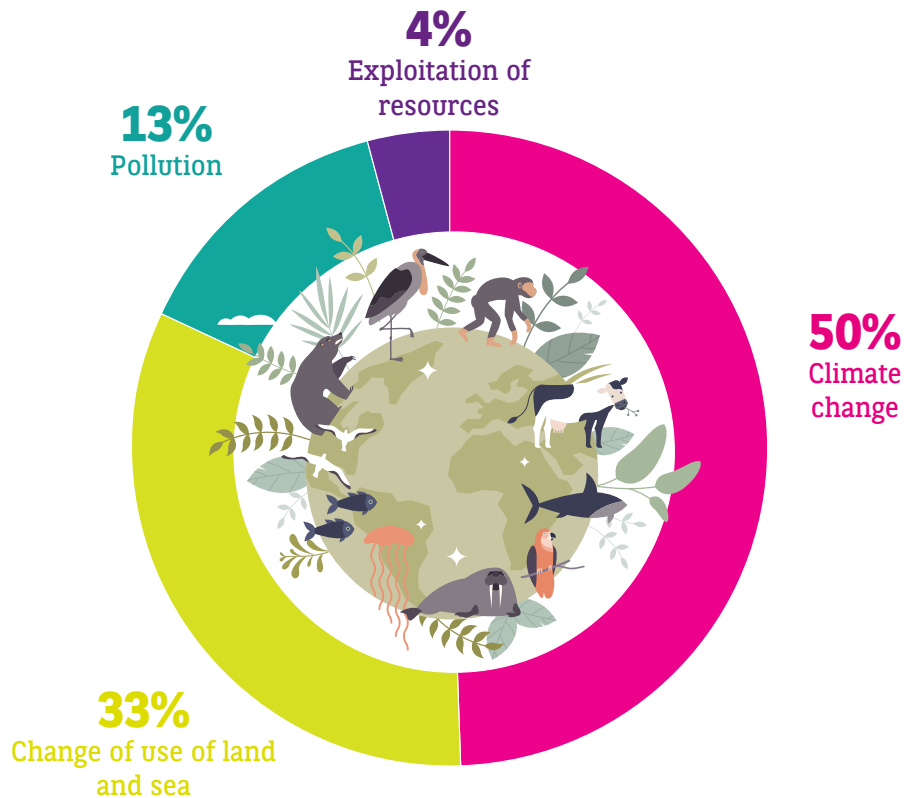
### **Mirova Althélia Sustainable Ocean Fund – private equity fund**

This fund aims to protect and enhance marine resources by focusing on three areas: species protection (fishing and aquaculture companies that can be certified as “sustainable”), the circular economy (plastics and wastewater management) and ocean conservation (biodiversity, responsible tourism, infrastructure linked to the blue economy).





## Breakdown of biodiversity footprint by IPBES\* pressure (equities and corporate bonds)



Mitigation of climate change is the dominant pressure applied by the Cardif Lux Vie portfolio. The second dominant pressure applied by the portfolio in question is the change in land and sea use (land artificialisation).

The measurement of the biodiversity footprint is still evolving. There is not yet a universally recognised system of biodiversity metrics for assessing the biodiversity footprint of companies and financial institutions. As with climate metrics, existing biodiversity methods are likely to improve significantly over the next few years. Very little data on biodiversity is available, so data providers resort to estimates.

100% of the data used is estimated.

Detailed breakdown of the impact on biodiversity by pressure for a given compartment - a combination of biodiversity domain and accounting category (e.g. aquatic/dynamic) - expressed in %.

Source: Biodiversity Impact Analytics powered by the Global Biodiversity Score™ database, Source: GBS 1.1, 02/22, Carbon4 Finance IPBES: Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)

## REMINDER OF THE MAIN RESPONSIBLE INVESTMENT LABELS



### **SRI LABEL**

Supported by the French Ministry of the Economy and Finance, the SRI label is awarded following a strict labelling process carried out by independent bodies.



### **TOWARDS SUSTAINABILITY**

Launched by the Belgian financial sector federation Febelfin in February 2019, this label aims to ensure clarity and transparency regarding sustainable investments.

This standard combines three requirements: transparency, ESG (environmental, social and governance) analysis on all portfolios and exclusions with low thresholds, not only on coal but also on non-conventional fossil fuels.



### **LUXFLAG**

The European ESG label, launched by the Luxembourg agency LuxFLAG, guarantees compliance with ESG criteria throughout the investment chain.



### **GREENFIN LABEL**

launched by the French Ministry of Ecological Transition in June 2019 (replacing the TEEC label), this label guarantees the green quality of investment funds and is aimed at financial players who act in the service of the common good through transparent and sustainable practices. The label has the particularity of excluding funds that invest in companies operating in the nuclear and fossil fuel sectors.



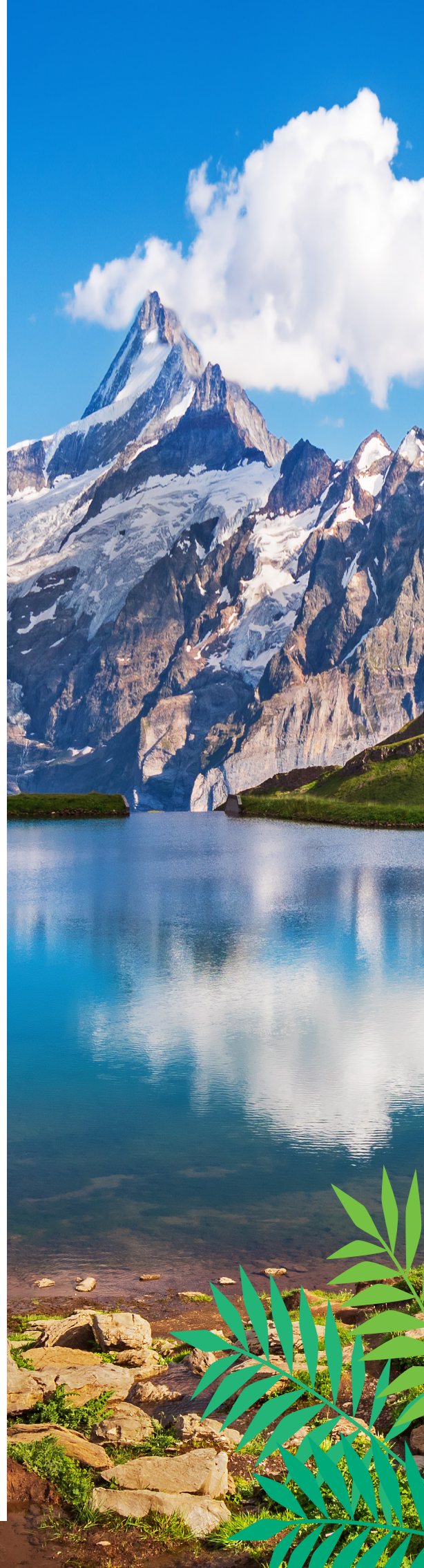
### **FINANSOL**

Awarded for the first time in 1997, the Finansol label distinguishes socially responsible savings products.



### **FNG SIEGEL**

Sustainable label present mainly in Germany, Austria, Switzerland and Liechtenstein.



# RESPONSIBLE PRODUCTS AND SERVICES



**Marie-Paule VAN DER VEKEN**  
*Product Developer*

*“Our clients need simplicity and fluidity at every stage of their journey. After many months of work, we are now in a position to offer a 100% digital subscription process for our outstanding balance insurance in the local Luxembourg market.”*

## INCREASINGLY ACCESSIBLE AND INCLUSIVE INSURANCE

Our mission is to make insurance more accessible. To achieve this, we are drafting our contractual documents in language that can be easily understood by everyone, and we are simplifying and developing our procedures to make them more inclusive. We design new offerings for our partners that are in line with current needs, and improve the client experience by creating ever smoother digital journeys.

### DIGITALISATION

Over the past year, we have pursued our digital transformation with agility. The projects were completed at a steady pace. Our partners benefit from fully digitised transaction paths (subscription, redemption, switching and top-up payments, etc.) for the French and Belgian markets. Our 100% paperless process comes with the following features: electronic signature, draft mode, drag and drop (upload documents), document preview, automatic reminder management, electronic file transfer.

Our Digital Squad is fully integrated with our sales teams, enabling us to develop our solutions in real time so that they meet our partners' needs ever more closely.



## CHANGES TO OUR FORMS

We support an increasingly responsible, open and inclusive society.

So, for example, we have permanently removed the words “maiden name” and “miss” from all our forms and we are keeping a close eye on any changes that may be appropriate (gender, civil status, etc.).

For many years now, we have been working to simplify our medical formalities and also to ensure that certain life events are no longer penalised in the long term (right to be forgotten, weight gain, etc.).

## OUR CONTRIBUTION TO FINANCING A MORE SUSTAINABLE ECONOMY

### INCREASE THE NUMBER OF SFDR ARTICLE 8 AND 9 FUNDS IN OUR CATALOGUE OF EXTERNAL FUNDS

By the end of 2022, our External Funds catalogues will include more than 700 funds classified as Article 8 or 9 under SFDR regulations (41% of External Funds assets). This proportion rose from 47% to 71% of the catalogue between 2021 and 2022. In addition, 61 funds have been awarded an SRI label, representing 41% of assets under management in External Funds. Our aim is to be able to gradually increase this share and to be able to offer our clients a wide range of vehicles in line with their new expectations. All information on Cardif Lux Vie’s financial products classified as article 8 or 9 under the SFDR Regulation is available on our website: [Cardif Lux Vie - Our responsibility](#).



**Christophe BOUGE**

*“We have worked hard this year to improve and enhance our unit-linked offering, so that it is better adapted to the needs of our partners and clients. Flexibility, impact and responsibility are naturally at the heart of our thinking.”*

## FACILITATING THE INTEGRATION OF SRI STRATEGIES INTO DEDICATED INTERNAL FUNDS

The Company's SRI convictions are strong. Today, the entire life insurance ecosystem is increasingly sensitive to social and climate issues. This dynamic has accelerated sharply over the last two years as a result of the various crises the world has experienced.

In this context, giving meaning to investments by choosing those that respect ESG criteria is the focus of expectations. Sustainable finance is also a major current issue for national and European regulators, with numerous regulations coming into force in recent years: ESG IDD, PRIIPS, Taxonomy, SFDR, S2 ESG, etc.

Our role is to analyse them, to ensure that we comply with them and to be able to offer our partners and clients more sustainable products, in line with the European taxonomy. That's why our teams work with our partners to facilitate the integration of their ESG strategies within the Dedicated Internal Funds.

We propose a two-pronged approach to developing our offer: the first is proactive, with financial experts canvassing financial managers with the aim of working with them to facilitate the inclusion of Art. 8 or 9 strategies in the ranges on offer; the second is a supportive approach for managers who request a reorganisation of their offer to include Art. 8 or 9 strategies in the classification of their management mandate.

## EXPANSION OF THE ETF RANGE

An ETF (Exchange-Traded Fund) is a listed investment fund composed of shares or bonds from several companies (40 to 100 or sometimes more) that tracks a stock market index. **Cardif Lux Vie already offers its clients a number of SRI-labelled sustainable index funds (ETF's).** We are always on the lookout for new needs and will support with conviction **any request** for inclusion in our range of ETFs covering low carbon, the circular economy, the ocean economy, green property and sustainable infrastructure.





**Charles DEGEN**  
*Chief Development & Local Market Officer*

***“This year’s award of the LuxFLAG ESG Insurance Product label for our pension savings policy is the reward for our collective and ambitious efforts to develop ever more responsible solutions.”***

## **LUXFLAG**

Cardif Lux Vie announced a few months ago that its OptiPension+ and MyPension+ policies had been awarded the “LuxFLAG ESG Insurance Product” label. These are the first 100% SRI (Socially Responsible Investment) pension insurance policies (governed by Article 111a of the law on income tax) in Luxembourg.

This label is recognised for its high standards and rigorous assessment of investment strategies, the ESG criteria used and the transparency of the funds included in life insurance policies. These fundamental criteria are decisive in obtaining the label.

LuxFLAG, the Luxembourg Finance Labelling Agency, is an independent and international non-profit labelling agency founded in Luxembourg by seven public and private partners in July 2006.



# THE COMPANY FOCUSED ON PEOPLE



## A WORKING ENVIRONMENT THAT FOSTERS THE GROWTH AND DEVELOPMENT OF OUR TEAMS

Because Cardif Lux Vie's employees are the primary actors in the Company's transformation, we have made the development and fulfilment of our teams a core priority. For many years, we have been offering a range of initiatives to promote well-being in the workplace.

### TELEWORKING

After a pilot scheme, followed by a rapid and successful roll-out in March 2020 during the lockdown, teleworking is now established within the Company. At Cardif Lux Vie, working and managing remotely are practices that are supported and facilitated by clear objectives, transparency and regular dialogue between teams.



Adeliana CARPINETA

**“Through our My Impact programme, we have the opportunity to get away from our core business and come up with useful, practical initiatives (sports workshops, themed conferences, community development collections, environmental and biodiversity protection activities, etc.) that can improve the day-to-day lives of employees and also the impact of our Company.”**

### MY IMPACT

Because we are convinced of the power of collective intelligence, any employee who so wishes can take part in building our CSR approach and submit ideas for improving the Company's impact. A steering committee made up of volunteer members from all departments meets regularly to propose innovative and responsible initiatives.

## WELL-BEING

In 2022, we offered a rich and varied calendar of events to provide our teams with advice on how to keep fit. Personal development, relaxation, the fight against addiction, etc. Themed meetings with experts are held regularly at lunchtime.

Between July and December 2022, 270 employees took part in a major sports and community development challenge open to the whole Company. The principle was simple: cover as many kilometres as possible and convert your efforts into a donation which, at the end of the year, was given to 8 local charities chosen by the employees.

Finally, we support our colleagues' participation in major sporting events in the region.

## AN INCLUSIVE CORPORATE CULTURE THAT PROMOTES DIVERSITY AND GENDER MIX

At Cardif Lux Vie, we want every employee to be able to express his or her talent, regardless of gender, age, origin, sexual orientation or disability. Numerous initiatives have been put in place to promote a humane, open and caring working environment



Gautier COMIS

***“Building a more egalitarian and inclusive sector means making some very concrete commitments such as the “Luxembourg Women in Finance” charter that Cardif Lux Vie has just signed. I’m convinced that this also requires vigilance and commitment on a daily basis, and not just as part of our professional activities.”***

## DIVERSITY

Joining Cardif Lux Vie means joining a multicultural team with international expertise. We value diversity of origin and background, with over 20 different nationalities on our teams.

## EQUALITY

To contribute to the development of a more egalitarian and inclusive finance sector, Cardif Lux Vie signed the “Luxembourg Women in Finance Charter” this year. This initiative, under the patronage of the Luxembourg Ministry of Finance, aims to encourage greater representation of women in key positions in the finance sector. Each signatory commits themselves to set specific targets and to publish reports on the progress made.





# THE COMPANY

## A SOCIALLY-RESPONSIBLE INSTITUTION

### **A COMPANY COMMITTED TO THE ENVIRONMENT AND THE PROTECTION OF ECOSYSTEMS**

Throughout the year, we strive to control the environmental impact of our activities and raise awareness among our employees. We are committed to zero plastic in the workplace. We have limited printing and use only recycled and recyclable office supplies.

#### **REFOREST'ACTION**

We take direct action at local level to protect the environment and biodiversity. We are committed to preserving local forest ecosystems.

With 2,000 new trees in 2022, more than 10,000 trees have been planted in the Grand Duchy of Luxembourg as part of a long-term, practical partnership with Reforest'action. We involve our teams, partners and clients directly in this positive process. For example, we plant a tree for every new employee joining our teams.

#### **RUBBISH COLLECTION**

Last year, with the support of the City of Luxembourg's Energy and Environment Department, we organised two new waste collection afternoons in protected areas of the Grand Duchy. The support of the City's teams means that our staff are fully aware of the importance of sorting and recycling.

### **SUPPORT FOR LOCAL COMMUNITY DEVELOPMENT INITIATIVES**

#### **COLLECTIONS AND DONATIONS**

Community development collections are regularly organised within the company to benefit associations working for children and vulnerable people. At the end of 2022, for the 4<sup>th</sup> year running, employees took action at the end of the year by donating toys and surprises.

We have also continued to work with associations committed to improving access to digital technology. We regularly donate laptops, printers and IT equipment to them.



**Sandra RAMIREZ GARCIA**

***“As part of #1MillionHours2Help, my team and I were lucky enough to spend half a day with the Luxembourg Red Cross. We sorted the clothes collected by the association. They are then sold in shops, for the benefit of the Red Cross, to the most underprivileged, or simply recycled. A positive half-day that got us thinking about the impact of our clothing consumption.”***

## **CARITAS LUXEMBOURG**

Considering the ever increasing number of people affected by obesity around the world, it has become an issue that requires strong action. We are supporting our shareholder BNP Paribas Cardif in its international prevention programme. In Luxembourg, for example, we work alongside Caritas Luxembourg, a non-profit organisation that promotes social inclusion. Since 2021, we have been supporting the development of a “Gardening and Nutrition” activity through workshops open to children (aged 6 to 12) and vulnerable people.

The partnership also helps to raise awareness among the beneficiaries of the 12 social grocery shops in the Caritas network for the importance of a healthy, balanced diet. Healthy breakfasts, talks by a dietician, recipe booklets, etc, there are many projects.

## **#1MILLIONHOURS2HELP**

At Cardif Lux Vie, as part of the #1MillionHours2Help programme devised by the BNP Paribas Group, each employee is entitled to one day of community development hours per year, which they can devote to an association working for the common good. Alone or as part of a team, last year more than 10% of employees chose to make a commitment to the collective interest.





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**CARDIF LUX VIE**  
BNP PARIBAS GROUP

The insurer  
for a changing  
world