



SUSTAINABLE

INVESTMENT AND CLIMATE

2025

PUBLISHED IN JUNE 2026

LA FRANÇAISE

Crédit Mutuel Alliance Fédérale

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EDITORIAL

When the world becomes polarised, we should remain open-minded

At a time when black-and-white rhetoric seems to be gaining ground, it is essential that we remain open to all opinions and trends in order to identify future challenges and address them using our expertise in a straightforward and effective manner. This approach is crucial for navigating a world where starkly divided views and oversimplifications can obscure reality. By taking the time to listen to and understand different perspectives, we can better grasp the challenges ahead and develop appropriate solutions.

Today, the La Française Group stands out for its diverse range of expertise and areas of excellence, which complement and enhance one another. As multi-specialists, we offer a range of distinct strategies which, either on their own or combined into cross-asset strategies, enable us to meet our customers' diverse needs and risk profiles. It is this versatile and integrated approach that enables our customers to remain resilient when markets are in turmoil. As investors, we strive to maintain a long-term perspective, even during periods of turmoil, and we are actively committed to exerting a positive influence on our investee companies.

Being a responsible investor in 2025 required us to go back to basics and not get overwhelmed by conflicting demands. In this regard, sovereignty and defence were areas of concern. We could have become trapped within the three dimensions of ESG, with a very demanding interpretation of sustainability. 2025 enabled us to integrate and define ESG in all its different aspects: sustainability, transition, sovereignty, pace of innovation and the targets that must be met to avoid unduly increasing the ever-present physical risks. This holistic and multifaceted approach enables us to better anticipate future challenges and offer sustainable, appropriate solutions.

The role of an asset manager is, above all, to manage and therefore to analyse as thoroughly as possible the companies in which they invest, in order to anticipate opportunities and risks. This is why ESG criteria have been incorporated into our investment management for many years. Within the La Française Group, in line with the mutualist approach of Crédit Mutuel Alliance Fédérale, we incorporate these factors on a daily basis, while remaining attentive to our surroundings so that we can adjust our approach without undermining our analytical and investment capabilities. We endeavour to remain agile and responsive while maintaining impeccable standards of rigour and ethics.

Our role as a third-party asset manager places demands on us both in terms of understanding needs (we act as a bridge between savers and the markets) and in terms of engagement (to support companies without being overly rigid in our dealings with customers). We take this responsibility seriously, which drives us to support our customers proactively and help them navigate a complex and constantly changing economic environment.

Not giving in to the pressure of urgency, avoiding shortcuts, taking the time to reflect and consider the ins and outs, and serving our customers intelligently to help them finance their future and envisage a more desirable world – this is what we sought to achieve in 2025 and what drives us within the La Française Group. This thoughtful and measured approach lies at the heart of our philosophy and our engagement with our customers. We strive to offer them sustainable and tailored solutions, while remaining true to our values and ethical standards.

This is what we set out in this report, which, beyond meeting a regulatory requirement, highlights our achievements and our ambitions. This report reflects our engagement and determination to build a better future for our customers and for society as a whole.

We hope you enjoy reading this report!

Guillaume Cadiou,
Chairman of the Management Board,
La Française Group

INTRODUCTION

Was 2025 yet another year in which the flood of divisive, instant news fuelled a backlash against ESG?

According to media headlines, 2025 largely marked the end of ESG. The immediacy of social media acted as a sounding board. Under fire mainly in the United States but also in Europe, the focus was more on the setbacks faced by sustainable investment and ESG than on victories, growth or even stabilisation.

Have all companies turned their backs on CSR, abandoning something that was clearly not strategic? It does not appear so. Sustainable investment, just like CSR, is not merely a passing fad that is being pushed back, whether because of fear of greenwashing or to preserve growth that supposedly could be limitless. The post-COP 21 years, driven by the realisation that climate change was a societal problem requiring collective action, gave a significant boost to sustainable finance. This proliferation of initiatives – and ultimately of legislation – now requires a realignment and a reassessment to ensure that this momentum does not turn into a counterproductive regulatory burden. Our society, increasingly rooted in the here and now, sometimes encourages us to give up the effort and sacrifice some of our convictions. Taking a moment to pause and step back allows us to see that this is an important issue and that we are continuing to make progress.

More specifically, the various stakeholders are defying the overly pessimistic macro-level analyses: companies may be less "vocal", but they continue to put CSR at the heart of their strategy. Not all of them, of course, but those for whom it makes sense are sticking with it.

For example, for smaller European companies now excluded from the CSRD scope, a study by the consulting firm Osapiens shows that 90% of mid-sized companies plan to maintain or enhance their ESG reporting despite the narrowing of the CSRD's scope. As for climate action, the SBTi initiative has announced¹ that it has surpassed the milestone of 10,000 companies with validated climate targets, spread across more than 90 countries and representing over 40% of global market capitalisation, including 571 US companies, in a particularly challenging environment. In a similar vein, Morningstar* reports that in 2025, following the significant outflows in the first quarter and subsequent reallocations to ESG mandates, "ESG" funds saw renewed inflows in the first quarter of 2026. Last but not least, the institutional investors we work with continue to issue tenders for funds with ESG characteristics, sometimes even with stricter criteria than in the past; their longer investment horizon serves as a reminder that sustainability is, ultimately, a necessity. So, yes, ESG is still very much here, more than ever, and the evidence supports this.

(1) *Global Sustainable Fund Flows: Q1 2026 in Review | Morningstar*

Narrative must not replace facts

This is what we at La Française Group firmly believe. We are convinced by the facts, not by what is said about them. Sustainable investment is, first and foremost, what connects the investor to a resilient economy in the long term; it is not a feel-good story that inspires enthusiasm for a while and is then forgotten. The LF Group is among those who believe that value creation requires a more in-depth analysis of investments, sustained dialogue grounded in these broader analyses, transparent monitoring of our actions, and updated objectives and ambitions.

This is what you will find in this report, which meets the requirements of Article 29 of the LEC: how we at the La Française Group have continued to incorporate ESG as one of our strategic priorities. How we have continued to analyse investments more thoroughly before investing, to broaden and deepen our engagement with companies and stakeholders, to innovate by launching a biodiversity fund, and to improve the energy efficiency of our properties – in short, we have stayed the course!

We are convinced that incorporating sustainability considerations in our investments is a key driver of long-term value creation for our customers, and we remain committed to these principles over the long term. This conviction is consistently reflected in the resources we allocate to measuring and analysing sustainability, as well as in the products and services we offer our customers

– Eliana De Abreu

Chief Executive Officer – Crédit Mutuel Asset Management

In a changing real estate market, sustainable performance is our compass for building the future with confidence

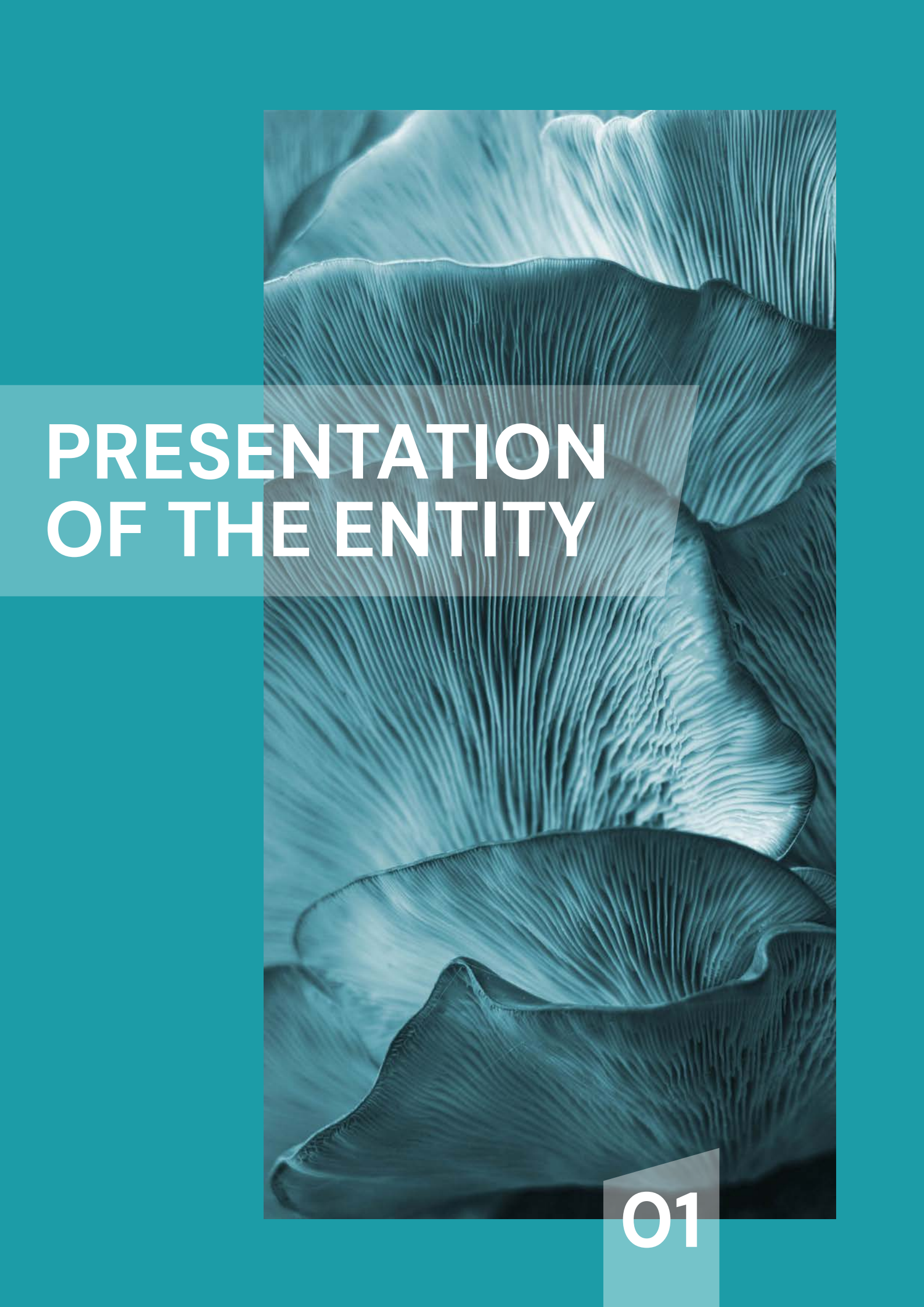
– Guillaume Allard

Chief Executive Officer – La Française REM

We hope you enjoy reading this report!

Members of the La Française Group Executive Committee

Guillaume Cadiou, Olivier Chaix de la Varenne,
Pascale Cheynet, Joffrey Czurda, Eliana De Abreu,
Philippe Depoux, Philippe Lecomte, François Petit, Mélanie
Renou, Antoine Rolland, Sabine Schimel and Philippe Verdier



PRESENTATION OF THE ENTITY

01

The La Française group (or "the Group") is the financial and real estate asset management arm of Crédit Mutuel Alliance Fédérale, comprising several management companies including Crédit Mutuel Asset Management (a French securities asset manager that absorbed La Française Asset Management in May 2024), La Française Real Estate Managers (La Française REM – French real estate asset manager), La Française Systematic Asset Management (La Française SAM – German securities asset manager) and CM Gestion (French securities asset manager). The La Française Group also relies on La Française Finance Services, the group's sole distribution platform, which has the status of an investment firm, to market the products and services of the financial assets business line.

As an investment firm, La Française Finance Services (LFFS) incorporates into its processes the objectives and/or preferences of its clients and potential clients as collected in the investor profiles. Once its clients have stated their sustainability preferences, LFFS is able to match these preferences with their recommended products.

Groupe La Française (or "the Group"), the parent company of the La Française Group, is a subsidiary of Crédit Mutuel Nord Europe (CMNE) and Banque Fédérative du Crédit Mutuel. The La Française Group has drawn up this report on behalf of the above-mentioned management companies, and the information presented covers all the funds managed by these management companies, including funds managed under foreign law, managed mandates and funds and mandates for which management is delegated. Funds exceeding €500 million are also the subject of a specific report.

A - Presentation of the entity

The La Française Group comprises the management companies of Crédit Mutuel Alliance Fédérale, a mission-driven bank with which it shares both its values and its ambition to build a more responsible world.

Crédit Mutuel Alliance Fédérale thus aims to be a committed stakeholder in the environmental and social revolution; to this end, in 2023 it introduced the societal dividend, which allocates 15% of its net income each year to funding projects designed to combat global warming and social inequalities.



Internally, we take particular care to ensure that every employee finds their place and is able to serve our customers and colleagues to the best of their ability. The social framework inherited from our parent company and implemented across the Group is exemplary, enabling us to set high standards in our role as investors, just as we do for ourselves.

The Group works hand in hand with CMAF's ESG centre of expertise, the Mutualist Institute for the Environment and Solidarity, to which we bring decades of insight into these issues from our experience as asset managers, and which, in turn, provides us with its vision and its strength in research and innovation.

We are involved in numerous initiatives and working groups in collaboration with our shareholder, either at the La Française Group level or, where more appropriate, through our various management companies.

La Française is fully aware of the urgency of climate change and biodiversity protection, particularly the long-term economic challenges they pose. More generally, we place sustainability at the heart of our strategy. As a result, the Group incorporates all actual and potential impacts, whether physical risks, transition risks or opportunities, that may affect both listed and unlisted assets into its investment strategy and its analysis and assessment models.

From asset selection to the assessment of issuers' climate strategies, portfolio construction (incorporating exclusion policies in line with the Paris Agreement and engagement objectives) and monitoring of trajectories and reporting (see section on indicators and objectives), all of La Française Group's asset classes incorporate an approach that takes into account climate and biodiversity-related risks and opportunities. Lastly, in order to better anticipate risks and assess portfolio resilience, La Française Group conducts climate stress tests on certain asset classes.

La Française's philosophy therefore enables it to select companies and assets that are best suited to transition and that are determined to implement a genuine sustainable development policy.

In 2026, as in 2025, the Group ranks amongst the most responsible asset managers in the RIBI™ (Responsible Investment Brand Index) ranking. The Group itself and its listed asset management subsidiary, Crédit Mutuel Asset Management, are ranked in the first quartile of "Pioneers" worldwide among more than 600 asset managers assessed. Crédit Mutuel Asset Management also achieved an impressive 5th place amongst the top 10 French asset managers.

With more than 75% of its assets under management classified as Articles 8 and 9 at the end of 2025, the La Française group is developing responsible investment solutions (see SFDR assets under management below) combining performance objectives and sustainability across all asset classes in line with its *raison d'être*: "Our collective energy creates high-performance, sustainable investment solutions for you, rooted in a sincere and unique CSR approach" and aligned with our parent group, Crédit Mutuel Alliance Fédérale, whose stated priority is to increase its performance in order to lead the environmental and societal revolution.

*Our collective energy creates **high-performing and sustainable investment solutions** for you, rooted in a genuine and distinctive CSR approach*

La Française's sustainable investment approach is fully in line with its mission and responsibilities, consistent with its CSR policy, which is based on five key principles designed to take into account the interests of internal and external stakeholders:

- Human capital,
- Clients,
- The company,
- Environment,
- Governance

La Française is convinced that responsible behaviour is synonymous with flexibility, responsiveness, innovation and therefore value creation.

This report specifically addresses the sustainable investment approach, in particular the ESG strategy, as well as climate and biodiversity actions described in the dedicated sections below. The Group's CSR approach is set out in a dedicated report, which is available [here](#).

B - ESG approach

List of financial products pursuant to articles 8 and 9 of the Disclosure Regulation (SFDR²)

As at 31 December 2025, 76.6% of La Française Group's actively managed assets are classified under article 8 or 9. More details on our article 8 or 9 SFDR funds can be found on the Our Publications page of the website [here](#).

By asset class*	Actively managed assets under article 8 or 9 of the SFDR (in €m)	Weight in total assets (%)	Weighting within La Française Group total (%)
Financial assets	92,702	89%	67.7%
Real estate assets	12,155	58%	8.9%
TOTAL GROUP SUSTAINABLE ASSETS	104,857	N/A	76.6%

By listed asset class

Shares	20,787	22.42%	15.18%
Bonds	9,351	10.09%	6.83%
Liquid assets	51,925	56.01%	37.93%
Diversified	10,639	11.48%	7.77%
TOTAL SUSTAINABLE LISTED ASSETS	92,702	100%	67.71%

By unlisted asset class

Tertiary	10,696	88.00%	8.27%
Residential	185	1.52%	0%
Wine industry	0	0.00%	0%
Mixed	1,274	10.48%	0%
TOTAL SUSTAINABLE UNLISTED ASSETS	12,155	100%	8.6%

(2) SFDR: Sustainable Finance Disclosure Regulation

ESG Approach Financial Assets

SUSTAINABLE INVESTMENT IN FINANCIAL ASSETS

Crédit Mutuel Asset Management's strategy is based on three stages of analysis in order to qualify an issuer as a Sustainable Investment:

1. Assess its contribution to the UN Sustainable Development Goals [SDGs].

The analysis of the contribution to the SDGs is carried out using the elements provided by: the issuers (annual reports, surveys), third-party providers (e.g. ISS ESG) and proprietary research (proprietary ESG database). In addition to the systematic calculation, the non-financial analysis unit of Crédit Mutuel Asset Management may be asked to provide an additional assessment of an issuer's contribution to the SDGs. Predefined materiality thresholds (10% of turnover or investments for issuers in non-financial sectors and sustainability commitments for financial issuers) are used to qualify an issuer.

2. Check that the principal adverse impacts associated with the issuer are limited.

Crédit Mutuel Asset Management has established its own methodology for measuring the principal adverse impacts. Issuers that meet all of the so-called "mandatory" criteria will be considered eligible. There must then be at least four criteria out of the nine additional criteria for an issuer to be selected as a Sustainable Investment.

3. Ensure satisfactory governance.

The non-financial research unit assesses the governance practices of issuers, in particular on the basis of the following criteria: sound management structure, relations with employees, remuneration of staff, compliance with tax obligations. The approach for public issuers is similar to the model used for companies, while adapting the analysis steps to also include compliance with international agreements.

The approach for public issuers is similar to the model used for companies, while adapting the analysis steps to also include compliance with international agreements.

Contribute to an
environmental
or social objective

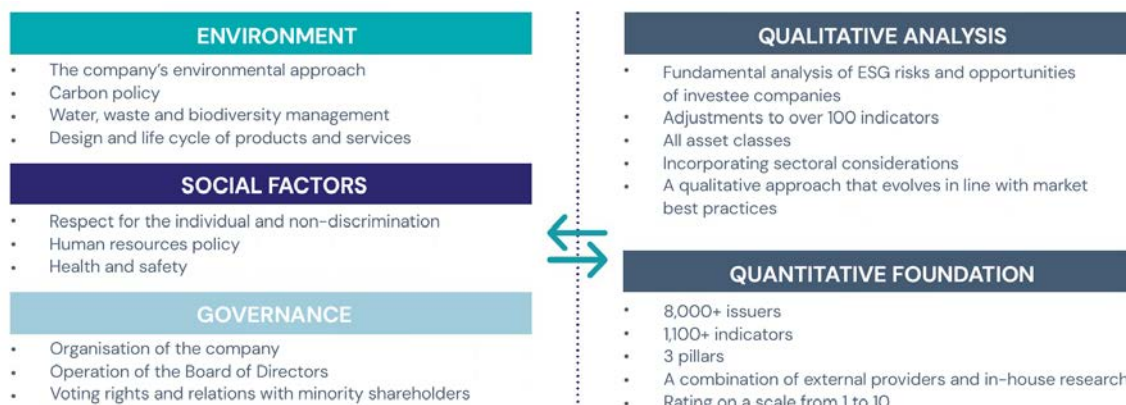
Must not significantly
hold us back on any
of the objectives

Investee companies
apply good governance
practices

More information on financial assets can be found [here](#).

ESG ANALYSIS MODEL

Non-financial analysis forms part of a 360° integration process between financial and ESG analysis. It is accompanied by an ESG rating model, developed by the management company, which aims to assess the E, S and G factors by collecting benchmark data and assessing and rating a set of criteria selected for their materiality in the context of the sector-specific challenges facing the company under review. This quantitative foundation may be supplemented by a qualitative analysis at the request of the fund manager or where coverage from data providers is limited or incomplete.



The ESG methodology is detailed in the transparency code available on the pages of SRI-labelled funds.

THE ESG STRATEGY FOR FINANCIAL ASSETS

The ESG strategy applied to financial assets is based on three pillars:

1. Developing value generation for our clients based on our ESG expertise – 360° approach
2. Developing cross-functional internal and external sustainability education
3. Prioritising innovation in mobilising capital flows towards sustainable finance

1. Developing value generation for our clients based on our ESG expertise – 360° approach

2024 was marked by the merger of Crédit Mutuel Asset Management and La Française Asset Management, and more specifically by the creation of a unified research team. A key challenge in 2024 was to pool our expertise in the field of sustainability. We have worked to shape our common foundation, reflecting our approaches, methods and organisations. This process continued in 2025 and was accompanied by new developments. This common foundation reflects our values, which guide the mission of Crédit Mutuel Alliance Fédérale, our shareholder: Together, for a fair society; Acting, for the environment and transition; Listening, through the dialogue we maintain with companies.

As conviction-driven managers, we offer active strategies based on a holistic analysis of the company with a detailed and comprehensive understanding of its ecosystem. As a result, our entire 360° company analysis approach (financial analysis, ESG analysis and stewardship – engagement and voting) has been redesigned to maximise responsiveness and the level of information and insight provided to the managers.

ESG is not just an attribute: factors related to society or the environment, for example, may be more or less material and influence short-term valuation. The concept of energy transition is an integral part of a company's investment ecosystem. In any case, managers analysing a company will take these factors into account in their investment decision.

We have therefore organised our research to optimise all our resources – teams, tools, methods – in the service of this 360° approach, so that our funds can benefit and we can deliver on our value proposition: offering our clients strategies that select the best-managed companies, thereby generating not only greater financial value but also greater social and environmental value.

A good understanding of the external non-financial factors that can affect a company's financial performance also depends on how well it is integrated into the flow of information that a manager must incorporate and analyse on a daily basis. We therefore integrate the tools into our 360° analysis approach so that proprietary research and non-financial data are scalable and integrated into the market monitoring and portfolio management environment. With this in mind, in 2025 – and in line with our cross-functional objectives to promote sustainability education – we have developed new formats for analysing companies.

2. Developing cross-functional internal and external sustainability education

The organisation of the research team is key to the 360° approach, and is based on a cross-functional organisation covering financial analysis, ESG analysis and stewardship (engagement and voting). Each analyst on the team covers companies in their areas of expertise from all three perspectives. This allows for more detailed analysis of business models, questioning the relevance or representativeness of external data and promoting the emergence of strong recommendations for managers.

Cross-functionality goes beyond the research team's organisational model, playing a central role in managing sustainability issues that affect all asset classes and operational processes. This is why cross-functional teams have been set up, covering management, research, data, risk, legal and compliance, to streamline regulatory changes and methodological developments.

The positions we adopt must then be explained and communicated so that everyone can understand them. To achieve this, they must be tailored to the different target audiences or stakeholders we are addressing. This is why we tailor our educational approach to all our stakeholders according to their needs:

- Sharing investment research recommendations: with Cr dit Mutuel Asset Management's portfolio managers via company review committees or ad hoc presentations on sector trends or regulatory developments.
- Aligning our shared foundation with our identity: sharing best practices with staff, both upstream and downstream of research, through monthly intra-Group training sessions at La Francaise: the "Let's Talk Sustainability" programme.
- Taking our education programme all the way to the end customer
 - Contributing to sales engagement initiatives on sustainability topics with the sales force, by creating tailored and versatile materials.
 - A bespoke service for Cr dit Mutuel Gestion's private asset managers, for whom we produce precise and impactful reporting formats based on 360  company analyses, which can serve as discussion aids with end customers in discretionary or advisory management.
- Collaboration with other investors on engagement initiatives with companies or to improve market practices. These practices are set out in our engagement policy and annual Stewardship report.

3. Prioritising innovation in mobilising capital flows towards sustainable finance

Innovation is essential in an environment where there are many sustainable issues that cut across different economic sectors, and where the finance industry is still seeking the best way to address them in the context of third-party investment.

The research team is organised by sector and thematic expertise: climate change, natural capital, human capital, governance. This division of responsibilities means that the cluster's intelligence can be cultivated as close as possible to the research produced by leading scientists and institutions, such as the Intergovernmental Panel on Climate Change (IPCC)⁽³⁾, the International Energy Agency (IEA)⁽⁴⁾, and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)⁽⁵⁾, and applied to our industry.

In order to promote innovation, and recognising the methodological biases inherent in the challenges of data shortages and standardisation of certain sustainability issues, we participate in knowledge-sharing marketplace bodies. This takes the form of active participation in professional associations and engagement with regulators and data providers. Lastly, the research team is supported by a dedicated team of ESG data specialists who optimise and industrialise the use of the data we use in our models.

(3) <https://www.ipcc.ch/languages-2/francais/>

(4) <https://www.iea.org/>

(5) <https://www.ecologie.gouv.fr/politiques-publiques/comprendre-lipbes#:~:text=Depuis%202012%2C%20la%20Plateforme%20intergouvernementale,demandes%20de%20ses%20%C3%89tats%20membres>

By way of illustration, we have developed our investment methodology for Natural Capital through engagement with the French regulator and by submitting our methodology to external experts in the management sector belonging to the Mutualist Institute for the Environment and Solidarity of the Crédit Mutuel Alliance Fédérale group or to local institutions such as Finance for Biodiversity and TNFD.

In 2025, we supplemented our framework with an integrated Natural Capital policy, which underpins our responsible investment approach to issues relating to dependencies and the impacts of our investments on biodiversity and natural capital. In 2026, we are working on developing a policy on social capital and updating our climate commitments.

Ultimately, our cross-functional expertise is used to drive innovation in existing or developing investment methods, developed in tandem with portfolio management.

*Ultimately, our cross-functional expertise
is used to drive innovation in existing
or developing investment methods, developed
in tandem with portfolio management.*

DATA

Throughout 2025, the Data Management & Modelling teams continued to review methodologies and work on improving portfolio tools. This focused in particular on controversies and exclusion policies, temperature, biodiversity and the optimisation of production processes. Modelling also worked on the new version of the SRI label. New monitoring and reporting tools have been developed and made available to users.

ESG Approach Real Estate Assets

SUSTAINABLE REAL ESTATE INVESTMENT

Where relevant, La Française REM sets long-term sustainable investment objectives for its funds.

A sustainable investment is an investment that contributes significantly to one or more Sustainable Development Goals (SDGs) defined by the United Nations, while taking into account the principal adverse impacts associated with the operation of real estate assets, and for which the management company has ensured that the property managers and/or operators who manage the real estate assets on a day-to-day basis comply with best governance practices.

La Française REM funds make a significant contribution to the following SDGs:

	Preserving biodiversity by meeting the requirements of High Environmental Value certification or equivalent on our wine-growing assets	1 fund
	Selecting practitioners who implement prevention and coordination solutions aimed at reducing health risk factors	1 fund
	Selecting state-recognised schools	1 fund
	"Empowerment and integration" target Increasing the purchasing power of senior citizens while enabling them to remain in their own homes	2 funds
	Developing housing options tailored to groups of people who are vulnerable due to poor housing conditions	3 funds
	Contributing to sustainable regional development by supporting the local economy and promoting the cultivation of local produce	1 fund

COLLECTIVE STRENGTH FOR SUSTAINABLE AND HIGH-PERFORMANCE REAL ESTATE

The management company plays a key role in mobilising all stakeholders involved in its real estate portfolio: it collects essential information to gain a better understanding, ensures data reliability to build solid roadmaps, involves all stakeholders, publishes best practices, and assesses and manages non-financial risks. In this way, it meets the needs and expectations of its two clients: tenants and investors.

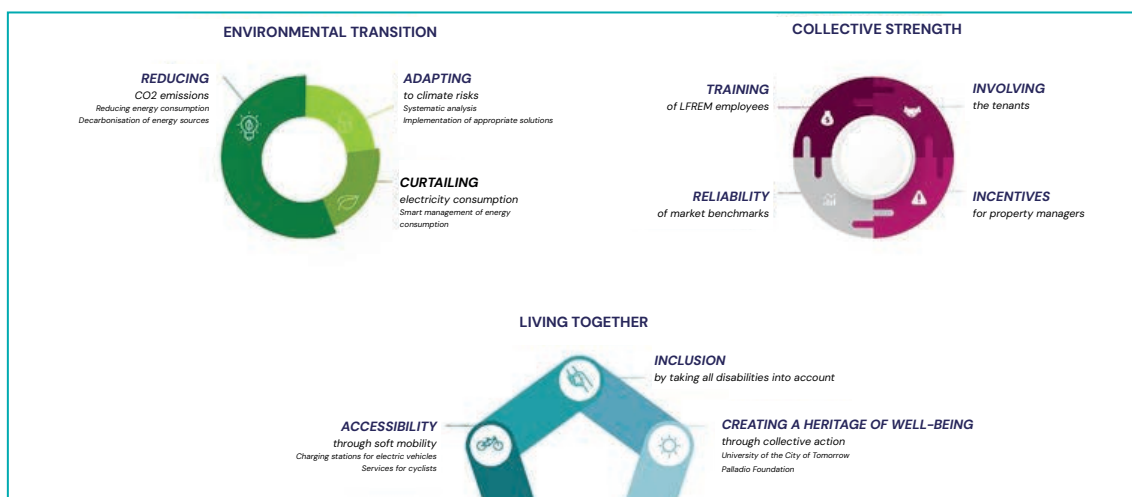
La Française REM's strategy is to include ESG at every stage of its activities. It integrates ESG criteria into all of its business processes as systematically and rigorously as it does for financial data.

The integration of ESG criteria is based on the three traditional pillars:

Environmental: this reflects our commitment to reducing the negative externalities of our real estate assets. Particular attention is paid to energy efficiency and reducing CO2 emissions from assets in order to combat climate change;

Social: this reflects our commitment to maximising the usefulness of our assets by ensuring that they meet new usage criteria;

Governance: this corresponds to our engagement policy which aims to ensure the sustainability of our entire supply chain by bringing together all the stakeholders involved in an asset – first and foremost the users, the property managers and the employees of La Française REM, who carry out the day-to-day management of our assets.



The integration of ESG criteria in the acquisition phase takes the form of an assessment of the sustainable characteristics of the investment opportunity entrusted to an external environmental study office for the assets delivered, or via an analysis of compliance with the sustainable construction of La Française REM for construction projects or restructuring operations. This charter defines minimum environmental, social and governance standards to ensure that the assets have technical, environmental and usage characteristics that are compatible with both current and future regulatory requirements. The aim is to anticipate changes in the regulatory framework, limit the risks of future value loss and promote long-term sustainable management.

It focuses on the following themes:

- Climate change mitigation
- Climate change adaptation
- Conservation of resources
- User comfort and well-being
- Territorial integration

It is essential that ESG audits are carried out before the promise to purchase is signed. This makes it possible to include the cost of any investments required to improve the sustainable features of assets in business plans and therefore to reflect a "green premium" or "brown discount" in the prices offered.

From time to time, for certain funds, La Française REM may invest in specific types of assets and pursue societal objectives such as regional development or the development of medico-social infrastructure.

During the management phase, La Française REM involves all stakeholders dealing with real estate assets to maximise the impact of each individual's actions.

2025 DEVELOPMENTS IN REAL ESTATE ASSETS

In 2025, La Française REM accelerated the roll-out of its roadmap for tackling climate change in two key areas:

- **the roll-out of innovative solutions to ensure more accurate sustainable management of its buildings.**

Following a partnership with Deepki, a solution for collecting and validating energy consumption data on a large scale, and a partnership with IQ Spot, a solution that adjusts the control and management parameters of HVAC (Heating, Ventilation and Air Conditioning) systems in real time, in 2025, La Française REM tested several artificial intelligence-based solutions, including Thermosphr, a solution based on predictive AI. The system continuously adjusts the HVAC settings, particularly in line with weather forecasts, and optimises maintenance to maximise indoor comfort for occupants.

- **better sharing of best practices through the creation of an ESG club.**

The large number of parties involved in the management of a real estate asset hinders the sharing of best practices and innovative solutions. In 2025, the management company set up an ESG club to ensure that the right information reaches the right people. In total, more than 70 maintenance staff and property managers attended co-creation workshops to identify barriers to change and share effective courses of action. Participants were introduced to La Française REM's sustainable operations charter, a reference tool designed to speed up the adoption of best practices across the entire portfolio managed.

On the biodiversity theme, La Française REM adopted a policy document in 2025 that ensures consistency in decision-making at all levels (from individual buildings to the portfolio) by prioritising actions at the stages where the potential for impact is greatest.

In 2025, La Française REM accelerated the roll-out of its roadmap for tackling climate change

C - Information to clients

Fully committed to CSR and Sustainable Investment, the La Française Group presents its ambitions on a special section of its website and has a set of relevant documents to view and download.

The Group communicates about its sustainable management and/or its funds through the following media:

- The website www.la-francaise.com where various types of content relating to sustainable management and the funds we manage are published;
- A section of this website within "A responsible and committed player" called "Sustainable investors", which sets out our core principles
- A section dedicated to Publications, which includes numerous documents relating to sustainability, in particular the core principles, namely:
 - Sectoral policies
 - Climate policy
 - Natural Capital policy
 - Social Capital policy
 - Voting policy
 - Engagement policy

But also various reports and other documents such as:

- Article 29 LEC Report
- Entity PAI Reports
- Stewardship Report
- etc.
- Legal documents (prospectus, KIIDs, periodic reports) and monthly fund reports, accessible on the web page for each of the funds concerned;
- Periodic Responsible Investment presentations and reports compiled by La Française.

Annual ESG reports for real estate funds:

- Standards which comply with the SRI label for the three funds that have obtained said label. In addition, the quarterly reports include an ESG assessment of the delivered assets acquired during the quarter.
- In accordance with the models provided by the regulation for the 12 funds classified under article 8 and the 14 funds classified under article 9, within the meaning of the SFDR.
- In accordance with the requirements set out in Article 29 of the Energy and Climate Law for the 12 funds valued at over €500 million falling within the scope of the LEC.

And for funds with an SRI securities label, on the respective fund pages:

- Transparency codes (annual);
- Fund PAI reporting (annual);
- Inventory of funds (bi-annual).

D - Entity participation in initiatives

To strengthen its engagement, in October 2010 the La Française Group signed the Principles for Responsible Investment (PRI) as well as numerous initiatives, charters and engagements which are listed below. In line with its climate engagement, the Group also supports the Paris Climate Agreement adopted at COP21. In 2025, as a signatory and member of numerous working groups and initiatives, the Group focused on consolidating and strengthening its role in the various bodies and on encouraging discussion on artificial intelligence.

Entity	Bodies	Participation / Signatory / Member / Other	Date
CMAM	FIR – Forum for Responsible Investment	Signatory	2004
LFG	PRI – Principles for Responsible Investment	Signatory	2010
LF REM	ASPIIM	Member	2010
LF REM	OID – Sustainable Real Estate Observatory	Founding member, Director	2012
CMAM	CDP – Carbon Disclosure Project	Signatory	2013
CMAM	Green Bond Principles	Signatory	2015
CMAM	Forum per la Finanza Sostenibile (FFS): forum for responsible investment – Italy	Signatory	2017
CMAM	WDI – Workforce Disclosure Initiative (PRI – Share action)	Signatory	2017
CMAM	Climate action 100+	Signatory	2017
CMAM	Access to Medicine Foundation	Signatory	2017
CMAM	AFG – Member of the Responsible Investment Committee – Participation in various working groups (e.g. CSRD, Corp Governance WG, etc)	Signatory	2017
CMAM	IIGCC – Institutional Investor Group on Climate Change	Member	2018
CMAM	Global Investor Statement to Governments on the Climate Crisis (via IIGCC)	Signatory	2018
LF REM CMAM	IDF – Institute for Sustainable Finance	Member	2019
LF REM	SRI label committee (real estate working group)	Participation	2019

Entity	Bodies	Participation / Signatory / Member / Other	Date
CMAM	30% Investor Club France	Signatory	2020
CMAM	UKSIF	Member	2020
CMAM	Finance for Biodiversity Pledge and Foundation	Signatory	2021
CMAM	Business for Nature's Call to Action "Nature is everyone's business"	Signatory	2021
LF REM	ESREI – European Sustainable Real Estate Initiative	Participation	2021
LFG	NZAMI – Net Zero Asset Manager Initiative	Signatory	2021
CMAM	ShareAction LIPH – Long-Term Investors in People's Health	Signatory	2023
CMAM	TNFD Forum for France	Signatory	2023
CMAM	NA100 – Nature Action 100	Participation	2023
CMAM	Labor Rights Investor Network	Member	2023
CMAM	FAIRR Initiative	Member	2024
CMAM	AICDI (Artificial Intelligence Company Data Initiative)	Signatory	2025

La Française Group offers access to labelled funds through its management companies. These labels enable an approach to be certified by an independent external third party and offer greater transparency.

*La Française Group offers **access to labelled funds** through its management companies. These labels enable an approach to be certified by an independent external third party and offer **greater transparency**.*

Crédit Mutuel Asset Management offers:

- 42 SRI labelled funds
- 3 Greenfin labelled funds
- 4 Finansol labelled funds
- 1 range of CIES labelled employee savings plans

For its part, La Française Real Estate Managers offers:

- 3 SRI labelled funds

The background of the page is a close-up photograph of a red flower, possibly a geranium, with numerous water droplets on its petals and leaves. The image is tinted with a deep red color. A semi-transparent white rectangular box is positioned on the left side, containing the main title. Another semi-transparent white rectangular box is located in the bottom right corner, containing the page number.

ORGANISATION OF THE ENTITY

A - Internal resources deployed by the entity

Description of financial, human and technical resources

Human resources

The Group has 133 FTEs⁶, which represents 14% of its total workforce, dedicated to responsible investment across various management and support functions. Communication, risk management, reporting, internal control, marketing, etc. all have ESG officers who dedicate all or a portion of their time to sustainable investment.

Crédit Mutuel Asset Management has a 14-strong ESG and credit research team, headed by Marie Lassegnore, a member of Crédit Mutuel Asset Management's Executive Committee and reporting to the management company's CEO, Eliana De Abreu. Within Crédit Mutuel Asset Management's management teams, 56 managers⁷ are involved in managing one or more SRI strategies. There is no differentiation between SRI and non-SRI managers. Managers work on a daily basis with ESG analysts, who provide them with research, analysis and tools dedicated to responsible investment (e.g. ESG scores, carbon metrics, portfolio temperature metrics, etc.).

The SRI real estate department is currently made up of six full-time staff.

Overall, 14% of La Française Group's FTEs focus on ESG. 60% of ESG FTEs are managers, while 15% are dedicated to research.

	Nb of	% LFG FTES	% ESG FTES
ESG-related FTEs	130	14%	
of which managers	79	9%	60%
of which research	20	2%	15%

Financial and technical resources

For financial assets, our teams have a budget for data of around €1,000,000.

In real estate, at the asset acquisition stage, ESG criteria are integrated into the due diligence process by means of an ESG audit carried out by external environmental consulting firms. The collection and reliability of data are essential elements of any SRI policy, which requires all measurable indicators to be closely monitored. This data is then entered into our internal database, accessible to all employees.

(6) FTE: Full-time equivalent

(7) To calculate the FTEs of managers, we apply the percentage of funds managed under articles 8 and 9 of the SFDR to the total number of managers, i.e. 63 managers (excluding quantitative managers) and 89% of article 8 and 9 funds.

For non-financial research, ESG analysts draw on information disclosed by companies and the following external research sources:

RESOURCES / TOOLS	USE	IMPORTANCE WITHIN THE PROCESS
SOFTWARE / SOFTWARE PACKAGES		
LightTrade (software from La Française / Crédit Mutuel AM)	Sharing and storage of non-financial scores (ESG and carbon impact, as well as their sub-indicators) within the portfolio management and order execution software; Recording of historical scores and tracking of their trends.	+++
Bloomberg RMS	Real-time performance monitoring and ex-ante risk assessment of portfolios; Use of the ESG database for quantitative screening and impact reporting; Sharing of internal and external financial and non-financial research; Bloomberg New Energy Finance: qualitative climate transition research.	+++
RESEARCH AND DATABASES		
Research on financial intermediaries (brokers)	Research notes and valuation models; Company and thematic seminars; Market, sector and corporate news.	+++
CDP	Use of Carbon and Biodiversity data (Water + Forests)	+++
RepRisk	Used for monitoring controversies	+++
S&P Capital IQ	Cross-reference table between the instrument and the issuer; Financial metrics.	+++
Encore	Used for biodiversity data	+++
Ethifinance	Used for ESG methodology indicators	+++
ISS proxy voting	Research into resolutions and voting at General Meetings; Use of the ESG module (ISS – Sustainability Policy); Crédit Mutuel AM's Custom policy.	++
ISS – ESG	Use of certain ESG indicators for our proprietary quantitative model and ESG research; Use for SDG contributions, PAI and exclusions (tobacco and coal); Use of ISS NBR scores for our label and group exclusions.	++
Sustainalytics	Exclusion of companies linked to controversial weapons	+
Urgewald	Use of the GOGEL and GCEL databases for exclusions relating to coal and non-conventional fossil fuels	+
Iceberg Datalab	Used for biodiversity and natural capital data	+
ISS Data Desk	Used for SDG scores	+

Actions taken to strengthen internal capacities

Launched in 2021 and led ever since by La Française's Head of Strategy and Sustainability, with the support of all the expert teams in Crédit Mutuel Alliance Fédérale's Asset Management division, group employees (in France and internationally) are invited to take part in an internal training programme on sustainable investment and real estate. This webinar-based programme includes around ten new modules defined each year. It has been renewed in 2026. This programme aims to involve all company employees in the sustainable investment process: presentation of our various areas of expertise and investment policy, regulations, governance, news from our research teams, etc. We have added a special module on Solidarity Finance, led by the Head of CM-AM's Solidarity Finance business.

This theme is also developed through occasional presentations by players in the Social and Solidarity Economy.

Furthermore, as part of the Skills Development Plan, selected employees have the opportunity to obtain the AMF Sustainable Finance Certification, the CESGA (Certified ESG Analyst) and the CFA ESG. We also offer work-study students and interns the opportunity to prepare for and take the AMF Sustainable Finance Certification exam.

An initial Climate Fresk was organised at the end of 2022, with the aim of getting all employees in France and internationally involved in climate issues by organising a Climate Fresk workshop led by trained employees. In 2025, 20 workshops were held. To date, more than 600 employees have taken part in a Climate Fresk. We have a pool of nine employees-freshers who run these workshops in pairs and in turn. Participants are also invited to identify concrete actions at individual and company level. The latter will feed into the CSR policy of La Française Group. A mandatory participation campaign will be organised each year, targeting all employees across the division in France and internationally.

Furthermore, 2025 saw the roll-out of a mandatory training programme entitled "Preventing abusive behaviour and harassment", designed specifically for both managers and non-managers, which includes an e-learning module and an online classroom session. In 2026, this programme will form part of the onboarding process for new employees joining the La Française Group. It will also be adapted and organised for our international entities.

*The Group's employees (in France and internationally)
are invited to take part in an in-house training
programme on sustainable investment and real estate.*

B - Incorporating environmental, social, and governance quality criteria into the entity's governance approach

Steering and supervisory bodies

GROUP

When the new La Française Group was created in 2024, the ESG/CSR organisation and governance were redesigned for implementation in early 2025. As a holding company comprising various management companies with different asset classes and management styles, LFG's role is to drive strategy, share a common set of values and approaches (e.g. on climate issues or the implementation of sectoral policies aligned with its shareholder) while respecting the specific characteristics of the third-party asset management business.

LFG's objective is to ensure that ESG expertise is integrated into all business lines and management companies, rather than being the preserve of a few individuals to whom these issues are outsourced. This will ensure that ESG issues are understood and integrated by as many people as possible, on a daily basis, in all business lines, in the same way as financial aspects. This vision is reflected in an agile and streamlined organisation at LFG level and in the various management companies, an organisation whose mission is to:

- **Implement the ESG/CSR strategy** within the asset management division in line with that of the shareholder, Crédit Mutuel Alliance Fédérale
- Bring ESG/CSR issues to the attention of the Group's **governance bodies**
- Encourage the **flow of information**
- Ensure the consistency/implementation of decisions taken
- Ensure the Group's visibility in market bodies and among all stakeholders
- **Coordinate** discussion points with the Mutualist Institute for the Environment and Solidarity

In terms of governance, the Group has strengthened its financial assets business line structure to include the management and coordination of all sustainability issues within the Group strategy department.

The Group's management bodies are also wholly committed to managing the issues and opportunities relating to the sustainable investment strategy. The Group's ambitious objectives in terms of Sustainable Investment development are monitored on a monthly basis by the La Française Group Executive Committee.

A formal report on development objectives is presented on a quarterly basis by the Management Board to the members of the Supervisory Boards for each Group entity. Sustainable Investment forms an integral part of our Medium-Term Plan (MTP). It is applicable to each company in the Group and will, of course, be monitored by the Supervisory Board of La Française Group through the Group Audit and Risks Committee.

By placing the management of sustainability issues within the Group's strategy department, which reports directly to the Chairman, La Française Group demonstrates its commitment and ambition as stated in its medium-term plan. The strategy department is also a member of the Group Audit and Risks Committee and deals with CSR/ESG subjects, as well as those related to climate change and the evolution of biodiversity at Supervisory Board level. Within the Audit and Risks Committee, it organises an annual presentation of CSR/ESG strategies and risks within the Group, both at company level and through its ESG products and services.

The Supervisory Board of La Française Group is kept informed each quarter by the conclusions of the Audit and Risk Committees on sustainability risks. These conclusions are integrated into the Group's risk mapping, similar to financial, operational or compliance risks. Risk monitoring at Group level is carried out through the risk appetite framework as defined by La Française group in consultation with its shareholders. It is carried out by monitoring major trends in risk and through action plans, the progress of which is reported to the Supervisory Board of each relevant entity.

As a subsidiary of a mutual group, the Supervisory Board is mainly made up of members linked to the parent company (one independent board member out of seven). The non-independent directors are banking and insurance executives with diverse backgrounds and experience in different areas, enabling them to contribute complementary expertise and skills, particularly in relation to social, environmental and governance criteria. The independent director, JB de Franssu, has been Chairman of the Board of Directors of the Institute for the Works of Religion (the Vatican Bank) since 9 July 2014 and has been Chairman of the Collegiate Council of the Collège des Bernardins since April 2024. Two members of the Board have served for more than 10 years, and a new member was appointed in 2025. Lastly, the average attendance rate was 100% and the percentage of women on the Supervisory Board was 29%, i.e. two women out of seven members. At the end of 2025, three members were under the age of 60. The Supervisory Board of La Française Group has not currently adopted any internal regulations.

Lastly, it should be noted that, as regards Crédit Mutuel Asset Management, Eliana de Abreu, Chief Executive Officer of the asset management company, has held the AMF Sustainable Finance certification since 2023.

FINANCIAL ASSETS

Crédit Mutuel Asset Management ESG internal governance

Financial and non-financial research is represented at the Executive Committee level of Crédit Mutuel Asset Management, which brings together the company's management team. This enables sustainability to be integrated into strategic management and the entire operational value chain.

The Head of Research is also part of the ESG Expert Club mobilised by the cross-functional think tank at LFG.

Crédit Mutuel Asset Management uses its ESG research and data resources to run and organise the Stewardship Committee, whose scope extends beyond the asset management company to include all listed asset investment activities within the La Française Group.

This committee meets quarterly to update the lists of sectoral exclusions and controversies. Its process and stakeholders (across the LFG financial assets division) are described in the sectoral policies document on the website.

Research

Crédit Mutuel Asset Management's research team consists of 14 experts who contribute to credit analysis, ESG analysis and Stewardship (engagement and voting) for the companies they monitor. Each expert is responsible for one or more sectors and topics related to the sectors covered in order to create synergies and networking with the managers' coverage. The research team analyses more than 600 companies a year from one or other of its analytical perspectives.

This organisation supports a 360° analysis approach for the company, which aims to maximise responsiveness and the level of information and insight provided to the manager by the research department. This approach is at the heart of our value proposition: offering our clients strategies that select companies that will be best managed, thereby generating not only greater financial value but also greater social and environmental value.

In addition to the management teams, the research team works closely with the teams that manage ESG data, ESG risk and ESG compliance. It is also one of the contact points for the Crédit Mutuel Alliance Fédérale Group's Mutualist Institute for the Environment and Solidarity.

Crédit Mutuel Asset Management's research team consists of 14 experts who contribute to credit analysis, ESG analysis and Stewardship (engagement and voting) for the companies they monitor.

Data Management

The Data division is responsible for relations with data providers, modelling KPIs at issuer and portfolio level, drawing up exclusion lists, and developing simulation and monitoring tools for business lines such as management, risk, reporting and marketing.

The division works closely with research teams on the development and implementation of models and the definition of new indicators.

Risk

The Risk Management, Compliance and Internal Control division is responsible for identifying the non-financial risks to which the management company is exposed and implementing measures to manage these risks. It maps sustainability risks and implements pre-trade and post-trade controls to ensure that these risks are covered. These controls cover ESG data, the models used, the integration of sectoral exclusions and controversies, the application of regulatory constraints or labels, and qualitative analyses conducted on changes in ESG characteristics.

REAL ESTATE ASSETS

LFREM ESG internal governance

The Strategy team defines the ESG strategy of the management company and the funds, taking into account the specific characteristics of the assets that make up their portfolio. It is responsible for the rigorous integration of ESG criteria at all levels of the management company and its activities. La Française REM integrates non-financial criteria into its investment processes by systematically conducting an ESG audit prior to any acquisition. In real estate, the management company physically manages the underlying assets. It implements actions that can have a direct impact on ESG performance. The Strategy team ensures regular monitoring of ESG indicators and regulatory requirements by producing clear reports for investors.

The Head of the Strategy pillar reports directly to the Chairman of the management company and is a member of its Executive Committee. She is also a member of the ESG Expert Club mobilised by the cross-functional think tank at La Française Group.

An SRI committee, composed of the heads of the operational departments and executive management, meets quarterly to approve the defined ESG strategy. It also approves the management company's participation in national and international initiatives and ensures that these are consistent with the policies in place and the sustainable strategy of the La Française Group and its shareholder, Crédit Mutuel Alliance Fédérale.

The specific nature of real estate assets lies in the control of assets under management, and therefore in the possibility for the management company to produce and ensure the reliability of its own data.

Risk

The Real Estate division's Risk Management, Compliance and Internal Control division is responsible for identifying the non-financial risks to which the management company is exposed and implementing measures to manage these risks. It maps sustainability risks and implements post-trade controls to ensure that these risks are covered. These controls cover ESG data (coverage, source, reliability), compliance with sectoral policies, the models used, the application of ESG criteria during pre-acquisition due diligence for buildings, the application of regulatory/statutory constraints or ESG labels, and the consistency of data provided in periodic ESG reports.

Remuneration policy

As part of the creation of Crédit Mutuel Alliance Fédérale's asset management division, the remuneration policy was reviewed in 2024 to bring it fully into line with La Française Group's practices in terms of integrating environmental, social and governance (ESG) factors into its third-party management business.

The remuneration practices detailed below ensure that sustainability risks are integrated into the remuneration policy of La Française Group.

INTEGRATION OF SUSTAINABILITY RISKS IN THE REMUNERATION POLICY OF LA FRANCAISE GROUP

The Appointment and Remuneration Committee validates all changes to the remuneration policy of the various Group entities every year. In accordance with the SFDR Regulation on Sustainability Disclosure, the Group is committed to establishing, implementing and maintaining remuneration policies, procedures and practices that promote sound and effective risk management, including sustainability risks.

Specific roles and responsibilities surrounding sustainability have been defined for different internal functions, and targets have been set. During the annual appraisal interview, the various objectives – including those relating to sustainability – are assessed and the variable remuneration awarded to employees is determined by a discretionary process.

Teams that have specific sustainability goals are:

- **The Managers** integrate sustainability risks into investment decisions and respect the guidelines set for any portfolio and contribute to sustainable product innovation.
- **The Risk Managers** monitor compliance with the Sustainability commitments of the Funds.
- **Internal Controllers** supervise the regulatory constraints in terms of sustainability and include points dedicated to sustainable finance in the control plans.

- **Our sales staff** contribute to growing our assets under management, while simultaneously respecting clients' limitations in terms of risk and return, including Sustainability risks.
- **Our marketing managers** include sustainability factors when developing new products.
- The Head of Sustainable Investment at Group level, who is a member of the Executive Committee, ensures consistency between the approach defined by Senior Management and its implementation within the management companies.
- **A research team dedicated to listed assets:** Our research team on sustainable investment in listed assets, integrated within Crédit Mutuel Asset Management, is at the heart of our investment process. We have established a proprietary methodology for quantifying companies' ESG assessments and developed the ability to measure carbon emissions and assess the trajectory of a company's transition to a low carbon economy.
- **A team dedicated to the real estate sector:** We have been able to achieve a holistic view of our assets, based on the data collected over the past ten years or more. In order to generate a useful and sustainable level of performance, La Française has developed a roadmap that places social and environmental drivers at the heart of its strategy.

For employees whose variable remuneration is subject to deferral, a penalty or restitution system may apply if the employee exposes the Group or any of its companies to abnormal or excessive risk-taking, or if the employee exposes one or more Funds to a significant risk not foreseen by their risk monitoring policy, including sustainability risks.

In addition, Crédit Mutuel Alliance Fédérale has entered into a profit-sharing agreement, effective from 1 January 2024, which includes an ESG budget of 1% of consolidated earnings. This ESG budget is calculated according to three criteria:

- 40% if **criterion 1** is met: percentage of employees who have completed the training on environmental risks for the banking and financial sector rolled out in 2024
- 30% for **criterion 2**: reducing the carbon footprint of the balance sheet in accordance with the Net Zero Banking Alliance commitment
- 30% for **criterion 3**: percentage of female managers.

If none of the objectives are achieved, no ESG budget will be paid for the financial year in question. This profit-sharing agreement applies to La Française Group employees.

Crédit Mutuel Alliance Fédérale has entered into a profit-sharing agreement, effective from 1 January 2024, which includes an ESG budget of 1% of consolidated earnings.



ENGAGEMENT STRATEGY

03

A - Stewardship policy

Being a responsible investor means more than integrating ESG issues into investment choices or implementing a policy of exclusion. It also means exercising responsibility throughout the investment holding period: a responsibility that makes us an active investor. Our Group exercises this responsibility in a number of ways when holding its investments:

- By voting when the investment is made in equities
- Through engagement, regardless of the type of holding: shares, debt or real assets (real estate)

For its equity investments, the Group updates its voting policy each year for all the companies in its portfolio, in Europe and on other continents, with the aim of voting as close as possible to 100% of the shares held.

The Group continued to strengthen its engagement strategy during 2025, joining initiatives, particularly those relating to artificial intelligence, in which it is active in working groups or as a lead investor in an engagement, and continuing the work begun in other initiatives and working groups, thus taking a long-term view. The La Française Group focuses on four themes identified as priorities: climate change, natural capital, social capital, and governance & indicators, which are addressed through the various tools available (voting, engagement, exclusions).

FINANCIAL ASSETS

Stewardship (or active shareholding) is one of the main pillars of La Française Group's sustainable investment philosophy. As active investors, it is our responsibility to act as partners to the companies in which we invest in order to bring about change and have a positive impact on society and on our portfolios, both financially and in terms of environmental, social and governance criteria. Our financial and ESG research and analysis team is at the heart of this approach. It is responsible for implementing our active shareholder principles through voting, engagement and exclusions. It relies on data provided by selected service providers while applying a precautionary principle to the data used (main business sector, partial reporting or updating of data) involving a qualitative review submitted to the Stewardship Committee for approval.

During the 2025 voting season, the Group voted at 98.5% of General Meetings and on 98% of the resolutions tabled, and cast a vote against management in around 30% of cases, a substantial increase compared with last year (20% for the former CMAM). For further information on the details of our voting, see section [Indicators 6.A](#) of this report or our [Stewardship report](#).

During 2025, the La Française Group, across its portfolio of listed assets managed by Crédit Mutuel Asset Management, undertook 200 engagement initiatives, compared with 131 in 2024. These included 74 dialogues, 65 direct engagements and 62 collaborative engagements with 170 different companies, spanning all geographic areas, sectors and themes. There were no instances of divestment from sectors or issuers as a result of our engagement activities in 2025. Further details can be found in section 6.A Indicators of this report. Furthermore, the full results of our engagement activities are presented in the [2025 Stewardship report](#).

REAL ESTATE ASSETS

For real estate assets, La Française REM strives to unite all its stakeholders around the objectives it has set itself by establishing regular dialogue. It has also published several charters to manage stakeholder practices by encouraging the adoption of virtuous practices. In 2021, La Française REM published a Sustainable Construction Charter for developers. In 2023, it drafted a Responsible Purchasing Charter for its key service providers, and in 2025, a Sustainable Operating Charter for maintenance providers.

B - Voting policy

The voting policy and the exercise of voting rights apply to all funds managed by Crédit Mutuel Asset Management, including index funds and structured funds, employee mutual funds (FCPE) for which the Supervisory Board has delegated the exercise of voting rights to Crédit Mutuel Asset Management and SICAVs for which the management delegation agreement provides for the exercise of voting rights by the delegated management company. This also includes funds for which Crédit Mutuel Asset Management has delegated financial management to entities within the Crédit Mutuel group. It also applies to all funds managed by La Française Systematic Asset Management.

The group has formalised a [voting policy](#) for General Meetings based on the electronic voting tool "Proxy Voting" from ISS (Institutional Shareholder Services). This tool ensures the provision of voting rights in all portfolio companies.

Each year, the Group applies a specific voting policy known as the "Custom Policy". In 2025, the four themes selected as priorities for our engagement actions are particularly reflected in this Custom policy:

- Climate change
- Natural capital
- Share capital
- Governance

To complement this Custom policy, the Group has adopted the ISS Sustainability Policy, finding that it best corresponds to its approach, convictions and engagements as a signatory of the PRI. Lastly, it appeared essential to be able to express opinions on certain sensitive and potentially contentious issues, for which the Group has set up alerts covering predefined types of resolution.

More specifically, we are strengthening our requirements on each of these topics as follows:

1. With regard to climate change in 2026, our voting policy remains particularly demanding for the most carbon-intensive sectors and is adaptable, while remaining strict, for smaller companies and sectors with lower CO2 emissions.
2. With regard to natural capital, we are expanding our voting policy to include new key elements relating to biodiversity: palm oil, hazardous pesticides and biodiversity-related controversies.
3. With regard to social capital, we are continuing to drive forward diversity by extending our requirements to the executive committees of SBF 120 companies.
4. Lastly, with regard to corporate governance, we are calling for the term of office not to exceed 12 years for more than one-third of the Board of Directors, as while a long-term perspective is important, so too is the renewal of Board members. We will also vote against share buybacks by companies in the highest-emitting sectors that do not meet our climate change criteria.

Crédit Mutuel Asset Management also undertakes to:

- Carefully analyse all voting resolutions proposed at the General Meeting for between 35 and 55 companies among our main positions (equities or credit) and/or with which we have a specific engagement initiative. These companies, which make up our "strong convictions" list, account for more than a third of our assets under management and are subject to a 360° assessment that includes financial and non-financial analysis, voting resolutions and engagement.
- Analyse the strategic sustainability positioning of the companies on our strong convictions list to ensure that they continue to incorporate sustainability into their strategy despite the political climate, and that their trade-offs favour transition strategies.
- Analyse key environmental and social resolutions submitted by shareholders for portfolio companies.

C – Engagement policy

FINANCIAL ASSETS

PRINCIPLES AND POLICY

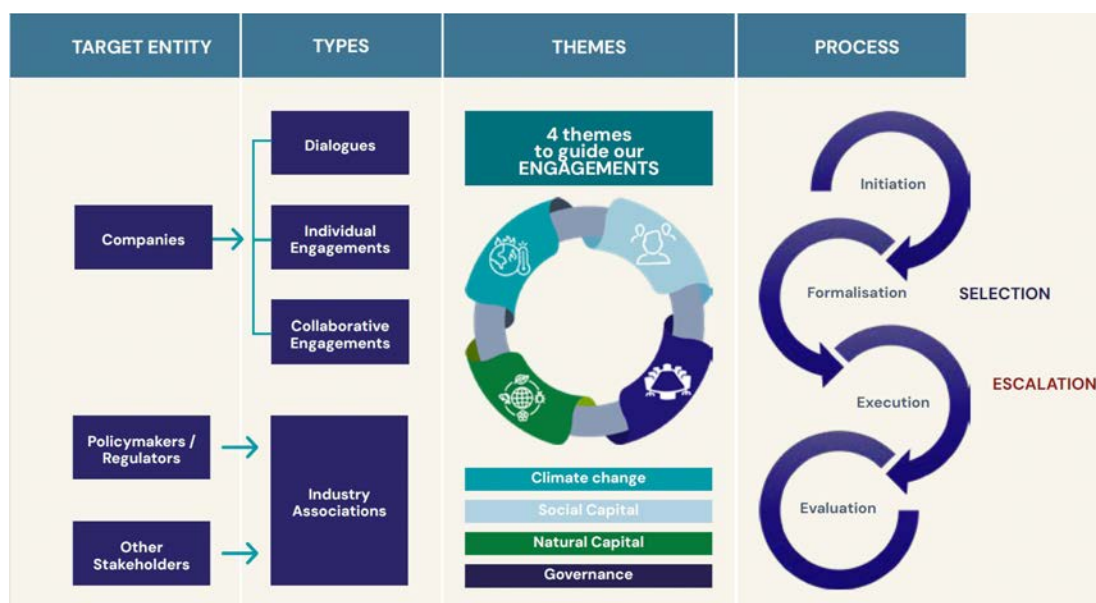
ESG engagement is an essential tool for active shareholding and has been subject to an annual policy review since 2019. The Group also publishes an annual Stewardship Report on the engagement actions undertaken by Crédit Mutuel Asset Management.

Engagement can be pursued in a variety of settings and contexts. It is based on dialogue on environmental, social and governance issues with the companies in which we invest or may consider investing, or with their stakeholders. It can be practised individually or collaboratively, with several investors joining forces to convey their messages and questions to a company or companies, or to policy makers, governments, regulatory authorities, etc.

Crédit Mutuel Asset Management's ESG engagement strategy is based on four types of engagement:

- **Active dialogue**, which includes regular interactions between managers, analysts and company representatives
- **Individual engagement** with company management or their representatives to bring about positive change in our portfolio companies
- **Collaborative engagement** with companies and other investors to join forces, share knowledge and develop best practices in the market
- **Knowledge sharing** through consultations and market committees

These actions may be directly linked to the exercise of our voting rights or may occur in a specific context, on a one-off or recurring basis.



In 2025, we continued to integrate engagement into all aspects of our sustainable investment approach. Guided by the PRI principles, we focused on engaging with companies in which we held equity or bond positions, linking voting with engagement, and working with stakeholders to promote sustainable outcomes. Our strategy has been structured around four key themes: climate change, natural capital, social capital and governance. The initiatives we are pursuing, guided by these themes, have this year specifically sought to ensure planning for the climate transition, to take into account biodiversity-related impacts, to implement responsible practices in terms of human capital, and to ensure transparency and accountability in corporate governance.

GOVERNANCE AND IMPLEMENTATION

The Stewardship process and governance are designed to ensure effective oversight and implementation of sustainable investment practices. The Stewardship Committee plays a key role as it is a decision-making body bringing together various divisions and functions of the management company that deals with policies, methodological choices and strategic initiatives to be implemented. It ensures that the voting, engagement and exclusion policies are aligned with our management company's sustainable investment philosophy and approach.

This committee includes representatives from various departments, including ESG analysts, portfolio managers, chief investment officers, internal control teams, data teams and sustainable investment specialists. This diverse composition ensures a comprehensive approach to Stewardship that incorporates multiple perspectives and areas of expertise. The Stewardship Committee meets at least once a quarter and is chaired by the Head of Stewardship of Crédit Mutuel Asset Management. The committee's activities are supervised by the Group's executive management and the various Group management companies (Crédit Mutuel Asset Management, La Française Systematic Asset Management, Crédit Mutuel Gestion, New Alpha Asset Management, CIC Private Debt, Crédit Mutuel Impact, Cigogne and also Dubly Transatlantique Gestion), by the Group Head of Strategy and Sustainability, the Chief Risk and Compliance Officer, the CIO and/or the CEO of the management companies, which ensures consistency with the other strategic objectives of the management companies. The right to vote on key decisions, such as the validation of controversies, the development of key policies/processes or the resolution of divergences in recommendations related to the implementation of these policies, is attributed to the CEO, CIO, Chief Risk and Compliance Officer and the Head of Strategy and Sustainability. Further details are available [here](#).

For a brief overview of the results of the implementation of our engagement policy in 2025, see chapter [6.A Indicators](#) in this report. The Group Stewardship report on [our website](#) provides further details and various case studies.

The Stewardship process and governance are designed to ensure effective oversight and implementation of sustainable investment practices

REAL ESTATE ASSETS

As a long-term savings manager on behalf of its investors, La Française REM pays particular attention to the consequences that its investments will have on society and thus on the conditions under which these savings can be used.

The management company is entirely convinced that the achievement of the general and specific objectives it has set for itself stems from improved knowledge and greater attentiveness to all the actors involved in real estate assets. With this in mind, it is developing an ESG data infrastructure to ensure that data is collected, reliable and utilised. In particular, it has adapted its tools and document databases in order to develop ESG modules that are accessible to all within its IT tools.

It aims to support all stakeholders in their transformation by removing the obstacles to action through targeted roadmaps tailored to each audience, and by focusing everyone's efforts on the measures that have the greatest impact. To this end, it has adopted several charters setting minimum standards for its stakeholders.

The appropriate level of engagement is defined according to the funds' objectives, and the measures implemented differ depending on the stakeholders:

INFORM	
Quarterly bulletin	Partners/investors
Annual report	
Platform for dialogue on the experiences of clients/partners	
ESG audit	Tenants Property managers
Collecting real data	Property managers
CONTRIBUTING	
Green committee	Tenants
Guide to best practices	Property managers
Educational workshop	La Française employees
Sustainable investment training plan	
IT tool accessible to all	
Active dialogues	Outsourced management companies
Market initiatives	Industry associations
ACTING	
Roadmap	Tenants Property managers
Environmental annex	Tenants
Sustainable development annex	Property managers
Sustainable construction charter	Developers
Sustainable operation charter	Property Managers / Maintenance Providers
Charter for the sustainable management of green spaces	Property managers
Supplier selection charter	Property managers



APPROACH TO ENVIRONMENTAL ISSUES

04

A - European taxonomy and fossil fuels

FINANCIAL ASSETS

TAXONOMY

The percentage of eligible activity weighted assets is 13.5% (57% coverage rate) for financial assets, based on data obtained from our external data provider (ISS).

The alignment percentage with the Taxonomy in the funds was 3.3% of turnover and 4.8% of capex at the end of 2025. This percentage will be adjusted when the calculation of the alignment is clarified and when companies report on these figures. The availability of reliable data is expected to continue to improve in the coming years, despite the setback in 2025 regarding the CSRD directive.

FOSSIL FUELS

As at the end of December 2025, the funds do not hold any positions prohibited by sectoral or controversy policies, nor do the funds in question hold any positions prohibited by the exclusion lists for SRI funds or those relating to PAB and CTB criteria (Fund Naming).

The entity's exposure to issuers identified by our data provider ISS as being active in the fossil fuel sector (0.1% of turnover) is 4.20%. The entity's exposure to issuers listed on the GCEL or the GOGEL Upstream is 0.49%. The denominator used to calculate the percentages of fossil fuel exposures is the assets under management, excluding internal funds.

COAL

The Group's exposure to companies involved in coal-related activities (issuers on the GCEL⁸ list) amounted to €58 million as at 31 December 2025, representing 0.07% of assets under management. The denominator used to calculate the percentages of fossil fuel exposures is the assets under management, excluding internal funds. This is exposure to a single company, EDP, which was on the GCEL list in 2024 but was approved by the Stewardship Committee due to a coal phase-out plan. This issuer was removed from the GCEL list in 2025.

NON-CONVENTIONAL OIL AND GAS

Exposure to companies with oil and gas operations (issuers on the GOGEL⁸ list) amounted to €371 million as at 31 December 2025, representing 0.42% of assets under management, mainly via two issuers: Total Energies and ENI.

(8) **GCEL**: Global Coal Exit List, <https://www.coalexit.org/> - **GOGEL**: Global Oil & Gas Exit List, <https://gogel.org/>

REAL ESTATE ASSETS

TAXONOMY

Real estate assets delivered by 31/12/2025 are Taxonomy-eligible. However, due to the still imperfect data feedback processes for the assets of funds managed by external management companies, La Française REM includes in its percentage of Taxonomy-eligible activity for the 2025 financial year only the real estate assets delivered by 31/12/2025 that it manages directly.

In 2025, 96.2% of La Française REM's total assets under management were Taxonomy-eligible.

To calculate alignment with the Taxonomy, La Française REM uses the Market Value indicator, which is less volatile than the Turnover, Capex or Opex indicators.

In 2025, 14.7% of La Française REM's total assets under management were Taxonomy-aligned, corresponding to 15.3% of Taxonomy-eligible assets. This figure should be compared with the average alignment of Article 8 and Article 9 funds reported by the OID for the 2024 financial year, at 3.7%.

In 2025, La Française REM calculated the alignment with the Taxonomy of the turnover of all the assets it manages directly. Over this financial year, 18.7% of its turnover was aligned with the Taxonomy using the turnover indicator. This figure should be compared with the average alignment of Article 8 and Article 9 funds reported by the OID for the 2024 financial year, at 3.2%.

In 2025, La Française REM calculated the alignment with the Taxonomy of the Capex of all the assets it manages directly. For this financial year, 17.1% of its Capex was aligned with the Taxonomy using the Capex indicator. This figure should be compared with the average alignment of Article 8 and Article 9 funds reported by the OID for the 2024 financial year, at 8.8%.

B - Alignment strategy with the international objectives of the Paris Agreement

La Française Group's Climate Policy aims to foster, through its investment decisions, sustainable and responsible economic development that does not harm future generations. It is in line with the commitments made by its shareholder, Crédit Mutuel Alliance Fédérale, and complies with the Paris Agreement, which is implemented at country level and, for France, through the National Low Carbon Strategy (SNBC), and then more specifically by sector and, for our business lines, by asset class.

FINANCIAL ASSETS

OBJECTIVES

Crédit Mutuel Asset Management's carbon footprint reduction target is part of a trajectory that began in 2018. The management company more than doubled its carbon footprint reduction targets for its investment portfolio between 2018 and 2023 by implementing its first course of action: divestment from companies in the most carbon-intensive sectors, through its sectoral policies.

Crédit Mutuel Asset Management's objective is to support the Crédit Mutuel Alliance Fédérale group's emissions reduction trajectory. Specifically, the aim is to reduce scope 1 and 2 CO₂ emissions by 30% by 2030, based on emissions recorded in 2023. The indicator used is relative: it is expressed as tonnes of CO₂ (equivalent) per million euros invested, calculated for scopes 1 and 2 as at 31 December of each year (tCO₂e/€m). As the policies required to meet these targets will be implemented over several years, we have not set any interim targets at this stage. Further details on this target, which is reviewed annually, are available in section [Objectives 6B](#).

Our main decarbonisation efforts are focused on the largest contributors to our carbon footprint. Our objective is to increase the proportion of companies whose trajectory is credible in terms of being aligned with, or in the process of aligning with, a Net Zero Emissions (NZE)⁹ 2050 scenario. For example, as at 31 December 2025, the 20 highest-emitting exposures accounted for more than 80% of emissions.

This target will be implemented through short- and medium-term measures across the three main types of levers identified:

- Measuring the credibility of transition trajectories
- Recognising the contribution of products and services to the decarbonisation of the real economy
- The primary target of our climate engagement activities

EXCLUSIONS

Crédit Mutuel Asset Management seeks to limit investments in companies whose carbon emissions contribute to climate change and which are not taking sufficient measures to mitigate its effects.

This commitment is reflected in the implementation of exclusions:

- Coal producers that do not meet at least one of the following criteria are excluded from the portfolios:
 - Annual coal production < 10 million tonnes
 - Coal-fired power generation capacity < 5 GW
 - Share of coal in turnover < 10%
 - Share of coal in the energy production mix < 10%
 - No deployment of new capacity

Only companies demonstrating a credible, quantified and verifiable coal phase-out plan to be implemented by 2030 at the latest may be reinstated.

(9) NZE: Net Zero Emissions

- Companies involved in hydrocarbon exploration and production are also excluded on the basis of two approaches.
 - The strict approach excludes issuers:
 - Developing new conventional or non-conventional hydrocarbon projects;
 - And those where more than 20% of total hydrocarbon production comes from non-conventional operations.
 - The alternative approach excludes issuers:
 - Developing new conventional or non-conventional hydrocarbon projects;
 - And those where more than 30% of total hydrocarbon production comes from non-conventional operations;
 - And which do not have a credible transition plan.

In addition to these sectoral exclusions, Crédit Mutuel Asset Management excludes from its portfolios companies involved in major environmental controversies, particularly those relating to negative impact on the climate. The monitoring of controversies follows a rigorous, cross-functional process involving the research, risk and management teams: it consists of identifying controversies, analysing the remedial measures taken by the companies concerned and assessing ESG and financial materiality, and therefore the impact on portfolio performance.

These exclusions and the governance surrounding their management are explained in greater detail in the [sectoral policy](#) document.

Exclusions and the governance framework governing their management are explained in greater detail in the [sectoral policy](#) document.

INTEGRATION

The management company's value proposition is based on a holistic and as exhaustive as possible analysis of climate change-related factors that could affect companies' financial performance, as well as all the environmental impacts their activities might have (dual materiality approach).

Climate change issues are integrated into Crédit Mutuel Asset Management's proprietary ESG model through analysis criteria such as climate strategy, carbon data, energy management and the energy mix. This accounts for an average of over 16% of a company's total score and can account for up to 32% of the score for the energy sector.

The proprietary ESG model provides a quantitative framework of scores for over 8,000 companies, calculated using data from several external providers. The financial and non-financial research team then uses its knowledge of the company and its sector expertise to perform a fundamental valuation – for certain companies – in order to supplement and adjust the quantitative analysis.

DEVELOPMENT OF A DEDICATED METHODOLOGY

The dedicated methodologies used by our investment strategies are based on our track record in measuring the energy transition and on the reference frameworks that have evolved in this area over the last ten years. These dedicated methodologies serve multiple purposes:

- selecting securities for SRI or energy transition-themed portfolios
- assessing risks in issuers' practices to identify specific areas for engagement
- contributing to the Group's objective of reducing the carbon footprint of investments made by Crédit Mutuel Asset Management.

It is within this framework that we use different methodological approaches to help measure the energy transition through quantitative, qualitative and hybrid analytical methods. These are set out in detail in our [Climate Policy](#).

The transition to a low-carbon economy is one of the defining challenges of our time, and investors have a crucial role to play in financing and accelerating it. Our Climate Policy translates this conviction into a rigorous approach based on proven proprietary methodologies, a differentiated sector-by-sector analysis and proactive engagement with issuers. Beyond mere measurement, our ambition is to provide concrete support for the transition of our portfolio companies, by distinguishing credible engagements from mere declarations, by promoting the drivers of decarbonisation in the real economy, and by gradually directing our allocations towards the best-positioned companies.

CLIMATE STEWARDSHIP

Climate is one of the four themes of our Stewardship activities, which involve exercising our voting rights and engaging with companies, decision-makers and other stakeholders. We engage with portfolio companies to improve their transparency on climate-related risks and opportunities and to encourage them to develop credible and just transition plans. We push for the disclosure of climate-related information in line with the TCFD and CDP. We also join collaborative initiatives where this enables our engagement to be more effective. Voting at AGMs enables us to advance our climate-related demands.

We are active within the Institutional Investors Group on Climate Change (IIGCC) and are now a member of the working groups on Climate Lobbying and the Net Zero Transition (NZEI). We are particularly active within the NZEI (Net Zero Engagement Initiative), where we play a leading role in the organised dialogue with certain companies. We are also an active member of the just transition working group of the Forum for Responsible Investment (FIR). Finally, each year, in addition to our individual or collaborative engagements, we take part in larger-scale engagement campaigns, including the CDP's "non-disclosure" campaigns on climate, water and forests. This approach makes it easier to pool our resources with other investors in an engagement programme that enables us to target hundreds or even thousands of companies.

This engagement on climate action is underpinned by a rigorous voting policy that makes the fight against climate change everyone's responsibility, while distinguishing between potential courses of action – and therefore the criteria to be met – depending on companies' sector and size. If these criteria are not met, Crédit Mutuel Asset Management votes against the approval of the financial statements.

Among the four themes on which we focus our stewardship efforts, climate change is consistently a key priority, reflecting both the importance and the growing maturity of the issue amongst investors and other stakeholders alike.

For further details, our voting and engagement policies are available [here](#).

REAL ESTATE ASSETS

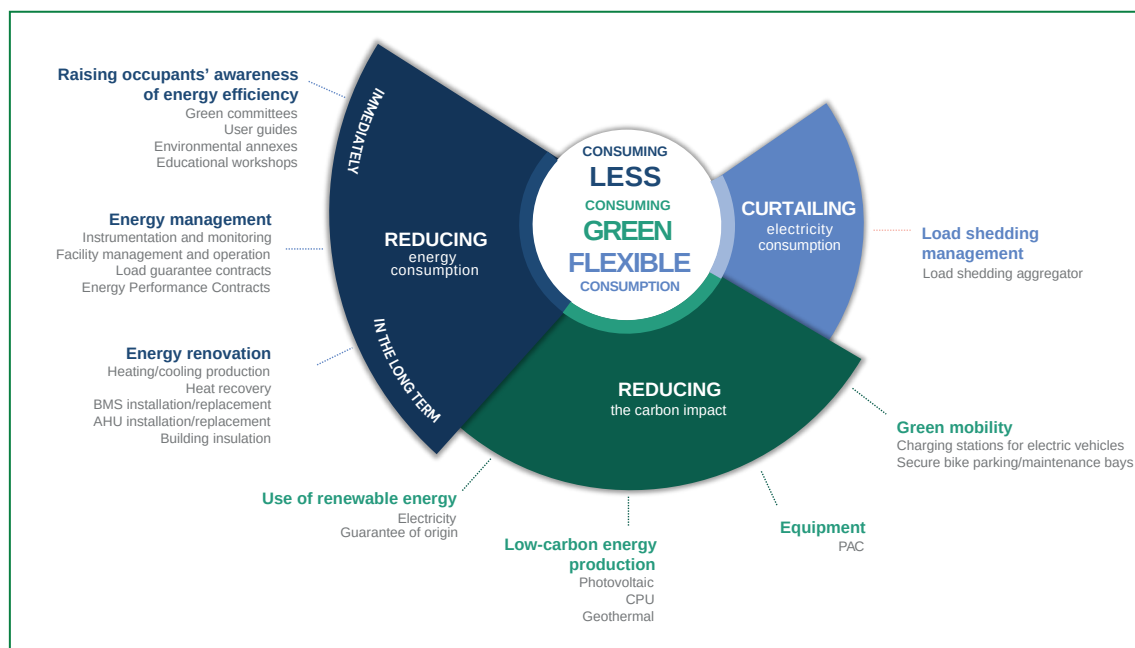
La Française REM's climate strategy is based on a comprehensive approach centred on two complementary components: mitigation and adaptation. The first, mitigation, aims to reduce the environmental footprint of the real estate portfolio by limiting energy consumption and greenhouse gas emissions. The second, adaptation, recognises that some effects of climate change are now inevitable and seeks to prepare assets for these new conditions. Together, these two dimensions make it possible to reconcile environmental performance, preservation of asset value and long-term protection for occupants.

MITIGATION STRATEGY

The National Low Carbon Strategy (SNBC) aims to achieve carbon neutrality in France by 2050. The construction sector, which is responsible for more than 40% of energy consumption and 25% of greenhouse gas (GHG) emissions, is set to play an essential role in achieving this objective.

As a major player in real estate investment management in France, La Française REM intends to make strong engagements to limit global warming to 1.5°.

Environmental transition



The environmental transition policy for our assets is based on three pillars:

- Reducing energy consumption
- Decarbonising energy sources
- Curtailing energy consumption

Reducing energy consumption

The first pillar of the mitigation strategy consists of significantly reducing energy consumption across the entire real estate portfolio in order to comply with current regulations, particularly the Tertiary Eco-Energy Scheme.

To this end, an energy audit is carried out prior to any acquisition in order to obtain an accurate picture of the buildings' performance levels, the main areas of consumption, and potential energy savings. This audit identifies the most energy-intensive assets and prioritises the most urgent and cost-effective measures.

In the investment phase, La Française REM adopts a best-in-progress approach, which allows it to invest in assets in transition in order to move the existing portfolio towards sustainable real estate. The management company undertakes to actively manage its assets in order to align the sustainable characteristics of the assets with the standards it has set for itself.

Planning to bring the property up to standard upon acquisition

Memphis, Paris 13

Antoine Vincke, SRI Director



An iconic mixed-use building in the 13th arrondissement housing a 4,000 m² Decathlon store and 10,000 m² of office space, acquired in December 2023.

Pre-acquisition audits had identified several areas for energy efficiency improvements in the retail section. These works were incorporated into the asset's business plan and deducted from the purchase price. Since the acquisition, an airlock entrance (without air conditioning) has been created to reduce heat loss caused by customer traffic. Furthermore, replacing fluorescent lighting with LEDs throughout all sales areas is expected to generate savings of around 10%. The renewal of the air-conditioning and ventilation units is expected to deliver a similar saving.

Initial feedback has been positive, with a noticeable improvement in thermal comfort and lighting conditions for both customers and shop staff.

Reducing energy consumption requires an integrated approach to rigorous and continuous management of the real estate portfolio. To optimise the operation of these buildings, the management company carries out regular preventive maintenance on technical equipment, fine-tunes heating, ventilation and lighting systems, and implements smart consumption management solutions. This approach is made possible by the collection of actual consumption data.

In addition to energy consumption, a reliability index, presented in the Objectives section, is specified for each asset based on the degree of uncertainty associated with the method of data collection.

	Coverage of energy consumption	Level of uncertainty
Direct measurement (bill/meter)	100% of common areas 100% of private areas	0%
Recalculated data (extrapolation)	100% of common areas Minimum of 33% of private areas	30%
Approximate data (valid EPC or reliable data for year N-1)	N/A	50%
Known data in order of magnitude (in reference to a benchmark)	N/A	80%

Energy renovation work is carried out in a targeted manner when assessments highlight significant energy savings or real needs related to the use or condition of the building. This pragmatic approach allows investments to be concentrated on the most energy-intensive assets and avoids costly renovations that are unprofitable or premature.

Raising tenant awareness plays a key role in the energy efficiency strategy. La Française REM implements information campaigns, educational tools and regular exchanges to encourage energy-saving behaviour: proper use of heating, turning off lights, reducing hot water consumption, etc. Where possible, energy-saving sharing schemes are tested in order to maintain occupants' commitment over the long term.

*Raising tenant awareness plays a key role
in the energy efficiency strategy*

Comparing theoretical performance with actual consumption

The Whoo Hostel, Bordeaux

Hugues-François Courtois, Head of SRI



A tourism asset combining student accommodation and a youth hostel, it had an impressive environmental profile upon completion in 2022, notably thanks to its connection to the urban heating network. It is run by a single operator with a strong commitment to environmental sustainability. Target temperatures are managed centrally, with a margin of $+3/-3^{\circ}$ left to managers to adjust according to outside temperatures.

Green committees enable operational monitoring and the fine-tuning of continuous improvement initiatives. The self-consumption photovoltaic system covers 13% of the facility's electricity requirements, structurally reducing its dependence on the grid. The Building Management System (BMS) ensures optimised settings and shows a clear correlation between energy consumption and changes in occupancy. Consumption gradually decreases in May/June, when students leave, and gradually rises again in September. Smart monitoring of water consumption has identified instances of overcrowding in the accommodation, illustrating the operational value of real-time data.

Decarbonising energy consumption

The second pillar of the mitigation strategy aims to reduce the carbon footprint of the real estate portfolio beyond energy consumption alone. One of the major measures is to decarbonise the energy sources used. This means gradually replacing HVAC systems with equipment that uses renewable energy, such as heat pumps or connection to low-carbon heating networks. La Française REM enters into contracts for the supply of electricity from renewable sources for all the contracts it manages. By choosing offers guaranteed by certificates of origin, the real estate management company actively supports the development of renewable energy sources (wind, solar, hydro) and contributes to greening the overall energy mix. Although this approach does not reduce consumption itself, it significantly lowers the carbon intensity associated with the electricity used, while sending a positive signal to tenants, investors and partners about our environmental engagement.

Curtailling energy consumption

The third pillar of the mitigation strategy is based on the principle of energy curtailment, which consists of temporarily adjusting electricity use during periods of high demand or supply constraints. This mechanism, which is still in its infancy in the real estate sector, represents an economic, environmental and civic opportunity. Curtailing is based on the ability of buildings to reduce or postpone certain non-priority uses, such as electric heating, air conditioning or lighting in common areas, for a few hours in exchange for financial compensation. To this end, the most suitable buildings will gradually be equipped with automatic control systems, enabling a rapid response to curtailment signals sent by operators.

This flexibility measure not only helps to limit greenhouse gas emissions by reducing the use of thermal power stations during peak periods, but also strengthens the stability of the power grid, in a context of transition to more variable renewable energies. It is fully in line with an active and responsible energy management approach.

Electrical flexibility refers to a building's ability to adjust its electricity consumption in line with the grid's capacity. RTE, whose remit is to maintain a perfect balance between power generation and consumption at all times, has introduced a compensation scheme for curtailing consumption during periods of grid strain. This involves an engagement to reduce electricity consumption at specific times.

In 2025, we rolled out a solution to harness flexibility at the Confluent building in Maison Alfort (8,500 m²), owned by SCPI Épargne Foncière, in collaboration with Orus Energy. During periods of grid strain, RTE would inform us in advance of the time slots during which we needed to curtail electricity consumption.

The solution involves pre-heating the building in the morning to reduce the need for heating between 9 am and 10 am. The building's thermal inertia allows it to retain heat until the heating is switched back on.

To ensure optimal thermal comfort for our tenants, we monitored temperatures using sensors. The results obtained are encouraging:

- The temperature fell by no more than 0.5°C, without ever dropping below 20°C.
- No excess consumption was noted: the anticipated consumption is offset by curtailment.
- A net compensation of €3,500 for the winter of 2025/2026, earned for just a few hours of energy curtailment. This compensation helped to partially fund the energy management fees for this building, enabling an improvement in its environmental performance (a reduction in energy consumption of over 30% since 2022).

We have implemented this solution across four buildings and, as the feedback has been positive, we have decided to extend it to other assets in our portfolio in 2026.

ADAPTATION STRATEGY

In addition to measures to reduce consumption and emissions, the climate strategy includes an approach to adapting to the effects of climate change. A climate risk assessment is conducted on the real estate portfolio to identify potential vulnerabilities to heat waves, floods, droughts, clay shrinkage and swelling, or forest fires. This analysis provides a better understanding of the vulnerability of assets and enables us to anticipate the impact on the comfort, safety and durability of buildings. La Française REM is testing several solutions to define adaptation plans that specify the technical, organisational and operational measures to be implemented, as well as their timetable.

The implementation of adaptation measures will be gradual and targeted, in line with the evolution of actual risks over time. Interventions will be planned according to location, building use and the probability of occurrence of the identified hazards. This approach enables us to respond effectively to future risks while ensuring sensible management of investments and priorities for action.

C - Alignment strategy with long-term biodiversity-related objectives

FINANCIAL ASSETS

As a responsible asset manager, Crédit Mutuel Asset Management recognises the essential role that natural capital plays in maintaining economic stability, ecosystem services and long-term investment value. Our natural capital policy is aligned with global frameworks, including the Task Force on Nature-related Financial Disclosures (TNFD), Science-based Targets for Nature (SBTN), the EU Biodiversity Strategy for 2030, the 1992 Convention on Biological Diversity and its 2022 update at COP15 in the Kunming-Montreal Global Biodiversity Framework and its 23 targets.

The management company has set itself three biodiversity targets for 2026:

1. Publishing a natural capital dependency matrix
2. Making progress in integrating natural capital issues into our voting policy and engagement campaigns
3. Continuing to raise biodiversity awareness by delivering company-wide internal training on the dependency matrix

For further information on these objectives, see section [6.B Objectives](#) of this report.

OUR GENERAL PRINCIPLES FOR MANAGING RISK AND SUPPORTING PROTECTION

Crédit Mutuel Asset Management is committed to integrating natural capital considerations into its investment decisions, engagement actions and risk management processes. These principles are set out in our [Natural Capital Policy](#). This engagement is based on the following principles:

- Exclusion of harmful activities related to targets 4 and 5 of the Kunming–Montreal Agreement
- Inclusion of biodiversity-related factors in our systematic ESG analysis, as well as engagement with companies and voting on the production and distribution of hazardous pesticides in line with target 7 of the Kunming–Montreal Agreement
- Methodology dedicated to natural capital: We have developed a natural capital research methodology that supports investments that help halt and reverse biodiversity loss, in line with the EU taxonomy and the global biodiversity framework
- Stewardship: We use stewardship tools (engagement, votes) to promote natural capital in the companies in which we invest and encourage best practices in biodiversity conservation and deforestation-free supply chains in line with target 15 of the Kunming–Montreal Agreement

EXCLUSIONS

The first step in our investment process is to apply all exclusions defined in our sectoral policies to our investment universe. In particular, this means excluding investments in companies engaged in illegal deforestation, on the basis of their involvement in serious controversies. Deforestation is addressed in our [sectoral policy](#) document.

We also apply the necessary exclusions to comply with the Group's commitment to the Paris Agreement to decarbonise the economy, thereby excluding coal and non-conventional fossil fuels, as well as promoters of new fossil fuel-related projects. In doing so, we are taking action to limit climate change, one of the main factors contributing to biodiversity loss. These exclusions are explained in more detail in the [sectoral policy](#) document.

INTEGRATION

Our value proposition is to offer our clients strategies that select companies that will outperform the market, be better managed and thus generate greater financial value as well as greater social and environmental value. To achieve this, we have adopted a holistic approach to our analysis of companies, with a deep and comprehensive understanding of their financial and non-financial ecosystem, providing portfolio managers with the best possible information.

ESG is not just an attribute, but an essential component of this 360° approach, because societal and environmental factors will influence valuations in the medium to long term.

We integrate biodiversity, water, pollution, etc., into our ESG rating methodology and systematically verify the DNSH principle⁽¹⁰⁾ for each PAI⁽¹¹⁾, particularly those related to biodiversity such as PAI 7, 8 or 9, as well as several other optional ones.

(10) DNSH: Do No Significant Harm

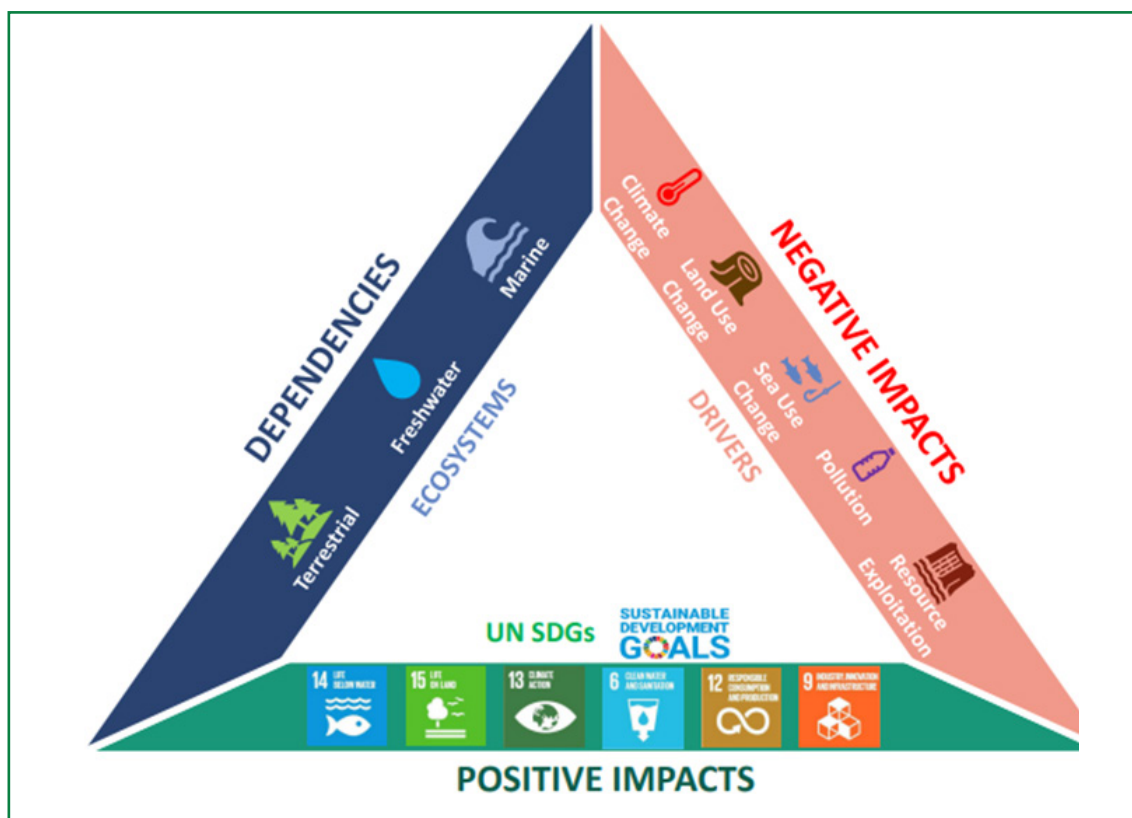
(11) PAI: Principle Adverse Impact

Dependencies and impacts on biodiversity and natural capital are already significant in financial terms, with varying levels of intensity across sectors. This is why biodiversity is integrated into our ESG model, representing on average more than 20% of the total score and accounting for up to 30% of the ESG score for companies in the utilities, automotive and energy sectors. Coupled with climate change indicators, which is one of the factors of biodiversity loss, this can account for up to 60% of the total score.

DEVELOPMENT OF A DEDICATED METHODOLOGY

The "natural capital" methodology is an exclusive methodology developed by Crédit Mutuel Asset Management which integrates the risks and opportunities associated with natural capital into research and investment processes. It is based on a three-dimensional approach illustrated by the natural capital triangle and covers the three key aspects of natural capital analysis for any issuer:

- Dependencies linked to three ecosystems
- Adverse impacts linked to the five key factors of biodiversity loss
- Positive impacts related to environmental issues that may affect natural capital or one of the pressures on it



This methodology is based on a rigorous and multidimensional approach, combining quantitative and qualitative criteria. It aims to provide fund managers with measurable and scientifically sound data so that the investable universe is as relevant as possible to the chosen theme in terms of natural capital, and is set out in detail in our [natural capital policy](#).

STEWARDSHIP OF NATURAL CAPITAL

While there is now consensus on calculating greenhouse gas emissions in relation to climate change, the same cannot be said for biodiversity, which is a cross-cutting, local and volatile issue, with recent data of poor quality and coverage. Nevertheless, Crédit Mutuel Asset Management expects issuers to assess or produce, as far as possible:

- The contribution of their business to biodiversity
- How biodiversity issues may impact (dependencies) their business and the scope of this impact (sector, geographical area)
- A zero deforestation policy for the sectors concerned

In 2025, we participated in multiple collaborative engagements on the theme of natural capital. For more information, see our [Stewardship report](#).

We are members of Nature Action 100, and as such we are actively engaged with two companies – L'Oréal and Lowes Company – alongside other investors.

For the sixth year running, we took part in the CDP's non-disclosure campaigns on climate, water and forests, enabling us to join forces through a collaborative engagement and aiming to encourage reporting on these issues.

We are members of the Working Group on Pesticides with ShareAction, focusing on engagement with Bayer. Bayer is excluded from our funds due to its involvement in serious controversies related to pesticides, and we want to use our engagement to influence the company and change its practices.

Finally, we initiated engagements with six companies as part of the launch of our new CMAM Global Biodiversity Fund. One of the fund's key impact levers lies in its objective to engage with around 50% of the issuers in the portfolio, based on a detailed quantitative and qualitative analysis carried out by the research team. The engagement initiatives related to this strategy will be documented in a dedicated impact report, which will complement the examples of our active shareholder engagement approach set out in our annual Stewardship report.

In 2026, we decided to vote against companies where more than 10% of turnover stems from the production or use of palm oil and which are not members of the RSPO¹² or do not have a policy on alternatives to palm oil, and against companies in the chemicals sector where more than 5% of their production or distribution involves hazardous pesticides. For further details, please refer to our [voting policy](#).

(12) *RSPO: Roundtable on Sustainable Palm Oil*

REAL ESTATE ASSETS

Biodiversity is a fundamental component of the real estate ecosystem. It encompasses all natural habitats, living species and ecological continuity that interact with buildings, infrastructure and land uses. The real estate sector, through its land use, construction methods and operational practices, interacts closely with these biological balances.

Taking biodiversity into account is therefore not merely an environmental issue, but plays a key role in the operation, sustainability and attractiveness of the real estate portfolio.

GUIDING PRINCIPLES

In order to translate its ambition into concrete and operational actions, the management company draws on a set of guiding principles. These principles aim to ensure the consistency of decisions taken, to coordinate actions at different levels, and to embed commitments to biodiversity within a pragmatic, evolving approach that is tailored to the diversity of the portfolio managed.

PRIORITISING ACTIONS TO MAXIMISE THEIR IMPACT

The management company's biodiversity strategy is based on prioritising actions at the stages where the potential for impact is greatest. As such, strategic decisions are primarily incorporated during the design, construction and refurbishment phases of assets, which have a lasting impact on land development, spatial planning and the integration of projects into their ecological and territorial environment.

Measures implemented during the operational phase complement these fundamental choices. They aim to support, optimise and ensure the long-term sustainability of the commitments made at an earlier stage, with a view to overall consistency and continuous improvement; their impact is more limited but essential to maintaining the assets' environmental performance.

TERRITORIAL AND INTEGRATED VISION

The management company adopts a broad approach to biodiversity, going beyond the scope of real estate assets alone. Considerations and decisions are made taking into account the overall natural capital of the regions, in order to avoid a fragmented approach to environmental issues.

As such, the management company's actions are designed and implemented in accordance with existing or future green and blue infrastructure networks. The management company is therefore committed to:

- Preserving identified ecological continuities
- Limiting habitat fragmentation
- Promoting, where possible, connectivity between natural and semi-natural areas

This vision aims to ensure that every action forms part of a coherent regional strategy, in line with local ecological, landscape and town planning characteristics.

A GRADUAL AND TAILORED APPROACH

The management company's engagements are implemented in a gradual and proportionate manner, tailored to the specific characteristics of each site. The diversity of real estate types, local environments and environmental challenges calls for a differentiated approach, based on a case-by-case analysis.

At this stage, the lack of sufficiently robust, consistent and comparable biodiversity indicators across an extensive real estate portfolio means it is not possible to set single, quantitative targets common to all real estate assets. The company therefore favours a pragmatic approach. Measures are defined according to local challenges, operational constraints and property uses, with a view to continuous improvement.

The company remains attentive to methodological, regulatory and scientific developments, and is prepared to adapt its objectives and management tools as more widely accepted and operational standards and indicators emerge.



RISK MANAGEMENT

05

A - La Française Group

RISKS LINKED TO GOVERNANCE

The main governance risks are:

- **Compliance risk:**
- **Reputational risks:**
 - Risks of litigation and/or liability linked to non-financial factors
 - Corruption and money laundering risks

CSR Risk at the level of the La Française Group may result from inadequate implementation of the Corporate Social Responsibility (CSR) issues of the company or of the financial products marketed to its clients or from the expectations of stakeholders. It encompasses image and reputation risks, operational risks and compliance risks, the occurrence and potential impact of which require increased vigilance on the part of the La Française Group and its subsidiaries.

The implementation and management of CSR is a major challenge for La Française Group, which has made it a key area of development by focusing on sustainable financial products. Similarly, regulatory developments require La Française Group to be transparent about the Principal Adverse Impacts (PAI)¹³ of investments and financial products on CSR factors.

Risk monitoring and the work carried out are in line with the "Comply or Explain" principle, enabling the Group to report on the level of compliance with CSR themes/sub-themes and the associated risks within the La Française group.

LFG has therefore developed a risk mapping by pillar and theme. For each of the issues, the actions positioned or remaining open have been identified to achieve commitments and reduce the associated risks.

This approach makes it possible to identify risk reduction measures to achieve i) the engagements made to stakeholders, ii) the strategic objectives of La Française Group.

Furthermore, depending on the scope of CSR/Sustainability, reporting to management bodies (COMEX, Supervisory Board, Risk Monitoring Committees, Compliance Risk Committee, Audit Committee, etc.) makes it possible to monitor over time the engagements and improvement measures positioned both at the level of the portfolios under management and in the company's strategic or operational areas.

La Française Group actively manages the various CSR risks to which it is exposed in order to limit their occurrence, their adverse impact on sustainability and their financial impact should these risks arise.

(13) PAI (principal adverse impacts) or adverse sustainability impacts: companies must present the most significant adverse impacts of investment decisions on sustainability factors relating to environmental, social, labour, human rights and anti-corruption issues according to the "Comply or Explain" principle

La Française Group has therefore retained several major risk families as presented in the table below:

Types of risks		La Française Group	Financial assets	Real estate assets
Risks linked to climate change	Physical risks		X	X
	Transition risks	X	X	X
Risks linked to biodiversity			X	X
ESG governance risks	Reputational risks	X	X	X
	Risk of litigation and/or liability linked to ESG factors	X	X	X
	Risk of lacking constructive dialogue with companies		X	X
	Corruption and money laundering risks	X	X	X
Compliance risk	Risk of the failure to implement regulatory changes introduced by European regulations and directives (Taxonomy, SFDR, NFRD, etc.)	X	X	X

For La Française Group, risks are considered from the perspective of ESG governance risks for all companies/funds and the CSR regulatory obligations applicable to La Française Group in the context of its business activities.

In response to these risks, La Française Group has implemented actions aimed at reducing them and includes their monitoring in its risk appetite framework. This is reviewed annually when the Risk Appetite Framework (RAF) is updated and approved by the Audit and Risk Committee. Quarterly reports are produced to monitor KPIs, with an alert process and limits for alerting senior management and the reference shareholder if necessary. Compliance with sectoral policies is part of this monitoring.

The various projects on the **topics of CSR and sustainability** have entered sustainable mode:

- The sustainable mobility plan for our employees, which helps to reduce our impact on the climate and joint work with Crédit Mutuel Alliance Fédérale (reference shareholder)
- "100% green electricity" subscription for the premises housing La Française Group
- Monthly energy audits for the building management system (BMS) to reduce energy consumption at the La Française Group head office and production of an annual report
- HQE operating certification (analysis of the building's energy consumption) on LFG headquarters
- Analysis of the carbon footprint of La Française Group's activities
- Inclusion of LFG in the Crédit Mutuel Alliance Fédérale CSRD report (qualitative and quantitative contribution of over 100 indicators for French and international entities)

Over the period, the Group continued its work to manage the associated risks:

- Consolidation of corporate CSR data for the new "Ensemble Gestion" scope in France and internationally through the integration of new management companies,
- Review of the presentation of La Française Group website to meet regulatory expectations around "sustainability preference" and SFDR obligations,
- Quarterly meetings of the Stewardship Committee to review engagements and controversies, thereby organising governance and ensuring transparency regarding compliance with engagements made within the group and its subsidiaries.

As part of the implementation of its risk analyses, **La Française Group has defined relevant indicators for monitoring CSR issues**. These indicators are supplemented each year to take into account regulatory changes and commitments made by the companies of La Française Group or its reference shareholder.

Theme	Major CSR challenges	Sub-theme challenges	Indicator	Monitoring
Governance & influence	Ethics & fair practices	Anti-corruption and fraud	Ongoing legal proceedings	
		Combatting money-laundering and the financing of terrorism	Time periods for reporting suspicions	
		Employee ethics	Personal investments	
	Long-lasting relationship with customers & suppliers	Business continuity	PUPA triggers	
		Protection of personal data	Data breaches with impact for data subjects	
	Dialogue & communication	Promotion and deployment of CSR	Number of CSR/ Sustainability training courses	Sustainable Investment: Internal awareness-raising programme of 14 modules on different topics (including two modules on Solidarity Finance and a special edition on regulatory developments) delivered to La Française employees (in France and internationally) AMF Sustainable finance certification: 32 employees certified in 2025 Mandatory e-learning course "Environmental risks for the banking and financial sector": 70% of registered staff have completed this course
	Dialogue & communication	Influence and networking towards sustainable finance	Participation in professional bodies	Member of the SRI Commission of ASPIM (Association Française des Sociétés de Placement Immobilier = French Association of Real Estate Investment Companies) Founding member and director of the OID (Sustainable Real Estate Observatory)

Theme	Major CSR challenges	Sub-theme challenges	Indicator	Monitoring
Environment	Combatting climate change	Greenhouse gas emissions (transition risk)	Greenhouse gas emissions report (BEGES)	Carbon footprint 2025: 7,812 tCO2eq
		Energy consumption	kWh/m² corporate	HQE operating certification registered office obtained in December 2023 –54% reduction in CO2eq emissions in 5 years at the Group's head office thanks to lower energy consumption
		La Française Group Sustainable Mobility	Sustainable Mobility Plan which came into force on 1 January 2022 and includes the sustainable mobility package	436 tCO2eq Raising awareness of road safety and eco-friendly driving
Fostering human capital (top-down)				
People	Skills development	Internal career development	% of positions promoted or internally mobile	5.7% promotions* 11.7% internal transfers* <i>*based on the average permanent workforce</i>
	Quality of Work Life (QWL)	Working conditions	Number of initiatives to raise awareness or training on PSRs ⁽²⁾	Roll-out of a mandatory training programme entitled "Preventing abusive behaviour and harassment", designed specifically for both managers and non-managers, which includes an e-learning module and an online classroom session. In 2026, this programme will form part of the onboarding process for new employees joining the La Française Group. It will also be adapted and organised for our international entities.
	Social dialogue	Organisation of social dialogue & company agreement	Number of CSE requests and agreements	17 CSE meetings 12 meetings of the four specialist committees (Health, Safety and Working Conditions Committee – CSSCT, training, housing, gender equality) 1 group-wide agreement signed on quality of life at work, working conditions and remote working Negotiations launched in late 2025 on an agreement on gender equality in the workplace

Theme	Major CSR challenges	Sub-theme challenges	Indicator	Monitoring
People	Actively-involved employees		Inclusion initiatives	<ul style="list-style-type: none"> • Launch of two internal engagement surveys to measure employee satisfaction • Climate Fresk workshops • World Clean up Day • Odyssée (Pink October) • CMAF Athlé Challenge / Soli'Run / Tous à Vélo • Honey harvest x MUGO • Student community engagement – BlueBuds • Launch of the Managers' Community • TALK x 2 • Collection of hygiene products for food banks • Launch of the SOLIDR civic engagement platform • Proposal: "Become a volunteer for the day of the forgotten" + Taking part in the Restos du Cœur food drive (CMAF Foundation)
	Solidarity	Sponsorship	Sponsorship actions	<p>10 public-interest organisations supported directly through sponsorship (financial donations and donations of expertise from employees nearing retirement).</p> <p>2.5% of La Française's net income allocated to CMAF's Societal dividend.</p> <p>In addition, staff are encouraged to volunteer outside working hours on community initiatives through a social engagement platform offering a range of opportunities.</p>

Risk framework complied – non-public indicator

B - Financial assets

Control system

Sustainability risk refers to the occurrence of an ESG event or condition that could potentially or actually cause a negative material impact on the value of an investment in a fund. Sustainability risks can either represent a risk in and of themselves, or have an impact on other risks such as market, operational, liquidity or counterparty risks. Sustainability risks can therefore have an impact on long-term risk-adjusted returns for investors.

Assessing sustainability risk is complex, as it often relies on ESG data that may be difficult to obtain, incomplete, outdated, estimated, or otherwise materially inaccurate. Even when such data is available, there is no guarantee that it will be correctly interpreted and assessed.

RISK MANAGEMENT SYSTEM

Crédit Mutuel Alliance Fédérale's risk management system, implemented within the "Listed division: Risk Management, Compliance and Internal Control" at La Française Group is based on three lines of defence: the operational line, the risk management functions, and internal audit. The controls are organised around these three levels:

- First-level controls (operational or hierarchical): permanent and operational monitoring is carried out by the employees of the various Crédit Mutuel Alliance Fédérale entities
- Second-level controls: carried out by internal controllers dedicated to this function within each entity. This level also oversees the operational and hierarchical controls
- Third-level controls: carried out by the Group's General Inspection (this function is delegated to Crédit Mutuel Asset Management)

The Crédit Mutuel Alliance Fédérale group's control system is organised in accordance with regulatory requirements, with the required functions: permanent control and compliance, risk management and periodic control.

Inclusion of ESG criteria into risk management

ESG RISK MANAGEMENT PROCESS AT CRÉDIT MUTUEL ASSET MANAGEMENT

At Crédit Mutuel Asset Management, the ESG risk monitoring system is based on a risk mapping process that identifies the following mitigation areas:

- Monitoring of exclusions on sectoral policies, controversies, fund naming, labels and specific funds
- Monitoring of label benchmark requirements
- Monitoring of ESG and sustainable investment constraints
- Analysis of voting policy and shareholder dialogue
- Integration of ESG criteria into internal remuneration policy
- Monitoring of climate, PAI and biodiversity indicators



Each mitigation area is broken down into appropriate controls that are incorporated into the existing control plan and implemented as follows:

- First- and second-level control work is stored on a control reporting tool.
- First-level controls are supervised by permanent control, which must supervise at least 25% of first-level control tasks on a monthly basis.
- Second-level controls are supervised by Crédit Mutuel Alliance Fédérale's "permanent control" and "compliance" functional lines.

In 2025, 37 types of first-level control tasks were implemented to address sustainability risks, representing 275 control deadlines over the financial year. Similarly, 36 types of second-level control tasks were implemented, representing 118 control deadlines over the financial year.

In addition, in response to these risks, La Française Group introduced a structured risk appetite framework in 2022. This framework defines acceptable risk levels, tolerance limits and regulatory limits, thereby enabling risk management that is aligned with the group's overall strategy. This framework includes seven risk categories, including climate and environmental risks, and incorporates a threshold for the application of sectoral policies.

Furthermore, sustainability risk management is described in the Sustainability Risk Integration Policy, in accordance with article 3 of the SFDR, published on the La Française Group's website. For further details, click [here](#).

Indicators monitored

TYPES OF RISKS

In terms of financial assets, several major risk categories have been identified.

Definition of ESG risks

ESG criteria are non-financial criteria used to assess the corporate social responsibility and sustainability of an entity. These criteria provide a means of assessing companies' efforts to conduct their business in an ethical and sustainable manner across three main areas: respect for the environment, respect for labour rights, and governance. These three aspects make it possible to support a decarbonised economy that respects human and organisational capital by directing capital flows towards more ethical and sustainable solutions.

ESG risk therefore measures the risk associated with a company's overall quality through an ESG score based on a dedicated methodology. This methodology is based on 35 indicators and over 110 KPIs divided into five pillars, covering all governance, societal, social and environmental criteria, including climate and biodiversity. The weighting of the five pillars is determined according to the opportunities and non-financial risks specific to each business sector. These five pillars are then broken down by the model into three pillars: E, S and G.

The non-financial approach compares companies within their own business sector to identify which ones are making the most progress in understanding risks and which ones offer opportunities in terms of sustainable development issues, in line with the United Nations' 17 Sustainable Development Goals (SDGs). This proprietary model enables the information collected on a monthly basis to be standardised using an overall score ranging from 1 to 10.

Climate risks

Climate risks are a specific component of ESG risks, but are presented separately due to their regulatory and methodological significance.

Climate risks enable the measurement of an entity's exposure to climate impacts. They are assessed using climate sensitivity tests that enable an understanding of climate risks and opportunities according to different socio-economic and macroeconomic scenarios affecting business activity.

This constraint can be expressed either through the physical risks associated with rising temperatures or through the transition risks related to compliance with a 2°C trajectory.

Physical risks

Physical risks result from exposure to physical impacts directly caused by climate change. They can be caused by one-off (acute) events or longer-term (chronic) changes.

- Acute risks: These are risks caused by extreme weather events (cyclones, hurricanes, floods, etc.) whose severity is increasing. They can cause damage to facilities, reduce production capacity, etc.
- Chronic risks: Chronic physical risks are caused by longer-term changes in climate patterns, such as heavy rainfall, rising average temperatures (frequent heatwaves) and rising sea levels.

Transition risks

Transition risks correspond to the economic consequences of implementing a transition to a low-carbon economy, a transition that will involve regulatory, political and technological changes. Depending on the degree and speed at which these risks materialise, companies will face financial impacts and reputational risks. The main channels for the transmission of transition risks include:

- Regulations:
 - Cost of carbon: Increase in the price of GHG emissions
 - Increased reporting obligations
 - Stricter regulations on existing services and products
- Markets:
 - Changes in consumer behaviour
 - Uncertainty of market signals
 - Increase in raw material costs
- Technologies
 - Substitution of existing products and services with lower-emission alternatives
 - Unsuccessful investments in new technologies
 - Development costs for new low-carbon technologies
- Reputation:
 - Changing consumer habits
 - Stigmatisation of a sector

We assess the entity's exposure to climate risks annually, but a reduction or mitigation plan has not yet been formalised at this stage.

ESG Risks

ESG risks refer to the risks associated with the non-financial quality of issuers within the portfolios. They reflect companies' ability to manage their environmental, social and governance challenges. These risks may affect financial performance, reputation, regulatory compliance or the management company's ability to deliver on its engagements. They are divided into five main categories, each of which is subject to dedicated controls.

Operational risk

This risk arises from the use of the internal ESG rating model. The aim is to ensure that the model produces consistent results at every stage of the rating process, including cases where data is missing. A failure could lead to an inaccurate assessment of non-financial risks, inconsistencies in investment decisions or compliance risk.

Reputational risk

Reputational risk stems primarily from a failure to monitor issuers in the portfolio, particularly with regard to corruption, money laundering, terrorist financing, unsustainable social or societal practices and/or governance. Close monitoring of the implementation of sectoral policies and other exclusions, together with regular analysis of controversies, helps to ensure greater vigilance. Inadequate monitoring could expose the funds to major controversies and undermine the management company's credibility.

ESG coverage risk

ESG coverage risk refers to the risk that an insufficient proportion of issuers within the investment universe have complete, reliable and up-to-date ESG data. This shortfall may limit the management company's ability to apply its ESG policies (exclusions, constraints, thresholds), to comply with regulatory requirements (SFDR, Taxonomy, PAI) and to produce transparent reports that can be audited. It also constitutes a commercial risk, in that insufficient ESG coverage may reduce the attractiveness of the funds to institutional investors and jeopardise the ability to obtain or retain labels.

Risk of shareholder disengagement

This risk arises when the voting policy or engagement policy is not properly updated or applied. With regard to the voting policy, this relates in particular to resolutions concerning climate change, diversity (social), remuneration (governance) or the holding of multiple directorships (best practice regarding the renewal of Board members). With regard to the engagement policy, this involves applying the principles aimed at bringing about change at the issuer and divesting from it should the dialogue prove unsuccessful. To view our voting policy, click [here](#) and our engagement policy, click [here](#).

Risk of a lack of constructive dialogue with portfolio companies

This risk relates to the management company's ability to engage in effective and constructive dialogue with companies, particularly in cases of incomplete or poor-quality data. Such discussions enable a better assessment of the company's strategy and business model, thereby improving the management company's ESG analysis.

A discrepancy between public commitments and actual practices could undermine the management company's credibility, while insufficient dialogue may lead to an incomplete understanding of issuers' ESG issues and a partial risk assessment.

Compliance risks

The aim is to identify the risks of:

- litigation for non-compliance with ESG regulations, any proven litigation could erode the financial profitability of the product as well as its liquidity. Daily first- and second-level controls carried out on funds aim to minimise this risk.
- failure to implement regulatory changes introduced by regulations (AMF 2020-03) or European directives (SFDR, Taxonomy).

FREQUENCY OF REVIEW OF THE RISK MANAGEMENT FRAMEWORK

The risk management framework consists of the risk management policy, risk mapping, and the control plan. These documents are systematically and comprehensively reviewed on an annual basis. This framework is also evolving as ESG-related projects progress, particularly with the integration of climate and biodiversity indicators within Crédit Mutuel Asset Management.

In terms of the risk appetite framework, the lists of risks and the indicators used to monitor them are reviewed at least once a year by the Risk Department and the Finance Department. They are presented for approval to the Crédit Mutuel Asset Management Risk Committee, the effective managers and the Board of Directors.

THE ACTION PLAN TO REDUCE EXPOSURE TO MAJOR RISKS

For 2025, on the theme of Sustainability, action plans aimed at supporting the implementation of new regulatory obligations or reducing risks have been defined:

- Strengthening the dedicated ESG unit within Risk Management
- Convergence of ESG methods, tools and parameters following the merger between Crédit Mutuel Asset Management and La Française Asset Management
- Adjustments to monitoring procedures following changes to the SRI label
- Implementation of ESMA guidelines on fund names
- Ongoing audit of tools used to calculate non-financial indicators
- 100% completion of the second-level control plan on ESG aspects
- Validation of the entity's principal adverse impacts (PAI)
- Adjustments to daily second-level controls following regulatory changes
- Increased frequency of controls

QUANTITATIVE ESTIMATE OF THE FINANCIAL IMPACT OF THE MAIN RISKS

The climate risk and opportunity analysis used is based on the methodology of the provider ISS ESG, whose analysis extends to 2050. It is used to estimate the financial impact of climate risks and opportunities on issuers, using the Climate Value at Risk (CVaR) metric, which is broken down into Transition VaR (TVaR) and Physical VaR (PVaR). The climate risk analysis focuses on cash corporate securities.

Transition risks

The analysis of potential transition risks is based on two reference scenarios published by the International Energy Agency (IEA), taken from the World Energy Outlook 2025 (WEO 2025):

- Net Zero 2050 (NZE2050) corresponding to a rise of +1.5°C by 2100. However, the WEO 2025 forecasts that a rise of +1.5°C will now inevitably be exceeded by 2030, peaking in 2050 at around +1.65°C.
- States Policies Scenario (STEPS), corresponding to a rise of +2.5°C (i.e. a slightly higher level than in the 2024 edition)

As the data for the APS (Announced Pledges Scenario) are not included in the latest WEO 2025 report, this report will not include a quantification of the climate risks associated with this scenario.

The assessment of the impact of transition risks and opportunities takes into account the following transmission channels:

- Regulatory risks: These are the additional costs that companies may incur as a result of changes in the regulatory environment. The various regulatory risks (carbon tax, emissions trading schemes, and emissions restrictions) are often summarised using the "carbon price/cost".
- Market risks: This involves carbon price integration by region or country, applying scenario-specific data to scope 1 & 2 emissions, in line with the IEA approach. High-emission companies with relatively inelastic demand could theoretically pass on part of the additional carbon costs to their counterparties. ISS's approach reflects this, since a proportion of the carbon costs of the "Electricity generation" sector is passed on to scope 2 emissions of companies in other sectors.
- Technological risks: These include potential changes in demand for low-carbon technologies compared to fossil fuel technologies. The annual growth rates in energy production between 2020 and 2050 derived from the IEA projections in each scenario are used as an approximation of the impacts on demand.

An issuer's transition VaR, derived from ISS ESG modelling, estimates the change in the issuer's share price after taking into account the risks and opportunities associated with the transition. A positive VaR indicates a negative impact on the share price, and a negative VaR indicates a positive impact on the share price.

In a conservative approach, any negative TVaR is set to 0, so as not to include any positive impact in the risk estimate.

Physical risks

Companies' exposure to physical risks is estimated by simulating the impact of various climate hazards on the company's costs and revenues, based on its geographical footprint (location of physical assets and/or revenues). Physical risks can have a financial impact on a company at both operational and market levels. The analysis enables us to estimate the current and future financial impact of issuers' exposure to market and operational risks.

The assessment of future risks is based on climate conditions derived from two scenarios in the fifth assessment report of the Intergovernmental Panel on Climate Change (IPCC), developed according to the representative GHG concentration trajectory:

- Likely scenario: RCP 4.5, a scenario that predicts warming of between 1.7°C and 3.2°C by 2100
- Catastrophic scenario: RCP 8.5, a scenario that predicts warming of between 3.2°C and 5.4°C by 2100

There are six climate hazards used in the ISS ESG physical risk analysis, covering those hazards with the most significant impact in terms of damage costs and whose potential severity could have a substantial impact on companies.

Chronic risks	Acute risks
Heat waves Drought Flooding (coastal)	Tropical cyclones Flooding (rivers) Fires

As the transition VaR and physical VaR metrics are based on an equity model, they do not directly reflect changes in the value of any bond instruments that may be held. The measure nevertheless serves as a relevant indicator for assessing companies' exposure to climate risks.

Climate risk				
		Value at Risk (%)	Value at Risk (€ million)	Coverage** (%)
Transition risk	NZE (1.5°C)	1.06%	690.1	78.9%
	STEPS (2.4°C)	0.71%	462.1	
Physical risk	Likely scenario	0.34%	219.7	73.2%
	Worst-case scenario	0.51%	330.4	
Total risk*	NZE (1.5°C)	1.4%	909.8	
	STEPS (2.4°C)	1.0%	681.8	

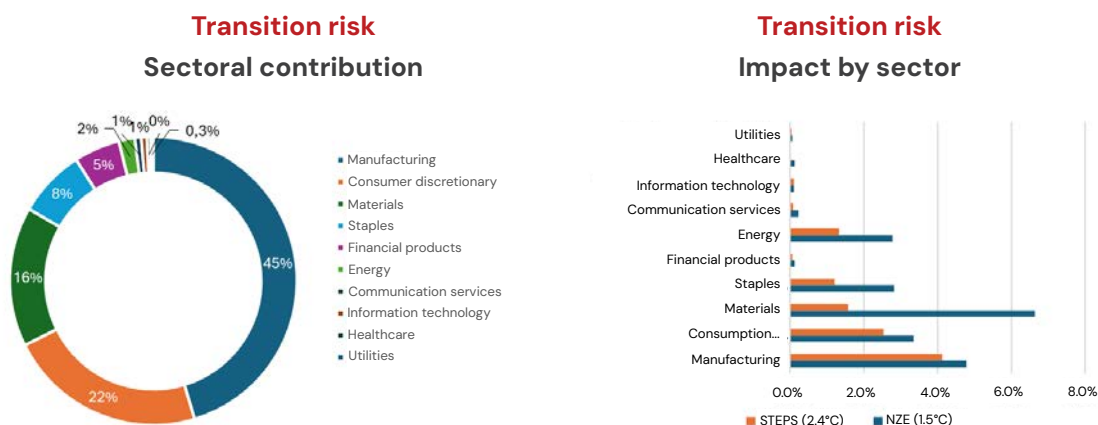
* Total risk = Transition risk + Physical risk Likely scenario RCP 4.5

** Coverage as a % is calculated on the basis of the assets under management analysed (cash corporate securities)

The aggregated results enable us to assess the portfolio's overall exposure to climate risks across the various scenarios. In the NZE scenario, the fund's total climate VaR is estimated at €909.8 million. It is therefore estimated that the covered assets under management of the overall portfolio could lose up to 1.4% of its value by 2050, of which 1.06% would be due to transition risks and 0.34% to physical risks.

The climate VaR of a portfolio, as well as its evolution, depends on the level of exposure of the investee companies to physical and transition risks, but also on the weightings of these investments within the portfolio.

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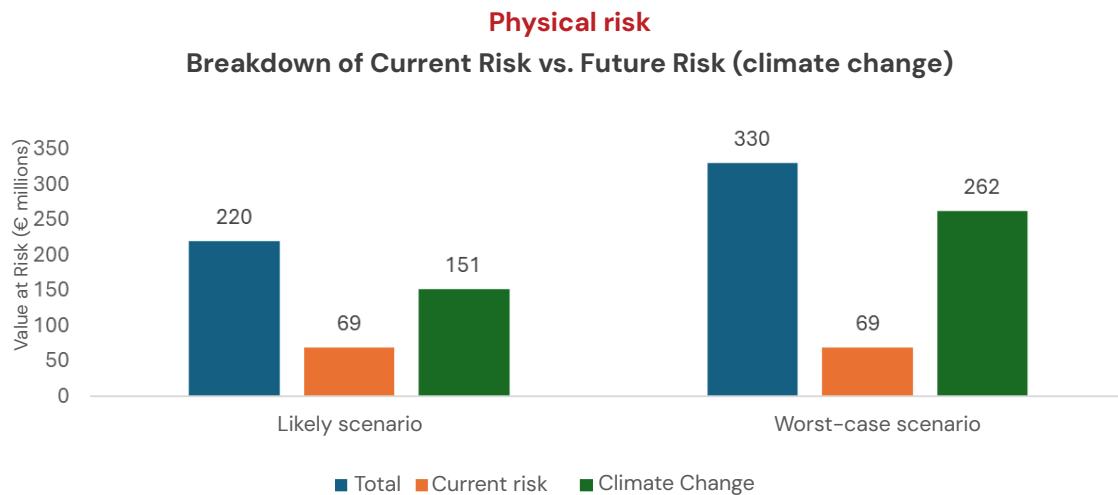
The "Manufacturing" sector is the most exposed to transition risks, contributing 45% of the transition VaR of the overall portfolio, followed by the "Consumer Discretionary" sector (22%).

The sectors most exposed to transition risks are Manufacturing, Consumer Discretionary and Materials, with more pronounced impacts in the strictest NZE transition scenario, particularly in the Energy and Materials sectors.

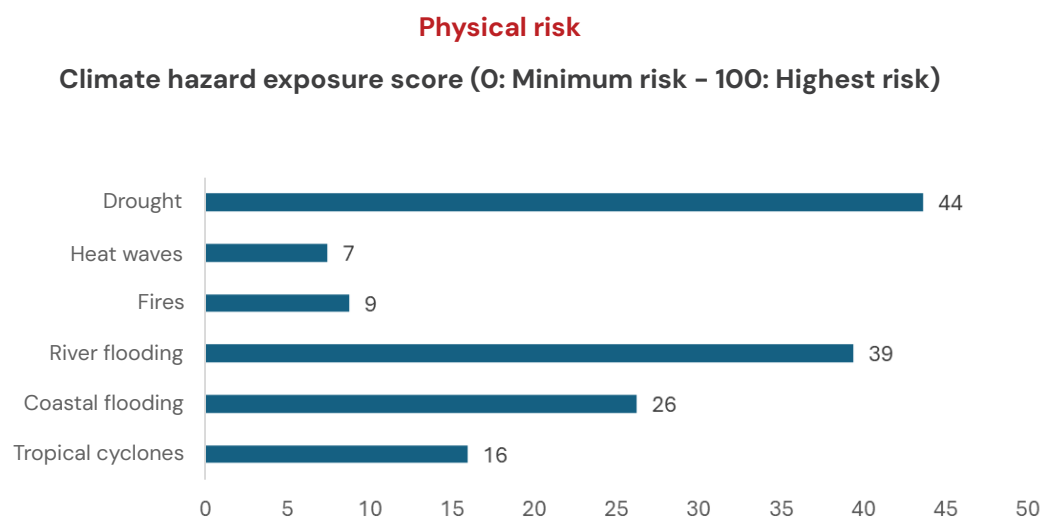
Top 10 TVaR positions in the portfolio					
Issuer	Weight	Sector	TVaR	Contribution to the portfolio's TVaR	Sectoral TVaR
VICAT SA	0.077%	Materials	100%	7.26%	14%
FORVIA SE	0.053%	Consumer discretionary	100%	4.98%	4%
SAPPI PAPIER HOLDING GMBH	0.009%	Materials	100%	0.82%	14%
Jungheinrich	0.008%	Manufacturing	100%	0.75%	3%
Avanquest Software	<0.001%	Information technology	100%	0.08%	1%
CASINO	<0.001%	Staples	100%	0.00%	5%
ARCELORMITTAL SA	0.015%	Materials	91%	1.30%	14%
Waga Energy Société anonyme	<0.001%	Energy	82%	0,05%	14%
PT Indofood CBP Sukses Makmur Tbk	<0.001%	Staples	80%	0,05%	3%
NISSAN MOTOR CO LTD	0.008%	Consumer discretionary	77%	0.57%	2%

The table above highlights the 10 issuers with the highest transition VaR, comparing each issuer's contribution to total transition VaR, as well as the average VaR for the sector to which they belong (GICS).

A high positive TVaR (%) indicates that the impact of carbon costs in the scenario studied leads to a significant loss in the company's valuation by 2050.



The impact of physical risks on the portfolio between now and 2050 may stem from the current level of risk, as well as from hazards caused by climate change. The physical VaR of the overall portfolio in the likely scenario is €220 million, of which €69 million stems from current risk levels and €151 million is linked to climate change.



The chart above highlights the risks to which the portfolio is most exposed, as indicated by physical risk scores. The score reflects the level of financial risk to which the issuer is exposed relative to its business sector. A score close to 100 indicates a financial risk that is significantly higher than the sector median.

"Financial risk" refers to all financial impacts related to the physical risks to which the company is exposed: costs related to damage repairs, loss of revenue, increased production costs, etc.

10 Issuers most exposed to climate hazards								
Issuer	Country	Overall score	Tropical cyclones	Coastal flooding	River flooding	Fires	Heat waves	Drought
Osisko Development Corp	Canada	74	62	58	69	49	31	7
Capitamall Trust	Singapore	70	61	49	38	28	24	26
B2Gold Corp	Canada	69	30	31	46	26	18	29
K92 Mining Inc	Canada	66	26	0	34	8	20	29
Rainbow Children's Medicare Lt	India	66	21	4	52	25	20	34
Mitra Adiperkasa	Indonesia	65	22	16	24	7	27	27
Bank Rakyat Indonesia Perser	Indonesia	65	11	9	18	6	0	28
PT Indofood CBP Sukses Makmur Tbk	Bermuda	65	29	30	30	8	28	29
Fortuna Silver Mines Inc	Canada	65	11	0	42	31	20	25
Barrick Gold Corp	Canada	64	59	38	47	35	16	8

The absolute physical risk score, ranging from 0 to 100 (0 indicating the lowest risk, 100 the highest), measures companies' exposure to physical risks in absolute terms, i.e. regardless of each company's specific business sector, and reflects the level of financial risk as a percentage of the companies' turnover. This score is therefore closely linked to the weight of financial losses linked to physical risks on the company's revenues, and does not depend on the weight of issuers in the portfolio. The materialisation of physical risks on our investments remains very moderate at this stage, with an estimated loss of valuation (physical VaR) of 0.54% by 2050 in the worst-case scenario and 0.36% in the likely scenario.

Data quality

The management company attaches paramount importance to the quality, reliability and traceability of the data used for ESG analysis, the monitoring of sustainability risks and the production of regulatory indicators. In accordance with the requirements of Article 29, the non-financial data used is sourced primarily from specialist providers selected on the basis of methodological robustness, transparency and coverage.

The data used for ESG risk management can be divided into "raw" data, i.e. data received directly from various ESG data providers prior to any reprocessing, and "reprocessed" data, to which internal calculations, aggregations or algorithms have been applied, notably by the management company's Data Management department.

Raw data or data reprocessed using our internal models enables us to carry out non-financial assessments of issuers: ESG assessments, PAI calculations, taxonomy data, the financial impacts of climate risks, etc.

Data quality can be assessed according to various criteria: coverage of KPIs, coverage of issuers, relevance and consistency of indicators, estimation methodologies, error rates, frequency of updates, as well as the responsiveness and quality of suppliers' responses to queries or errors raised, etc.

Overall, we are seeing a continuous improvement in the coverage of KPIs and companies, as well as monitoring of and adaptation to methodological changes – particularly those imposed by regulations – and a good level of responsiveness from our main supplier regarding any difficulties and errors reported. The time taken to correct anomalies is relatively reasonable and does not pose any major operational risks. Any anomalies identified are systematically corrected or justified in writing by the supplier.

On certain issues, greater transparency and improvements to methodologies would be welcome, particularly regarding climate risks. With regard to transition risks, for example, distinguishing between risks and opportunities when estimating financial impacts would improve understanding of issuers' exposure to these risks. As for physical risks, access to data on the geographical location of assets would provide greater transparency and enable better use of the results.

C - Real estate assets

Identification, assessment and prioritisation of sustainability risks

The European SFDR Regulation defines sustainability risk as any environmental, social or governance event or condition which, if it occurs, could have a significant adverse effect, actual or potential, on the value of the investment.

In addition to the material and social impacts of extreme weather events, increasing regulatory pressure as well as changes in the preferences of market participants influence the performance of real estate investments. Conversely, **a growing number of studies in different jurisdictions highlight that real estate practices that take into account climate change and sustainability can not only protect but also increase the value of real estate assets. Managing sustainability risks is a major challenge for La Française REM**, which has identified the main sustainability risks to which it is exposed. As real estate investment is a long-term endeavour, La Française REM intends to pursue an active policy of immediately controlling these risks.

La Française REM reviews its exposure to sustainability risks every year, in line with methodological and regulatory developments.

Category	Risk	Origin	Time horizon	Associated risk factor	Risk reduction measures
Physical risk	Heat wave	Exogenous	Long term	Global warming	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>
	Drought	Exogenous	Medium term	Global warming	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>
	Clay shrinkage and swelling	Exogenous	Medium term	Global warming	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>
	Flooding	Exogenous	Long term	Climate change	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>

Category	Risk	Origin	Time horizon	Associated risk factor	Risk reduction measures
Physical risk	Forest fires	Exogenous	Medium term	Climate change	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>
	Rise in sea level	Exogenous	Long term	Climate change	<p>Analysis of the vulnerability of all real estate assets to this hazard and definition of an action plan if necessary</p> <p>Annual review of the method used and update of exposure data</p> <p>ESG audit prior to any acquisition</p> <p>Calculation of the financial impact of the risk linked to this climate hazard on the valuation of the asset</p>
	Earthquake	Exogenous	Current	Location in a seismic zone	ESG audit prior to any acquisition
	Storms and high winds	Exogenous	Long term	Climate change	<p>As the joint research between scientists and Météo France continued into 2025,</p> <p>Bat'Adapt, the tool selected by La Française REM, has postponed the development of a risk indicator for storms and strong winds until autumn 2026.</p>
	Extreme cold	Exogenous	Long term	Climate change	Following a one-year delay by the OID in publishing this indicator, it will only be partially available in 2026 (only exposures).

Category	Risk	Origin	Time horizon	Associated risk factor	Risk reduction measures
Transition risk	Regulatory	Exogenous	Medium term	Developments in French and European regulations in the light of delays in meeting European engagements	Calculating the financial impact of introducing a carbon tax
	Energy supply	Exogenous	Current	Changes in national energy mixes	Subscription to renewable electricity contracts for areas managed by La Française REM
	Technological obsolescence	Exogenous	Medium term	Changes in regulations – Loss of expertise	Replacing obsolete equipment with equipment that anticipates future regulations
Social risk	User health	Endogenous	Current	Presence of hazardous substances (asbestos, lead)	ESG audit prior to any acquisition
	Health of users and local residents	Endogenous	Current	Industrial sites presenting major accident risks	ESG audit prior to any acquisition
Execution risk	Meeting SRI targets	Endogenous	Current	Approximate objectives Monitoring and/or irregular actions	Formalisation of a committee structure (monthly or quarterly meetings depending on the number of assets managed by each PM) dedicated to monitoring our ESG objectives with our PMs

ESG AND CLIMATE RISKS

La Française REM believes that the main sustainability risks are climate-related, in particular:

- **Physical risks** resulting from damage directly caused by climate change
- **Transition risks** linked to the effects of the implementation of a low-carbon economic model.

Physical risks linked to climate change

Since 2022, physical and functional risk analysis of the real estate portfolio has been carried out for six climate hazards that could impact buildings and their occupants using the BAT ADAPT tool from the Sustainable Real Estate Observatory (OID):

- **Heat waves**, which can degrade thermal comfort and damage networks;

- **Droughts**, which can increase the risk of structural degradation in clay soils and can expose assets located near forests to fire risks;
- **Clay swelling and shrinkage**, which can degrade the structures of buildings with shallow foundations or buried networks;
- **Floods**, which can affect buildings through water infiltration into the walls or damage to underground networks;
- **Coastal flooding**, which can affect buildings due to water infiltration into materials, and damage caused to structures and networks. Coastal flooding is often accompanied by storms, which cause further damage to buildings;
- **Forest fires**, which can destabilise the structure of buildings, cause explosions or potentially destroy the property entirely.

The evolution of climate hazards has been analysed for assets located in Europe based on the IPCC RCP 8.5 scenario and for the period 2020 to 2050. The choice of the so-called "pessimistic" RCP 8.5 scenario is dictated by the precautionary principle.

Risk associated with the vulnerability of the assets is calculated using a combination of (i) the exposure of the real estate assets to climate hazards, and (ii) their sensitivity.

The risk of exposure depends on the location of the property. The risks to which a building is exposed vary depending on where it is. Climatic events and their intensity differ between regions, and also within regions, depending on the topography and the immediate environment. To estimate the risk of exposure, a list of climatic indicators has been set out for each hazard identified above. For example, the evolution of the "heatwave" hazard is monitored through the number of days during which the maximum temperature is more than 5°C above normal for at least five consecutive days. During the analyses carried out in 2023 and 2024 on the 2022 and 2023 financial years, in collaboration with the OID, more recent and forward-looking indicators were used to strengthen the predictive ability of the physical risk model, which led to a general deterioration of exposures, reflecting the acceleration of climate deterioration. For the analyses conducted in 2025 on the 2024 financial year, the addition of a large number of residential assets and suburban supermarkets without deep foundations within the analysed perimeter has increased exposure to clay shrinkage and swelling. In 2025, La Française added the climate hazard of "Forest fires" to its vulnerability analysis, but only for France. In 2026, the OID will review its heatwave and flood models.

The assessment of the sensitivity of a real estate asset to a given hazard depends on the characteristics of the real estate asset, notably its construction method, its technical equipment and its location, the presence of vegetation as well as its use. Work on deepening and broadening the sensitivity factors has been carried out with the OID since 2024.

Ultimately, a cross-analysis of exposure risk and building sensitivity makes it possible to identify buildings that are highly vulnerable to the above-mentioned climate hazards.

The analysis of the "Storms and high winds" climate hazard will be postponed until autumn 2026, due to the current lack of forward-looking data.

Quantitative estimates

ANALYSIS OF ASSET VULNERABILITY TO PHYSICAL CLIMATE RISKS

Scope analysed: 1,718 assets with a total surface area of 4.6 million m² and a total value of €20.4 billion

The analysis of the vulnerability of assets to climate hazards highlights the following major vulnerabilities:

	% of assets with high vulnerability to climate hazards
Heat wave	21.80%
Drought and shrinkage & swelling of soils	3.23%
Flooding	27.77%
Rising sea levels	0.78%
Forest fires	0.0%

Financial impact of physical climate risks on asset valuation

Calculation method

Physical risk is the physical deterioration of a real estate asset after an extreme weather event has occurred and the additional costs of operating buildings due to the increasing number of heat waves.

The damage costs generated by each new event of each hazard are deduced from insurance distributions (source: Catnat). Additional operating costs are the costs of over-consumption such as, during heat waves, the additional energy costs of cooling assets and the wear and tear cost of accelerated damage to air conditioning equipment due to running at full capacity during said heat waves.

The excess energy consumption costs calculated for a heat wave 5 °C above the seasonal average are 35%.

Wear and tear costs depend on the condition of the equipment. They vary from -50 bps to -75 bps of the value of this equipment per day of a heat wave 5° above the seasonal average. All projected costs are discounted at an annual rate of 4%.

The physical risk then corresponds to the relationship between the exposure and sensitivity of the assets on the one hand and the damage costs and additional operating costs on the other. Due to the deterioration of exposures resulting from the use of more forward-looking data and the increase in costs associated with each event, the financial impact has increased significantly compared to the previous year.

The amount of damage costs and additional operating costs related to physical climate risks will reduce the value of the funds' assets as follows:

	Financial impact on fund asset value
Cumulative costs until 2030	-1.32%
Cumulative costs until 2050	-7.61%

The increase in insurance premiums associated with the rise in climate hazards in the context of multi-risk professional insurance policies has also been included since 2024. For the sake of caution, this additional cost has been added to the damage costs, bearing in mind that insurance could at least partially mitigate their financial impact.

TRANSITION RISKS LINKED TO CLIMATE CHANGE

Transition risks linked to climate change correspond to our portfolios' exposure to changes brought about by the ecological transition. These risks are mainly linked to the development of anti-pollution taxation systems and more restrictive carbon markets which would lead to an increase in the price per tonne of CO₂ or an obligation to carry out thermal renovation work. La Française REM estimates these risks differently depending on the type of assets. These risks could erode the financial profitability of the product.

Tertiary assets

La Française REM believes that the transition risk could materialise through the taxation of CO₂ emissions in excess of the emission caps of the decarbonisation trajectory compatible with the international objectives set out in the Paris Agreement.

La Française REM manages this risk by:

- Setting a target of aligning CO₂ emissions with a 1.5° decarbonisation trajectory for its assets pursuing a sustainable environmental objective;
- Setting energy consumption reduction targets in line with the Tertiary Eco-energy Scheme for tertiary assets of over 1,000 m²;
- Implementing action plans to reduce CO₂ emissions across its real estate assets.

Financial impact of the transition risk on the turnover of real estate assets pursuing an environmental sustainable investment objective

Scope analysed: 916 assets with a total surface area of 4.0 million m² and a total value of €18.4 billion

Calculation method

The management company estimates the financial impact of the creation of a carbon tax that would apply to CO₂ emissions of financial assets above the emission caps that make up the CRREM/SBTi decarbonisation trajectories. These caps have been defined in collaboration with SBTi in order to propose a new global standard, compatible with the international objectives of the Paris Agreement.

To estimate the transition risk, La Française REM applies a carbon tax to emissions above the CRREM decarbonisation trajectories, with the price increasing over time from €136 in 2025 to €922 in 2050.

The amount in euros was calculated by converting the price per tonne of carbon in \$, taken from the IAM REMIND-MAGPIE 3.3-4.8 (Net Zero 2050 scenario), into euros, using the OECD exchange rate for 2025.

In 2025, La Française REM will charge this carbon tax on the turnover from its real estate assets. In the 2022 report, the amount of the carbon tax was deducted from the net accounting income of the funds. It appeared that the change in the financial impact of transition risk depends more on the change in net accounting income – and therefore on financial items unrelated to the operation of real estate assets – rather than on the environmental performance of the assets. This is a change in method.

To make it easier for our investors to understand, we have reconstructed a history of the financial impact of the creation of a carbon tax on turnover from real estate assets:

	Financial impact of the creation of a carbon tax on the turnover of real estate assets			
	31/12/2022	31/12/2023	31/12/2024	31/12/2025
In 2030	0.70%	0.30%	0.30%	0.30%
In 2040	4.60%	3.10%	2.90%	2.80%
In 2050	8.40%	5.80%	5.40%	4.60%

The reduction in the financial impact of transition risk on tertiary real estate assets is explained by the reduction in CO2 emissions on our existing portfolio, as well as the arbitrages carried out in 2024. The change in the price per tonne of carbon is not significant over one year.

Residential assets

The Climate and Resilience Act introduced a number of measures aimed at eventually banning the rental of housing considered to be too energy-intensive.

Since 2025, it is no longer possible to let out a home with a G energy label. This ban will be extended to:

- Homes with an F energy label from 2028
- Homes with an E energy label from 2034

La Française REM is taking steps to reduce this risk by:

- Setting a minimum energy performance target for its projects under construction;
- Carrying out thermal renovation work on portfolio assets.

Financial impact of the transition risk on the net income of real estate assets pursuing a sustainable investment objective.

Scope analysed: 791 assets with a total surface area of 78,400 m² and a total value of €433 million

To estimate the transition risk, La Française REM applies the following energy renovation costs to assets with a EPC energy label of less than D:

- €1,000/m² for assets with an EPC (energy performance certificate) of F or G
- €500/m² for assets with an EPC (energy performance certificate) of E

To calculate the financial impact, La Française REM assigns a G EPC to assets for which it has not obtained an EPC. The cost of the works would be deducted from the value of the assets as follows:

	Financial impact on fund asset value			
	31/12/2022	31/12/2023	31/12/2024	31/12/2025
Cumulative costs until 31 December 2024	2.00%	1.30%	0.60%	
Cumulative costs until 31 December 2027	2.30%	1.90%	1.20%	8.8%
Cumulative costs until 31 December 2033	3.50%	3.40%	2.90%	9.7%

The increase in the financial impact of the transition risk on residential real estate assets is explained by the increase in the proportion of assets with an invalid EPC following changes to the regulations.

First-level controls are carried out by the ESG team: this team incorporates compliance with non-financial criteria into investment choices made by investment committees. It also produces all ESG indicators that are included in pre-contractual and periodic reports (e.g. PAI on the primary energy consumption of each property). For this purpose, it receives quantitative support from the financial engineering team for the calculation of physical risks.

Risk Management performs a control of the ESG indicators on physical and transition risks produced by the two teams.

In this respect, Risk Management has drafted new sections describing the integration of non-financial criteria in the context of LF REM's risk policy.

Second-level controls are performed by Internal Control and Compliance, which verifies compliance with the ESG criteria and their conformity with legal documentation. In addition, the controls are carried out by the Compliance and Internal Control Officer teams on the organisation of the SRI system, the investment process, the monitoring of SRI constraints and the controls carried out by Risk Management.

Risk Management performs a control of the ESG indicators on physical and transition risks produced by the two teams.

Data quality

The management company attaches paramount importance to the quality, reliability and traceability of the data used to manage its ESG strategy, monitor sustainability risks and produce regulatory indicators.

Its non-financial strategy is based on the collection, processing and analysis of data derived directly from the real estate portfolio under management.

The management company prioritises the use of actual data relating to its property portfolio. This approach ensures the reliability of the indicators and enhances the robustness of the non-financial analysis.

Where this is not possible, it uses theoretical data, in particular from EPCs or energy audits. The company is increasingly using AI tools to fill data gaps using open data sources. Particular attention is paid to verifying the consistency of AI-generated data. As a last resort, it uses sector data derived from reference benchmarks.

The source of the data is tracked and stored in the management company's information system so that the associated level of reliability can be assessed at any time.

To populate the non-financial databases, the management company carries out ongoing campaigns to collect actual data from property managers to ensure regular and timely updates to operational data, as well as annual campaigns targeting tenants via its property managers.

As part of the continuous improvement of its non-financial management system, the management company upgraded its information system in 2025 in order to (i) significantly expand the range of data collected to take account of the many specific characteristics of real estate assets, and (ii) maintain a historical record of the data collected.

The management company prioritises the use of actual data relating to its property portfolio. This approach ensures the reliability of the indicators and enhances the robustness of the non-financial analysis.



INDICATORS AND OBJECTIVES

06

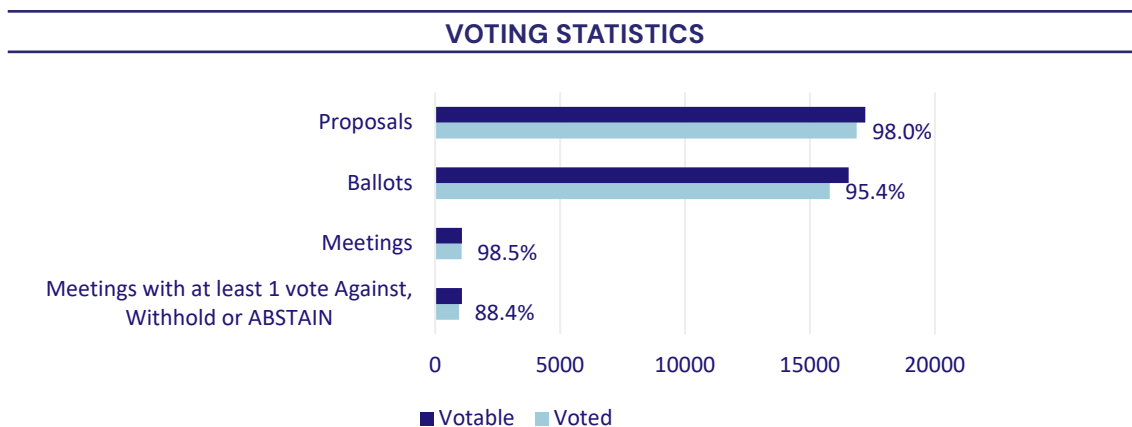
A - Indicators

FINANCIAL ASSETS

VOTING

Voting at General Meetings

During the 2025 voting season, we voted at 98.5% of General Meetings and on 98% of the resolutions tabled. These figures demonstrate our commitment to actively exercising our shareholder rights in almost all the markets in which we operate.



Over 99% of our votes complied with our voting policy, a result that reflects the robustness of our operational implementation and voting monitoring processes.

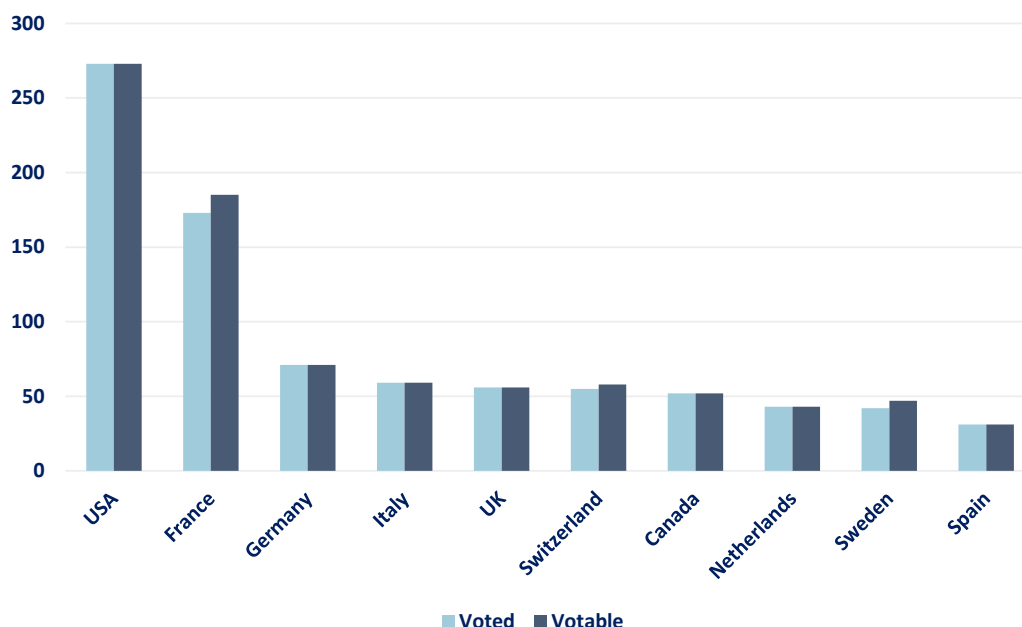
The few instances where we did not follow our policy (29 resolutions in total) were due to fundamental analysis carried out by our teams, which provided further information and led us to change our opinion. On certain issues, such as the pay ratio at Santander or climate reporting at Dassault Aviation, we noted that our service provider did not have the most up-to-date information and therefore amended the voting instructions to take account of the information we had gathered ourselves. In other cases, such as the re-election of the Chair of the Governance Committee at Alphabet, although we voted against the re-election of other members of certain committees due to the length of their terms of office, we decided to vote FOR the re-election of Frances H. Arnold so as not to undermine the diversity of the Board of Directors, in line with our new policy for 2026 to prioritise diversity over other factors when re-electing board members, should diversity fall below 40%.

Votes against management

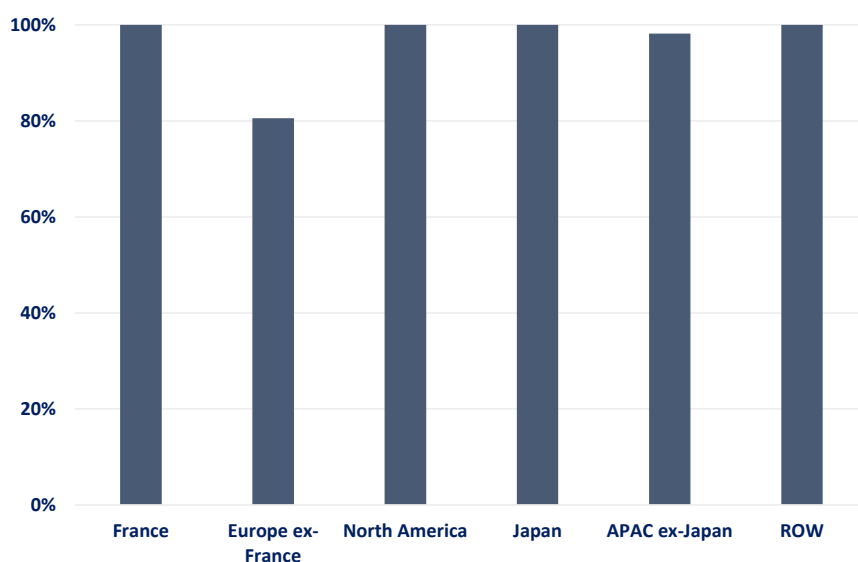
We cast votes against management in around 30% of cases, a substantial increase compared with last year (20% for the former CMAM). This increase is due to the enhancement of our voting framework, as well as the introduction over the years of additional criteria in our specific voting policy relating to corporate governance and environmental and social issues, as described in the "voting policy" section of this report in chapter 3B.

Our voting decisions are based on a detailed analysis of the quality of governance, Board independence, pay alignment, transparency on sustainability, shareholder rights and other long-term strategic considerations. The enhancement of our voting framework, introduced in 2025, has resulted in greater scrutiny of resolutions where the companies involved have not demonstrated sufficient progress on ESG issues.

AGM PARTICIPATION - BY COUNTRY



AGM PARTICIPATION



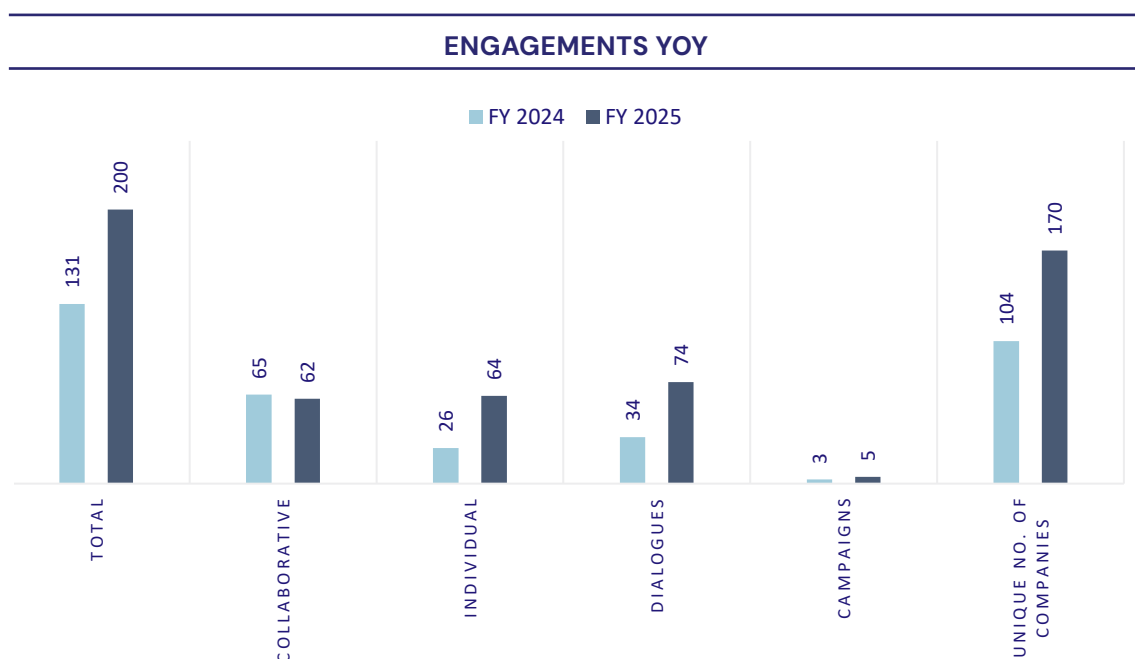
It is worth noting that opposition to management on shareholder resolutions was down to 32% (compared with over 40% last year for the former CMAM). This is mainly due to the significant rise in anti-ESG and anti-diversity resolutions submitted by shareholder groups in the United States. These resolutions call on companies to scale back their engagements on climate, diversity and sustainability in general, and are not always supported by management. This is why, particularly with regard to shareholder resolutions, we take a case-by-case approach. For further details, see the 2025 [Stewardship Report](#).

ENGAGEMENT

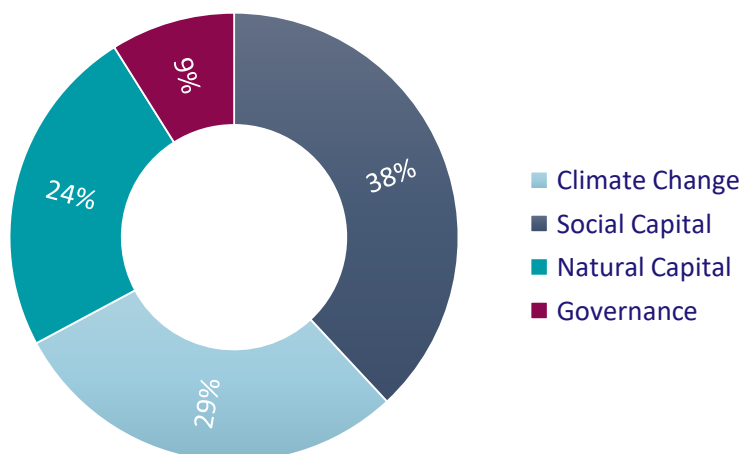
Our main engagement activities in 2025

- We conducted 200 engagements, including five campaigns and several public policy consultations. We engaged with 170 unique companies, spread across 62 collaborative engagements, 65 individual engagements and 74 dialogues conducted throughout the year, in different sectors and regions and on a variety of topics and themes. In terms of geographical focus, France and Europe remained our clear priority, while in terms of sectors, we had significant engagements with companies in the financial, materials and consumer sectors.
- Our thematic approach has led to targeted engagements on transition plan strategies, health, human rights and social reporting. We have also been more active in the areas of natural capital and governance.
- We co-signed several policy initiatives advocating for ESG reporting and/or stricter ESG regulations in Europe and globally.
- In 2025, we joined the AICDI (Artificial Intelligence Company Data Initiative), a collective initiative aimed at encouraging companies to reflect on their use of AI and to report relevant indicators in this area; and in early 2026, we joined Ethical AI, an initiative led by the World Benchmark Alliance to promote AI that respects fundamental human rights, within which we have entered into engagements with two companies.
- We have stepped up our engagement in market associations by actively participating in the FIR's just transition working group, the AFG's Responsible Investment and Governance committees, the Nature Action 100 Technical Advisory Group, and the formation of new working groups within the IIGCC on various climate, social and governance issues.
- Our Stewardship Committee met six times in 2025, reflecting its growing role in sharing information and making decisions on Stewardship matters.

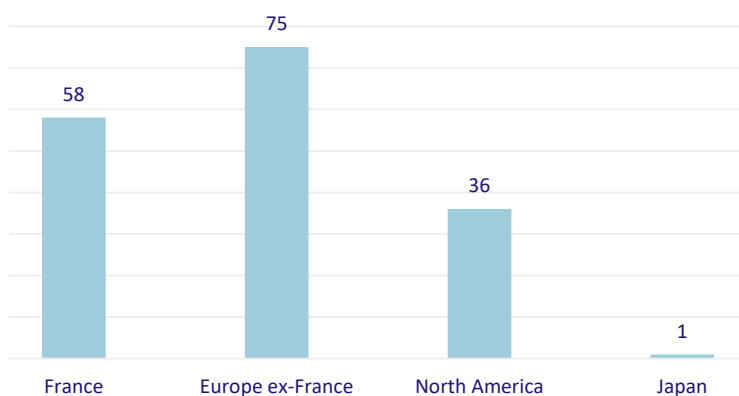
The charts below present some highlights of the year:



THEMATIC DISTRIBUTION of company engagements (excluding Dialogues)



REGIONAL DISTRIBUTION of companies engaged with (including dialogues)



For further details, see the 2025 [Stewardship Report](#).

BIODIVERSITY

We publish Crédit Mutuel Asset Management's biodiversity footprint, which covers all of La Française Group's financial assets, using the footprint¹⁴ provided by Iceberg DataLab to measure it. We are aware of the limitations of such a footprint, which is why we simply present it in the Indicators section and why it does not (at this stage) constitute a target for the Financial Assets division.

We have also chosen to present a biodiversity footprint measure without presenting a consolidated view of the ecosystem dependencies and impacts of the investee companies on biodiversity, nor any action plans, as the portfolio consolidation approach does not reflect issues related to natural capital, which are eminently local and specific to each company. However, this is an area of work that we are committed to both internally, through our analysis teams, and externally, through our engagements, for example, with the Finance for Biodiversity Foundation and the CDP, in order to obtain more relevant data. Note that for 2026, we are committed to publishing an ecosystem dependency matrix (see the section Objectives below).

(14) [Corporate Biodiversity Footprint](#)

At the end of the 2025 financial year, our overall biodiversity footprint for financial asset portfolios was -3,346 MSA.km², corresponding to 62% coverage of all assets (bonds and equities).

As mentioned in previous years, the majority of our biodiversity footprint stems from our exposure to the financial sector (70%). Indeed, eight of the top ten stocks with the highest biodiversity footprint in our portfolios are large-cap European banks, in which we have significant exposure through:

- short-term bonds in money market funds
- medium- and long-term bonds, senior and subordinated bonds in bond management
- equity investments in equity and diversified management

The financial sector has a high biodiversity footprint in Iceberg Data Lab's CBF methodology, as it indirectly finances companies in biodiversity-intensive sectors such as agriculture, mining and energy. Through its investment and lending activities, a financial institution is allocated a proportionate share of the biodiversity impacts caused by these companies, similar to the approach used to account for financed emissions. This results in a significant footprint despite the sector's low direct operational impact, highlighting the systemic influence of capital allocation on nature.

Excluding the financial sector, our combined footprint was -995 MSA.km², over 40% of which was due to our exposure to the consumer discretionary and consumer staples sectors.

Our biodiversity footprint can also be seen in relation to the market indices in which we invest:

- MSCI ACWI: the footprint of this equity index is -5,048 km².MSA with 95% coverage.
- The Global Aggregate Corporate and Global High Yield composite: the footprint of this bond index is -5,616 km².MSA with 63% coverage.

*The majority of **our biodiversity footprint** stems from our exposure to the financial sector (70%)*

REAL ESTATE ASSETS

BIODIVERSITY

Preserving biodiversity in real estate assets

Unlike the climate, for which there are many tools and quantified references for reducing greenhouse gas emissions, a lack of common quantitative and measurable indicators remains an issue for the measurement and management of biodiversity risks.

Managing pressure on biodiversity: protecting natural areas.

Proportion of new projects built on land of outstanding biodiversity value

La Française REM aims to exclude all new construction projects on land of outstanding biodiversity value, as defined by the DNSH of the taxonomy regulations for activity 7-1 "Construction of new buildings".

To report on its objective of controlling pressures on biodiversity, La Française REM calculates the share of new projects built on land that holds special interest in terms of biodiversity.

In 2025, none of the construction projects acquired by La Française REM were located on land of outstanding biodiversity value.

Restoring biodiversity: increasing the amount of green space in construction/restructuring projects.

Calculation of the harmonised Biotope Area Factor (hBAF) for construction/restructuring projects

During the operational phase, the buildings delivered put pressure on the ecosystems as inert and fragmented infrastructures. La Française REM aims to promote ecological continuity by increasing the greening of property restructuring projects and greening its construction projects wherever possible. It has set itself the objective of achieving a hBAF for projects under construction above 0.3 and of increasing the hBAF for restructured projects above the level existing prior to the restructuring work.

To report on its biodiversity restoration objective, La Française REM calculates the harmonised Biotope Area Factor of all of its projects in the construction or restructuring phase.

In 2025, La Française REM acquired four off-plan projects. The average BAF for these projects that had not been completed at the time of acquisition was 0.46.

In 2025, La Française REM acquired four off-plan projects. The average BAF for these projects that had not been completed at the time of acquisition was 0.46.

B - Objectives

To demonstrate and support its progress, the Group has set itself targets and reports on its progress in achieving them, whether they concern the Group, financial assets or real estate assets.

Groupe La Française



TRAINING IN SUSTAINABLE INVESTMENT

Theme	2025 objectives	2025 indicators	2026 objectives
Internal training in Sustainable Investment	11 Sustainable Investment training modules	14 modules completed Including 2 on solidarity finance and 1 special module on regulation	12 modules + 1 special module on solidarity finance
Climate Fresk	Continue Fresks organised by employees for employees	20 workshops, including 3 abroad (Germany and the UK) + 226 participants	Continue the roll-out 1 to 2 workshops per month
Mandatory e-learning course "Environmental risks for the banking and financial sector"	90% of staff trained by the end of 2026	70% of staff trained	90% of staff trained

To ensure that every employee in the Asset Management division is involved in sustainable investment and real estate, La Française Group decided to roll out a continuous training and awareness-raising programme for all its employees, in both French and English. This programme, which has been running since 2021, consists of modules lasting an average of 30 minutes and is delivered by in-house experts in the relevant fields. In 2025, it was expanded to include two sessions on Solidarity Finance and a special module on developments in ESG regulation, in order to keep pace with the latest developments.

The group intends to continue training its employees and raising their awareness of sustainable investment and CSR by renewing these initiatives in 2026. In addition, since the end of 2022, the Group has been organising monthly "Climate Fresk" workshops to further raise awareness of climate issues among all employees. Workshops were also organised in 2025 for teams in Germany and the UK.



GENDER EQUALITY

Theme	2025 objectives	2025 indicators	2026 objectives
Developing the role of women in the Group	Furth'Her mentoring programme	76 women mentored since 2020	Continue the Furth'Her programme
Gender equality index	Minimum score 85/100	90/100	Minimum score 85
The place of women in management	Achieve and maintain gender balance in management bodies	38% women on the La Française Group Executive Committee	40% women on the Executive Committees of La Française Group entities by 2029
Awareness-raising initiatives on diversity and inclusion			Roll out awareness-raising initiatives on disability Roll out awareness-raising initiatives for managers and executives on gender balance by the end of 2027

The gender equality index aims to take stock of the current state of gender equality. Each year, companies with at least 50 employees must calculate and clearly publish their overall gender equality index score on their website, along with the score obtained for each of the indicators comprising the index.

The new La Française – Crédit Mutuel Alliance Fédérale ESU obtained an overall score of 90 out of 100 on the gender equality index as at 31 December 2025.

The ESU scores positively on three of the five key indicators that make up this index: the individual pay rise rate gap, the promotion rate gap and the percentage of female employees who received a pay rise in the year following maternity leave.

The first indicator, which concerns the gender pay gap, and the second, which concerns the number of employees of the under-represented gender among the top 10 earners, are major areas for improvement for the Group.

To continue improving this index, the La Française Group signed a company-wide agreement in April 2026 to commit to concrete measures promoting gender equality in the workplace.



Furthermore, in order to accelerate the advancement of female talent and attract women to professions in which they are under-represented, La Française launched the "Furt'her" initiative at the end of 2020, which promotes the advancement of women within the Group, notably through its internal mentoring programme. Since its launch, this programme has mentored 76 women within the Group over the course of one year. Furt'her can also count on a community of female role models who are helping to change perceptions of the finance sector by reaching out to young girls through the "Bring Your Daughter @work" initiative and activities aimed at secondary school and university students, both girls and boys.

La Française has also signed a charter of engagement to gender balance and gender equality in companies and organisations in the real estate sector.

Future engagements in terms of recruitment, remuneration, career development and quality of life at work:

- Ensure that external recruitment processes include candidates of both genders, regardless of the recruitment method or type of contract (permanent, fixed-term, work-study or internship)
- Distribute our recruitment charter to everyone involved in recruitment, both in-house and externally; roll out awareness-raising campaigns for managers on best recruitment practices and non-discrimination
- Achieve a minimum score of 85 points each year in the gender equality index
- Promote gender balance on the main committees that make up the governance of Group companies, with a minimum representation of women of 40% by the end of 2026, i.e. 10 points more than the obligations set by the Rixain law
- Pursue all actions resulting from the Furt'Her initiative, both internally and externally.

FINANCIAL ASSETS

FORMALISATION OF POLICIES

The implementation of our various objectives, together with the strategic importance of climate, natural capital and social capital issues, has led us to formalise our approaches and practices in the form of policies, which we have made available on our website. This initiative, which began in 2025, is continuing in 2026.

Theme	2025 indicators	2026 objectives
Formalise our guiding principles through the publication of various policies	Publication of a Natural Capital Policy	Publication of a Climate Policy Publication of a Social Capital Policy



CLIMATE CHANGE – MITIGATION

Theme	2025 indicators	2026 objectives
Reduction in line with the Paris Agreement Carbon footprint per €m managed CMAM	Not applicable	30% reduction in the carbon footprint of investments by 2030 compared with the end of 2023
Net Zero Investment Framework (NZIF) approach	Not applicable	100% coverage of the top 20 contributors to the carbon footprint via the NZIF approach
Formalisation and publication relating to climate change	Internal roadmap on climate strategy	Publication of a Climate Policy

In line with the Paris Agreement and consistent with the Crédit Mutuel Alliance Fédérale group's stated commitment to achieving carbon neutrality across its investments by 2050, Crédit Mutuel Asset Management has set itself the target of reducing emissions linked to its investments by 30% by 2030, compared with the end of 2023 and measured in tCO₂ (scope 1 & 2) per million invested.

As our main driver for decarbonisation is the largest contributors to Crédit Mutuel Asset Management's carbon footprint, we are committed to analysing the 20 largest contributors to this footprint from 2025 onwards and supporting them in their transition, in order to contribute to an effective and tangible reduction in CO₂ emissions in the real economy.

Alongside reducing emissions, Crédit Mutuel Asset Management aims to increase the proportion of companies within its core portfolio that have a credible trajectory to become "net zero" or are aligned with an NZE¹⁵ 2050 scenario.

This target will be implemented through short- and medium-term measures across three types of levers:

- Measuring the credibility of transition trajectories
- Recognising the contribution of products and services to the decarbonisation of the real economy
- Targeted climate engagement.



PRESERVING BIODIVERSITY

Theme	2025 indicators	2026 objectives
Product – launch a fund linked to natural capital	CMAM Global Biodiversity Fund launched in June 2025	
Awareness-raising	1 module completed	1 biodiversity awareness-raising module per year
Formalisation and publication relating to natural capital	Publication of a Natural Capital Policy	Publication of a Dependency Matrix
Natural capital Stewardship	2025 voting policy including requirements on a zero-deforestation policy	Integrate new natural capital issues into the voting policy and engagement campaigns

To strengthen our responsibility towards nature and biodiversity, we have set ourselves three internal biodiversity targets for 2026:

1. Publishing a natural capital dependency matrix
2. Making progress in integrating natural capital issues into our voting policy and engagement campaigns
3. Continuing to raise biodiversity awareness by delivering company-wide internal training on the dependency matrix

These objectives follow the recommendations of the "Nature Target Setting Framework for Asset Managers and Asset Owners" published by the Finance for Biodiversity Foundation in July 2024. They fall under the "initiation objectives" as defined in this guide.

(15) NZE: Net Zero Emissions

REAL ESTATE ASSETS



CLIMATE CHANGE – MITIGATION

La Française REM, which intends to take its part in the fight against climate change, has made a commitment to align, each year, the average greenhouse gas emissions of the assets it manages directly with 1.5° decarbonisation trajectories.

Which indicator should be chosen to reflect this engagement? Initially, La Française REM used a surface intensity indicator ($\text{kgeqCO}_2/\text{m}^2$), by calculating total greenhouse gas emissions related to energy consumption for all fluids, all uses, private and communal areas. This indicator, if adapted to the specific characteristics of real estate assets, cannot be used as an indicator common to other asset classes (equities, bonds, private equity, etc.). La Française REM has defined a second indicator based on the implicit temperature of its portfolio to assess its engagement.

There is no established approach to determining the temperature of a real estate portfolio. **La Française REM is therefore developing its own methodology, which will be enriched and adapted as our work progresses in order to better take into account the complexity of the relationship between CO₂ emissions and global warming.**

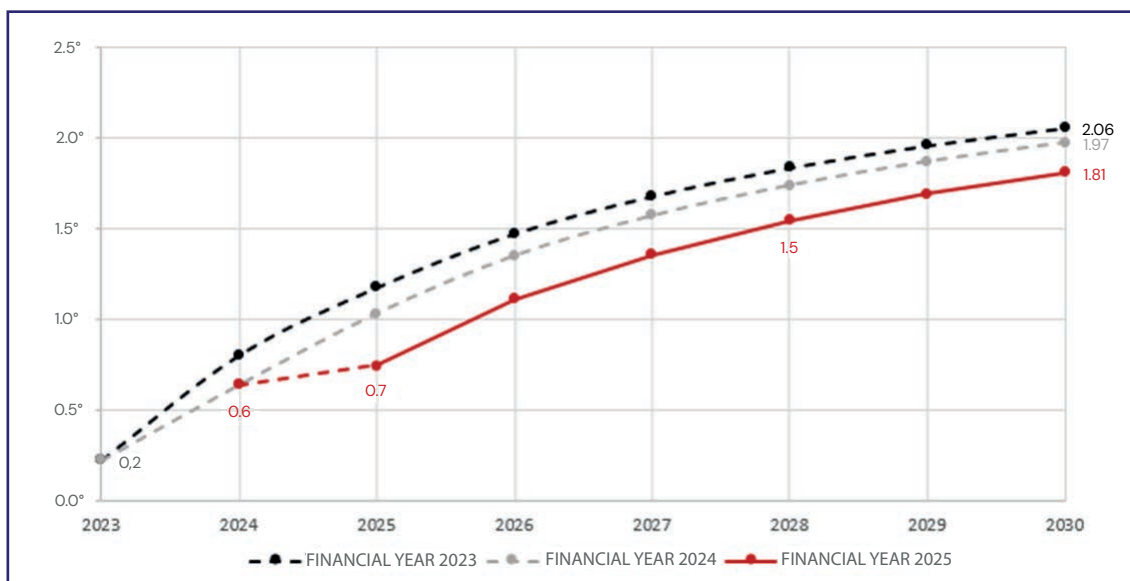
La Française REM has adopted the decarbonisation trajectories defined by the CRREM, in partnership with SBTi. These trajectories define annual emission ceilings to contain global warming to 1.5° and 2°, by asset type and by country. La Française REM deducts from these two implicit temperature trajectories for each asset using the hypothesis of a linear function between CO₂ emissions and global warming.

La Française REM calculates an implicit temperature of its assets for each year, until 2030. This temperature reflects the deviation from the trajectories defined by the CRREM. Insofar as La Française REM does not yet use projections of future emissions from its assets, due to the lack of reliable data to calibrate the expected gains in terms of reducing energy consumption, the temperature of the assets increases over time.

The temperature indicators for each asset are then aggregated at real estate portfolio level, weighted by surface area.

The temperature indicators for each asset are then aggregated at real estate portfolio level, weighted by surface area.

Implied temperature of LF REM portfolio



For the 2025 financial year, **the implied temperature of the aggregate real estate portfolio by 2030 is +1.8°, a decrease of 0.2° over one year.** The associated coverage rate is 73% of the assets managed by LF REM (compared with 69% in 2024).

For assets whose CO₂ emissions are calculated using real data, **the implicit temperature aggregated by 2030 is +1.8°C.** The associated coverage rate is 54% of the assets managed by LF REM.

REDUCTION IN CO₂ EMISSIONS

Theme	2025 indicators	2026 objectives
Reduction in line with the Paris Agreement Aligning average annual GHG emissions with CRREM's 1.5°C decarbonisation trajectories	Surface intensity: 13.0 kgeqCO ₂ /m ² /year versus 17.9 kgeqCO ₂ /m ² /year (CRREM threshold value*)	Staying aligned with the CRREM's annual thresholds

* for a comparable portfolio

La Française REM has set itself an ambitious target to reduce CO₂ emissions across its portfolio, aligning them with a 1.5°C decarbonisation trajectory. Our target is defined in terms of surface area intensity (kgeqCO₂/m²) because we are not aiming to reduce our emissions by reducing the size of our portfolio, but by supporting our real estate assets in reducing their emissions.

La Française REM is pursuing a goal of reducing emissions across its portfolio of 916 assets, representing a total surface area of 4.0 million m² and a total value of €18.4 billion.

Comparison of the average CO₂ emissions of real estate assets pursuing an environmental sustainable investment objective with the emissions caps defined by the CRREM using the 1.5° trajectories for a comparable portfolio.

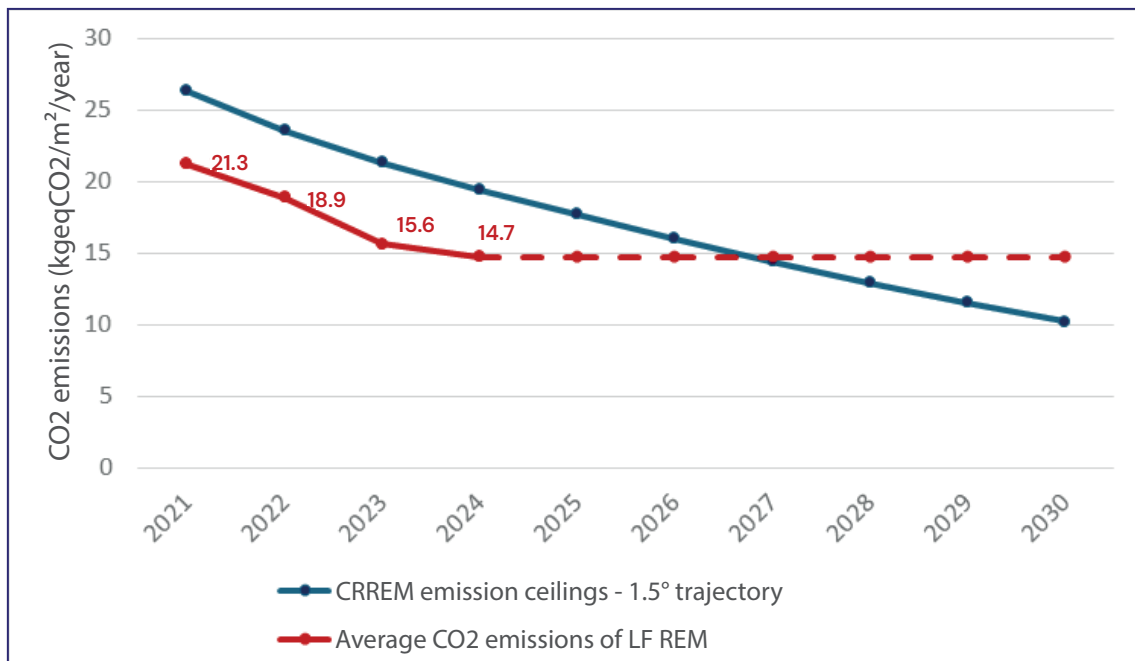
For the 2025 financial year, the environmental performance of real estate assets was **13.0 kgeqCO₂/m²/year**, compared with a CRREM threshold value of 17.9 kgeqCO₂/m²/year for a comparable portfolio.

Greenhouse gas emissions are calculated on the basis of energy consumption for all fluids, all uses, common areas and private areas. Environmental performance corresponds to the average greenhouse gas emissions of the assets, weighted by their surface area. The data needed to calculate the energy and environmental performance of real estate assets can either be collected directly, or estimated from indirect data (in the case of tenants who do not wish to share their energy data with the owner and/or co-ownership associations that do not report data). The uncertainties inherent in calculating environmental performance result from the different levels of data reliability.

	Coverage of energy consumption	Level of uncertainty	Share of energy consumption data by level of uncertainty			
			2022	2023	2024	2025
Direct measurement (bill/meter)	100% of common areas 100% of private areas	0%	35.0%	41.9%	51.6%	62.5%
Recalculated data (extrapolation)	100% of common areas Minimum 33% of private areas	30%	9.7%	12.9%	11.5%	10.0%
Approximate data (valid EPC or reliable data for year N-1)	N/A	50%	18.3%	20.9%	23.0%	16.7%
Known data in order of magnitude (in reference to a benchmark)	N/A	80%	37.0%	24.3%	13.9%	10.8%

Over three years, the average reliability rate of energy consumption data has increased from 58% to 80% thanks to the significant work carried out jointly by our partner Deepki, our property managers, our asset managers and the SRI department at La Française REM. This work to improve reliability maximises the impact of our action plans.

Comparison of average LF REM emissions with a 1.5° decarbonisation trajectory



Over one year, average CO₂ emissions from assets pursuing a sustainable environmental investment objective fell by 12%, bringing the reduction in our CO₂ emissions to -39% over four years.

This good performance is the result of progress in making data more reliable, taking ESG criteria into account in our investment and arbitrage policies, raising awareness among our stakeholders and implementing action plans by the Asset Management teams.

ACTION PLANS TO REDUCE CO₂ EMISSIONS FROM THE REAL ESTATE PORTFOLIO

La Française REM defines action plans to align greenhouse gas emissions with the CRREM thresholds for each asset by 2030 at the latest. These action plans are not included in LF REM's anticipated average emissions in the chart above.

The reduction of greenhouse gas emissions can be achieved by taking measures to reduce the energy consumption of the asset and by decarbonising energy sources.

Reduction of energy consumption

In addition to energy-efficiency renovation work carried out in line with the natural life cycle of real estate assets, La Française REM is rolling out innovative solutions and engaging all stakeholders to improve the energy performance of its portfolio.

Innovative solutions

For the past five years, La Française REM has been collecting and validating actual energy consumption data from its buildings in order to monitor the concrete impact of our initiatives on their energy performance. At the end of 2025, 916 properties were being monitored on our partner Deepki's platform. While regulations in France facilitate dialogue between owners and tenants on sustainability issues, such practices are less widespread in the rest of Europe. In terms of the assets held by our SCPIs, 2025 saw significant progress in the collection of this data abroad.

La Française REM is rolling out solutions designed to adjust the control and management parameters of HVAC (Heating, Ventilation and Air Conditioning) systems in real time. The energy savings generated lead to a reduction in operating expenses, which covers the costs of the services provided by our service provider, IQ Spot.

Over the past financial year, the management company tested a new solution, based on predictive artificial intelligence, which continuously adapts to the building's needs. The solution developed by Thermosphr enables optimal, automated real-time operation of HVAC systems, including constant adaptation to weather conditions and optimised maintenance to maximise occupants' indoor comfort whilst improving dynamic temperature control and air quality management.

Stakeholder involvement

As the steady rise in energy prices directly affects the profitability of real estate assets, it is crucial to involve all stakeholders in order to meet energy consumption reduction targets. The diversity of stakeholders involved in a real estate asset complicates the sharing of best practices and innovative solutions. In 2025, La Française REM set up an ESG club to ensure that the right information reaches the right people. In total, more than 70 maintenance contractors and property managers discussed the barriers to change and jointly developed levers to continue driving progress. They left with La Française REM's sustainable operations charter, designed to accelerate the adoption of best practices.

These actions enable La Française REM to comply with the tertiary eco-energy system, which aims to reduce energy consumption by 40% by 2030 or reach thresholds defined by decree.

For the past five years, La Française REM has been collecting and validating actual energy consumption data from its buildings in order to track the concrete impact of our actions on their energy performance.

Modernising our existing portfolio

Colombia – Bois Colombes

Imane Hadi, Office Asset Manager



A 10,000 m² office building completed in 2003 and acquired in 2019.

In 2023 and 2024, the building's energy consumption was around 15% higher than the OID benchmarks. Furthermore, the tenant expressed a desire for improved thermal comfort. Together with the tenant, we jointly developed a phased programme of works to upgrade the technical systems and optimise the building's climate control.

The replacement of the existing cooling units with high-performance heat pumps, capable of providing both heating and cooling, enabled us to decommission the gas boiler in June 2025. In addition to the significant environmental benefits, the occupants benefit from a more reliable system and smoother day-to-day temperature adjustments, as well as reduced operating expenses. At the same time, an environmental consulting firm assists maintenance staff in optimising the management of the control systems to realise the full potential of this new equipment.

Decarbonisation of energy sources

La Française REM has undertaken to modify all the electricity contracts managed by the management company to secure a supply of renewable sources. However, for contracts whose switch to renewable energy would result in an excessive additional cost compared to the energy costs of the current contract, the management company will wait until the end of the current contract before securing a supply of electricity of renewable origin. In addition, it raises awareness among its tenants about the benefits of using renewable energy contracts: a significant reduction in greenhouse gas emissions at a modest additional cost.

Despite our efforts and our monitoring of the renewal of electricity supply contracts, 77% of the electricity consumption managed by La Française REM came from renewable sources at the end of 2025. The remaining 23% will be monitored on a quarterly basis by our property managers.



CLIMATE CHANGE – ADAPTATION

Theme	2025 indicators	2030 objectives
Adaptation – physical risks	<p>5.6% of assets with very high vulnerability were covered by a quantified adaptation plan, including an initial resilience assessment:</p> <p>15 assets with a total surface area of 103,000 m²</p>	<p>Defining adaptation plans by 2030 for 75% of assets with very high vulnerabilities</p>

Real estate assets, designed to be operated over several decades, are particularly exposed to changes in climate hazards. As a result of climate change, projections indicate an increase in the frequency and intensity of extreme events, which may cause damage to the fund's assets and/or impact their occupancy. These extreme events could affect the valuation of the funds' assets. The financial impact may be physical (damage to the building structure) or functional (increased operating costs).

The challenge for La Française REM is to be able to estimate how vulnerable the assets are to the most significant climate risks expected in Europe in order to be able to integrate them into the investment and asset management processes. To do this, La Française REM has chosen the R4RE (Resilience for Real Estate) tool developed by the Sustainable Real Estate Observatory (OID).

The objective we set ourselves in 2021 was to analyse the vulnerability to the main physical climate risks of 75% of the real estate assets managed directly by La Française REM by 2030.

By 2024, this target had already been exceeded, as by 31 December 2024, 80.7% of the assets managed directly by La Française REM had undergone a vulnerability analysis.

Building on this approach, La Française REM has set itself a new target for 2030: to draw up quantified adaptation plans for 75% of assets with very high vulnerability. This new step is part of a consistent strategy of continuous improvement and helps to strengthen the resilience of our assets to identified risks.

At the end of 2025, 5.6% of assets with very high vulnerability were covered by a quantified adaptation plan, including an initial resilience assessment, the identification of the measures to be implemented and their associated costs. These actions are prioritised according to their effectiveness, the presence of co-benefits and the availability of nature-based solutions.



PRESERVING BIODIVERSITY

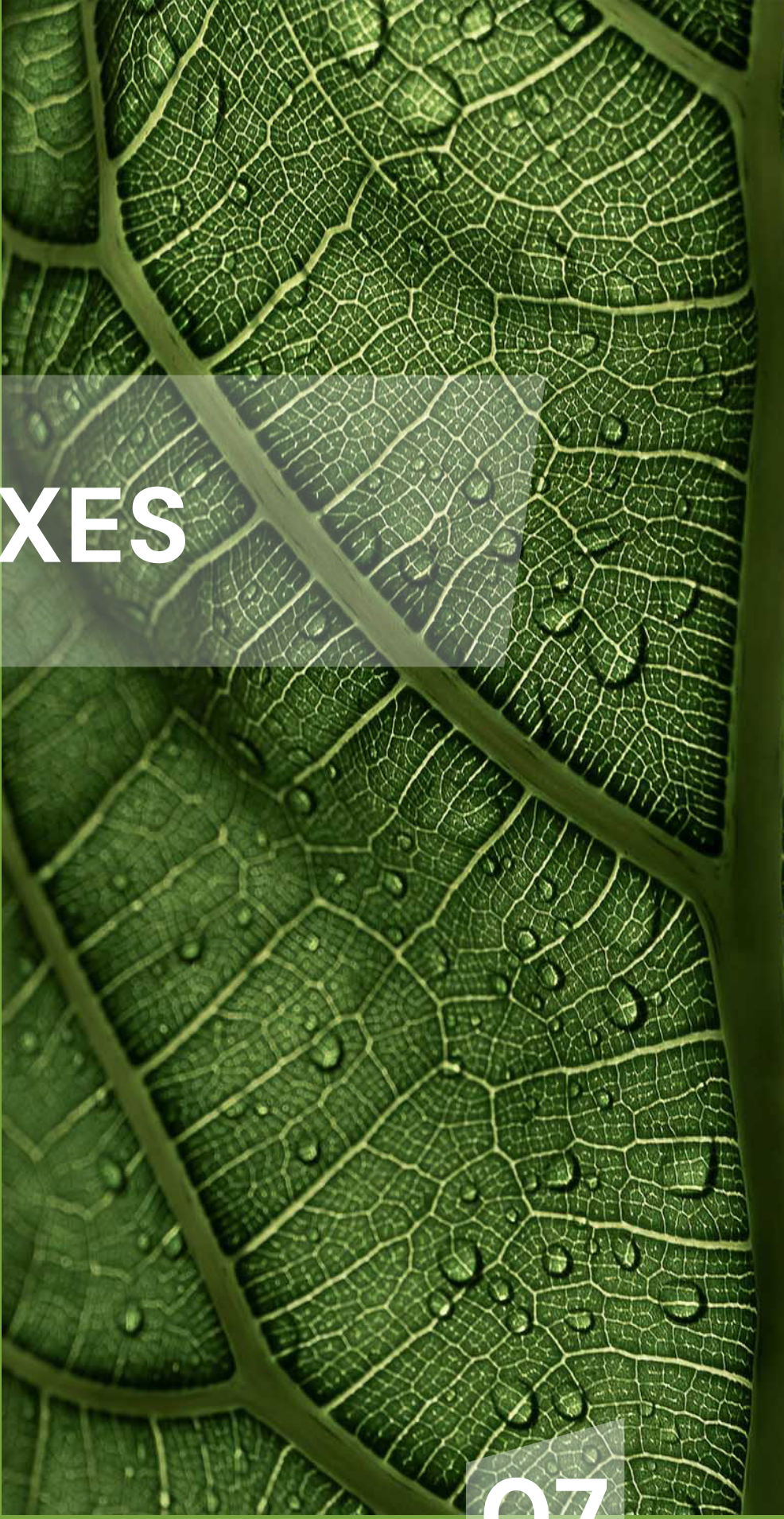
Theme	2025 indicators	2030 objectives
Green spaces under LF REM's control managed sustainably	89%	By 2030, 100% of green spaces (under LF REM's control) managed sustainably

Percentage of green spaces managed sustainably

To encourage the development of biodiversity, La Française REM aims to manage its green spaces in keeping with the principles of ecological management, i.e. to implement maintenance practices that respect the environment and biodiversity. The objective is to apply different management methods depending on the type of space, the desired result and its use, and to make the green space an environment favourable to biodiversity while meeting the needs and expectations of users.

To reflect its objective of protecting biodiversity, La Française REM calculates the proportion of its green spaces that are managed sustainably.

In 2025, 189 real estate assets included green spaces managed directly by La Française REM (31% of the portfolio). This percentage does not include green spaces managed directly by tenants. Within the green spaces managed directly by La Française REM, 89% of green spaces are managed sustainably.



ANNEXES

A - QUANTITATIVE ANNEXES

Annex 1

Quantitative indicators – Crédit Mutuel Asset Management

Crédit Mutuel Asset Management – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
1. Information on the entity's general approach	1.c. Overall share of assets under management that take account of environmental, social and governance criteria as a proportion of total assets managed by the entity	In % of assets under management	%	76.5%
2. Information on internal resources deployed by the entity <i>This data must be that of the entity subject to 29 LEC reporting and not consolidated data at group level. As a reminder, these indicators are required by decree 29 LEC, and the information provided must be the same as that published in your 29 LEC entity report</i>	2.a. Description of the financial, human and technical resources dedicated to taking environmental, social and governance criteria into account in the investment strategy, in relation to the total assets managed or held by the entity. The description includes all or some of the following indicators: percentage share of corresponding full-time equivalents; percentage share and amount in euros of budgets devoted to environmental, social and governance data; amount invested in research; use of external service providers and data suppliers	Percentage of FTEs concerned out of total FTEs	%	17.1%
		Dedicated budgets as a % of the financial institution's total budget	%	17.2%
		Amounts in € of dedicated budgets	Monetary amount (€)	7,918,080
		Amount invested in research [2]	Monetary amount (€)	1,000,000
		Number of external service providers and data suppliers used (this refers to all your service providers or suppliers whose data is used to take ESG criteria into account in your investment strategy)	Number	12
4. Information on the strategy for engagement with issuers or management companies and its implementation	4.c. Report on the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the issues covered and the actions taken to follow up this strategy PLEASE NOTE: for players who only manage real estate or infrastructure funds, this refers to engagement activities carried out with service providers, tenants, property managers, etc. (it is therefore not necessarily shareholder engagement)	Percentage of companies concerned by a dialogue out of all companies concerned by the topic covered	%	52%
		Specify the denominator of the above indicator	Text	The calculation is based on the amount invested. The denominator represents the amounts invested in our funds, and the numerator is the amount invested in those issuers with whom we have an ongoing engagement or dialogue.
	4.d. Report on voting policy, in particular with regard to the submission and voting at General Meetings of resolutions on environmental, social and governance issues <i>(Examples of E, S or G resolutions: addressing the GHG emissions reduction trajectory, gender equality, quality of work life, training for Board members on climate issues, or linking executive compensation to the achievement of ESG objectives)</i>	The indicators below are optional. The actors are of course free to publish others in their 29 LEC reports.		
		Total number of filings on ESG issues	Number	0
		Total number of votes on ESG issues	Number	7,407
		Number of submissions on environmental issues	Number	0
		Number of votes on environmental issues	Number	45
		Number of submissions on social issues	Number	0
		Number of votes on social issues	Number	215
		Number of filings on issues of governance quality	Number	0
		Number of votes on issues of governance quality	Number	7,147
		Total % of filings on ESG issues out of total number of filings made	%	0.0%
		% total of votes (yes/no) on the ESG issues out of the total number of votes cast	%	47.2%
		% of submissions on the environmental issues out of the total number of submissions made	%	0.0%
		% of votes on the environmental issues out of the total number of votes cast	%	0.3%
		% of submissions on social issues out of the total number of submissions made	%	0.0%
		% of votes on the social issues out of the total number of votes cast	%	1.4%
		% of submissions on governance issues out of the total number of submissions made	%	0.0%
		% of submissions on governance issues out of the total number of submissions made	%	45.5%
	5.b. Share of exposure to companies active in the fossil fuel sector, within the meaning of the delegated act pursuant to article 4 of this Regulation.[1]	Share of assets as a %	%	0.41%
	Share of assets invested in companies operating in the coal sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of assets as a %	%	0.00%
	Share of assets invested in companies operating in the conventional oil and gas sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself</i>	Share of assets as a %	%	0.00%
	Share of assets invested in companies operating in the non-conventional oil and gas sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself</i>	Share of assets as a %	%	0.41%

Crédit Mutuel Asset Management – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
5. Information on European taxonomy and fossil fuels	5.b. For portfolio management companies that manage real estate funds (portfolio management companies with a predominantly real estate activity must complete this indicator, other portfolio management companies may complete it on an optional basis): Exposure to fossil fuels via property assets calculated as the proportion of investments in property assets used for the extraction, storage, transport or production of fossil fuels. This is indicator no. 17 in table 1 of Annex 1 of the SFDR RTS (Delegated Regulation (EU) 2022/1288).	Share of investments (%)	%	N/A
	Share of investments in real estate assets used for the extraction, storage, transport or production of coal (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	N/A
	Share of investments in real estate assets used for the extraction, storage, transport or production of conventional oil and gas (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	N/A
	Share of investments in real estate assets used for the extraction, storage, transport or production of non-conventional oil and gas (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	N/A
6. Information on the strategy for aligning with the international targets for limiting global warming set out in the Paris Agreement	6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before it expires. The target includes direct and indirect greenhouse gas emissions in absolute or intensity terms compared with a reference scenario and a reference year. It can be expressed by measuring the implied temperature rise or by the volume of greenhouse gas emissions;	One of the two aspects (t °C or GHG emissions) must be reported in the actors' 29 LEC reports, as required by the decree. The actors are of course free to publish others in their 29 LEC reports.		
		Quantitative target for 2030 expressed as the volume of GHG emissions (if applicable)	Numerical value	30% reduction in CO2e emissions between the end of 2023 and the end of 2030
		Unit of measurement of the quantitative target for 2030	Text	Scope 1 and 2 tCO2
		Amount of assets covered by the quantitative alignment target expressed in volume of GHG emissions	Monetary amount (€)	64,700,000,000
		Amount of assets covered by the quantitative alignment target expressed in volume of GHG emissions on total assets	%	95%
		Quantitative target for 2030 expressed in terms of implied temperature rise (if applicable)	Numerical value	Scope 1&2: = 2025 indicator - 2030 target = 1.75 - 1.8 = -0.05 Scope 1 & 2 & 3: = 2025 indicator - 2030 target = 1.83 - 2.03 = -0.2
		Amount of assets covered by the quantitative alignment target expressed in terms of implicit temperature rise	Monetary amount (€)	
		Share of assets covered by the quantitative alignment target expressed in terms of implicit temperature rise out of total assets	%	
		Type of asset covered by this objective	Text	
	6.b. Where the entity uses an internal methodology, details of the methodology used to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy:	Use of an internal methodology?	Yes/No	
	6. b. ii. the level of coverage at portfolio level; (the level of coverage between asset classes must be specified in the report)	the coverage level at portfolio level as a %	%	
	6. b. iii. the time horizon used for the valuation;	Assessment time frame	Date	
	6. c. Quantification of results using at least one indicator (if several indicators are used, add as many columns as there are indicators)	Free metric (consistent with the objective mentioned in 6.a., if applicable)	Numerical value	Default temperature for scopes 1 & 2: 1.75°C in 2025 Default temperature for scopes 1, 2 & 3: 1.83°C in 2025
		Description of the free metric	Text	Temperature targets (including intermediate targets)
		Unit of measurement for the free metric	Text	°C
		Coal: % of total assets managed or held by the entity	%	0.00%

Crédit Mutuel Asset Management – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
	The changes made to the investment strategy in line with the strategy of alignment with the Paris Agreement, and in particular the policies put in place with a view to phasing out non-conventional coal and hydrocarbons, specifying the timetable for doing so and the proportion of total assets managed or held by the entity covered by these policies	Do you have a timetable for phasing out coal?	Yes/No	Yes
		Indicate the definitive coal phase-out date used in your policy for OECD countries	Date	2030
		Indicate the definitive coal phase-out date used in your policy for non-OECD countries	Date	2030
		Non-conventional hydrocarbons: % of total assets managed or held by the entity	%	0.41%
		Do you have a timetable for phasing out non-conventional hydrocarbons?	Yes/No	No
		Indicate the definitive non-conventional hydrocarbon phase-out date used in your policy for OECD countries	Date	N/A
		Give the definitive phase-out date for non-conventional hydrocarbons used in your policy for non-OECD countries	Date	N/A
7. Information on the strategy for alignment with long-term biodiversity objectives	7. c. Reference to the use of a biodiversity footprint indicator and, where applicable, the way in which this indicator is used to measure compliance with international biodiversity targets.	Free metric	Numerical value	-3,346
		Brief description of the metric	Text	This measure reflects the degree of degradation of ecosystems affected by a company's activities as compared to their untouched natural state.
		Unit of measurement for the free metric	Text	-km2.MSA (MSA: Mean Species Abundance)
		Amount of assets covered by the biodiversity footprint indicator	Monetary amount (€)	81,689,030,423
		Share of assets covered by the biodiversity footprint indicator out of the total number of assets	%	62.25%

Annex 2

Quantitative indicators: La Française REM

La Française REM – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
1. Information on the entity's general approach	1.c. Overall share of assets under management that take account of environmental, social and governance criteria as a proportion of total assets managed by the entity	In % of assets under management	%	76,5%
2. Information on internal resources deployed by the entity <i>This data must be that of the entity subject to 29 LEC reporting and not consolidated data at group level. As a reminder, these indicators are required by decree 29 LEC, and the information provided must be the same as that published in your 29 LEC entity report</i>	2.a. Description of the financial, human and technical resources dedicated to taking environmental, social and governance criteria into account in the investment strategy, in relation to the total assets managed or held by the entity. The description includes all or some of the following indicators: percentage share of corresponding full-time equivalents; percentage share and amount in euros of budgets devoted to environmental, social and governance data; amount invested in research; use of external service providers and data suppliers	Percentage of FTEs concerned out of total FTEs	%	9,2%
		Dedicated budgets as a % of the financial institution's total budget	%	12,8%
		Amounts in € of dedicated budgets	Monetary amount (€)	7,787,120
		Amount invested in research [2]	Monetary amount (€)	480,000
		Number of external service providers and data suppliers used (this refers to all your service providers or suppliers whose data is used to take ESG criteria into account in your investment strategy)	Number	15
4. Information on the strategy for engagement with issuers or management companies and its implementation	4.c. Report on the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the issues covered and the actions taken to follow up this strategy PLEASE NOTE: for players who only manage real estate or infrastructure funds, this refers to engagement activities carried out with service providers, tenants, property managers, etc. (it is therefore not necessarily shareholder engagement)	Percentage of companies concerned by a dialogue out of all companies concerned by the topic covered	%	N/A
		Specify the denominator of the above indicator	Text	N/A
	4.d. Report on voting policy, in particular with regard to the submission and voting at General Meetings of resolutions on environmental, social and governance issues <i>(Examples of E, S or G resolutions: addressing the GHG emissions reduction trajectory, gender equality, quality of work life, training for Board members on climate issues, or linking executive compensation to the achievement of ESG objectives)</i>	The indicators below are optional. The actors are of course free to publish others in their 29 LEC reports.		
		Total number of filings on ESG issues	Number	N/A
		Total number of votes on ESG issues	Number	N/A
		Number of submissions on environmental issues	Number	N/A
		Number of votes on environmental issues	Number	N/A
		Number of submissions on social issues	Number	N/A
		Number of votes on social issues	Number	N/A
		Number of filings on issues of governance quality	Number	N/A
		Number of votes on issues of governance quality	Number	N/A
		Total % of filings on ESG issues out of total number of filings made	%	N/A
		% total of votes (yes/no) on the ESG issues out of the total number of votes cast	%	N/A
		% of submissions on the environmental issues out of the total number of submissions made	%	N/A
		% of votes on the environmental issues out of the total number of votes cast	%	N/A
		% of submissions on social issues out of the total number of submissions made	%	N/A
		% of votes on the social issues out of the total number of votes cast	%	N/A
		% of submissions on governance issues out of the total number of submissions made	%	N/A
		% of submissions on governance issues out of the total number of submissions made	%	N/A
5.b. Share of exposure to companies active in the fossil fuel sector, within the meaning of the delegated act pursuant to article 4 of this Regulation.[1]	5.b. Share of exposure to companies active in the fossil fuel sector, within the meaning of the delegated act pursuant to article 4 of this Regulation.[1]	Share of assets as a %	%	N/A
	Share of assets invested in companies operating in the coal sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of assets as a %	%	N/A
	Share of assets invested in companies operating in the conventional oil and gas sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself</i>	Share of assets as a %	%	N/A

La Française REM – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
5. Information on European taxonomy and fossil fuels	Share of assets invested in companies operating in the non-conventional oil and gas sector (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself</i>	Share of assets as a %	%	N/A
	5.b. For portfolio management companies that manage real estate funds (portfolio management companies with a predominantly real estate activity must complete this indicator, other portfolio management companies may complete it on an optional basis): Exposure to fossil fuels via property assets calculated as the proportion of investments in property assets used for the extraction, storage, transport or production of fossil fuels. This is indicator no. 17 in table 1 of Annex 1 of the SFDR RTS (Delegated Regulation (EU) 2022/1288).	Share of investments (%)	%	0.10%
	Share of investments in real estate assets used for the extraction, storage, transport or production of coal (sub-part of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	Indicator not tracked, but in the case of real estate assets, exposure to fossil fuels is highly likely to be due to the presence of conventional oil or gas. We therefore estimate this indicator at 0%
	Share of investments in real estate assets used for the extraction, storage, transport or production of conventional oil and gas (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	Indicator not tracked, but in the case of real estate assets, exposure to fossil fuels is highly likely to be due to the presence of conventional oil or gas. We therefore estimate this indicator at 0.10%
	Share of investments in real estate assets used for the extraction, storage, transport or production of non-conventional oil and gas (sub-section of indicator 5b above) <i>This indicator was added at the request of the General Directorate of the Treasury (DGT) and is not required by decree 29 LEC itself. It is therefore optional, but we would be grateful if you could complete it where possible</i>	Share of investments (%)	%	Indicator not tracked, but in the case of real estate assets, exposure to fossil fuels is highly likely to be due to the presence of conventional oil or gas. We therefore estimate this indicator at 0%
6. Information on the strategy for aligning with the international targets for limiting global warming set out in the Paris Agreement	One of the two aspects (t °C or GHG emissions) must be reported in the actors' 29 LEC reports, as required by the decree. The actors are of course free to publish others in their 29 LEC reports.			
	6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before it expires. The target includes direct and indirect greenhouse gas emissions in absolute or intensity terms compared with a reference scenario and a reference year. It can be expressed by measuring the implied temperature rise or by the volume of greenhouse gas emissions;	Quantitative target for 2030 expressed as the volume of GHG emissions (if applicable)	Numerical value	10.29
		Unit of measurement of the quantitative target for 2030	Text	kgeqCO2/m²
		Amount of assets covered by the quantitative alignment target expressed in volume of GHG emissions	Monetary amount (€)	18,391,548,809
		Amount of assets covered by the quantitative alignment target expressed in volume of GHG emissions on total assets	%	72.7%
		Quantitative target for 2030 expressed in terms of implied temperature rise (if applicable)	Numerical value	N/A
		Amount of assets covered by the quantitative alignment target expressed in terms of implicit temperature rise	Monetary amount (€)	N/A
		Share of assets covered by the quantitative alignment target expressed in terms of implicit temperature rise out of total assets	%	N/A
		Type of asset covered by this objective	Text	N/A
	6.b Where the entity uses an internal methodology, details of the methodology used to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy:	Use of an internal methodology?	Yes/No	Yes. The entity assesses the alignment of the investment strategy with the Paris Agreement on assets with a sustainable investment objective. When it does so, it uses an internal methodology based on the trajectories defined by CRREM in conjunction with SBTi
	6. b. ii. the level of coverage at portfolio level; (the level of coverage between asset classes must be specified in the report)	the coverage level at portfolio level as a %	%	72.7%
	6. b. iii. the time horizon used for the valuation;	Assessment time frame	Date	2030
		Free metric (consistent with the objective mentioned in 6.a., if applicable)	Numerical value	13.02047545

La Française REM – Quantitative indicators

Indicator category	Detail and number of indicator/paragraph	Metric	Format	Indicator figures
	6. c. Quantification of results using at least one indicator (if several indicators are used, add as many columns as there are indicators used)	Description of the free metric	Text	Intensity of CO2 emissions linked to energy consumption, all fluids, all uses, common areas and private areas of real estate assets with a sustainable environmental investment objective for the 2025 financial year
		Unit of measurement for the free metric	Text	kgCO2/m ²
	The changes made to the investment strategy in line with the strategy of alignment with the Paris Agreement, and in particular the policies put in place with a view to phasing out non-conventional coal and hydrocarbons, specifying the timetable for doing so and the proportion of total assets managed or held by the entity covered by these policies	Coal: % of total assets managed or held by the entity	%	N/A
		Do you have a timetable for phasing out coal?	Yes/No	
		Indicate the definitive coal phase-out date used in your policy for OECD countries	Date	
		Indicate the definitive coal phase-out date used in your policy for non-OECD countries	Date	
		Non-conventional hydrocarbons: % of total assets managed or held by the entity	%	N/A
		Do you have a timetable for phasing out non-conventional hydrocarbons?	Yes/No	
		Indicate the definitive non-conventional hydrocarbon phase-out date used in your policy for OECD countries	Date	
		Give the definitive phase-out date for non-conventional hydrocarbons used in your policy for non-OECD countries	Date	
	7. Information on the strategy for alignment with long-term biodiversity objectives	Free metric	Numerical value	0.456345436
		Brief description of the metric	Text	The BAF is a coefficient that describes the proportion of biodiversity-friendly surfaces (eco-development areas in relation to the total surface area of a plot). The BAF is calculated to assess the environmental quality of a plot of land by adding up the various surfaces (ground, roof, wall, etc.) present on a site and assigning to each a weighting coefficient depending on its nature (permeable or semi-permeable surface, open ground, etc.) The total is related to the total surface area of the site. The average BAF is weighted by the surface area of the sites analysed.
		Unit of measurement for the free metric	Text	Coefficient usually between 0 and 1.
		Amount of assets covered by the biodiversity footprint indicator	Monetary amount (€)	35,524,621
		Share of assets covered by the biodiversity footprint indicator out of the total number of assets	%	0.1%

B - ARTICLE 29 OTHER MANAGEMENT COMPANIES

Annex 3

Article 29 – CIC Private Debt

CIC Private Debt

*Article 29 report on the
Energy and Climate Law*

June 2026

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1. Overview

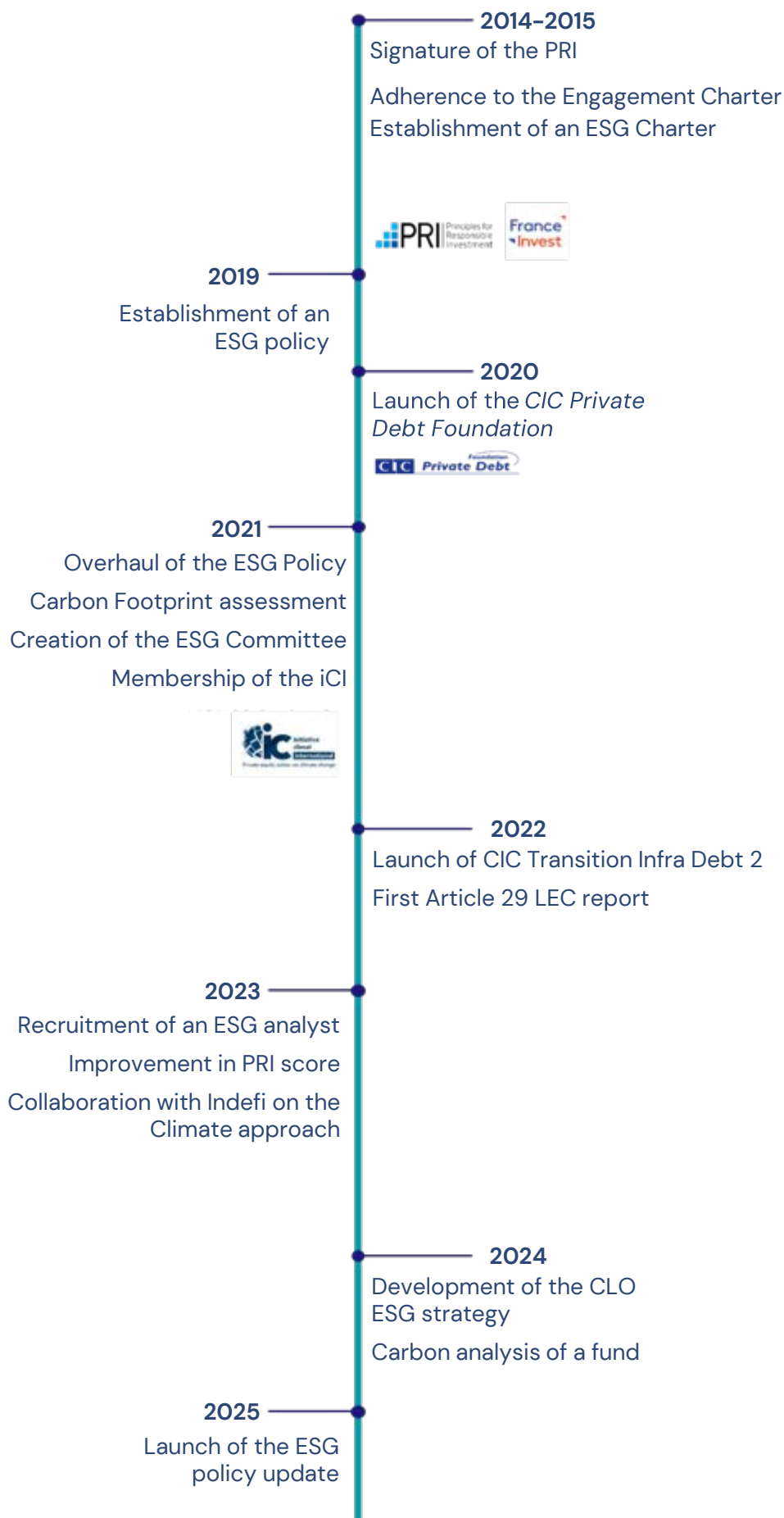
a) Presentation of the entity

2003	+500	€4bn	21
Year of creation	investments made	Under management	Funds deployed Of which three mandates

Created in 2003, CIC Private Debt currently manages around €4 billion on behalf of institutional and private investors. The management company team consists of 44 employees based in Paris, London and Frankfurt. CIC Private Debt is a leading player in financing for European SMEs and mid-cap companies, most of which are French. CIC Private Debt operates in the debt sector with four financing divisions: Mezzanine & Unitranche, Senior Mid Cap, Senior Large Cap and Infrastructure.

As a financial player, CIC Private Debt is aware of its responsibility with regard to sustainability issues. For several years now, the management company has been implementing an approach that takes environmental, social and governance issues into account in its business line through various engagements.

CIC Private Debt – Article 29 LEC report



b) ESG approach

i. Presentation of the ESG Policy

CIC Private Debt's ESG approach is defined in the ESG Policy available on the management company's [website](#). CIC Private Debt integrates sustainability issues into its investment process in three complementary ways:



Sectoral exclusions

CIC Private Debt has defined sectoral exclusion policies in order to limit its exposure to companies or sectors considered risky from an ESG perspective. These exclusion policies stem from the [Crédit Mutuel Alliance Fédérale group's sectoral policies](#), supplemented by CIC Private Debt's clauses to take account of the specific nature of our business. These policies prohibit or regulate financing from companies primarily engaged in the following activities:

Coal	Fossil fuels
Tobacco	Defence
Pornography	Gambling
Illegal activities	Breach of the Global Compact

All policies and details of exclusion criteria are available in the ESG Policy published on the CIC Private Debt website. Sectoral policies apply to all funds managed by CIC Private Debt.

Pre-investment ESG analysis

In addition to the sectoral exclusion policies, CIC Private Debt carries out a pre-investment ESG analysis for each financing operation prior to financing. The objective of this analysis is to identify the risks and opportunities associated with environmental, social and governance issues. To this end, the ESG team, in collaboration with the investment teams, collects available data (due diligence, audits, websites, etc.) and analyses risks in the environmental, social and governance areas.

CIC Private Debt – Article 29 LEC report

This analysis is based on **identifying the material challenges facing companies and then assessing the practices** implemented to address these challenges. The dual materiality principle is taken into account in this analysis. The risks analysed are therefore the risks arising from the company's impact on the environment, society or governance, as well as the societal and environmental risks affecting the company being analysed itself. The pre-investment ESG analysis is set out in a pre-investment ESG grid. The ESG analyses carried out take into account the specific characteristics of the companies being assessed and the objectives of the funds making these investments. Each company has different material ESG issues depending on its activity, size, history, etc. For example, here is a summary of some of the factors taken into account in the pre-investment ESG analysis:

Environment	Social	Governance
<ul style="list-style-type: none"> ✓ Ability to implement a relevant environmental management policy ✓ Environmental certification ✓ Ability to measure and reduce its impact on or exposure to climate change ✓ Ability to take biodiversity into account in the company's operations and location ✓ Existence of environmental litigation 	<ul style="list-style-type: none"> ✓ Ability to implement relevant human resources policies (retention, diversity, attractiveness, etc.) ✓ Monitoring of social indicators ✓ Ability to take into account, monitor and improve aspects relating to employee health and safety ✓ Existence of labour disputes 	<ul style="list-style-type: none"> ✓ Ability to promote ethical practices ✓ Ability to identify and manage risks in the value chain ✓ Ability to implement CSR (Corporate Social Responsibility) governance ✓ Existence of ethical disputes

The pre-investment ESG analysis is a prerequisite for financing and forms an integral part of the investment committee presentation. It applies to all funds managed by CIC Private Debt.

ESG reporting

Once companies are included in the portfolio, CIC Private Debt conducts annual ESG reporting campaigns on the majority of its funds. The purpose of these campaigns is to collect data to monitor the ESG indicators of portfolio companies and to inform investors about the ESG characteristics of the funds. The campaigns are conducted in several stages:

ESG questionnaires

CIC Private Debt prepares ESG questionnaires tailored to each fund covered by the reporting campaign. The questions included in the questionnaires enable monitoring of the practices of portfolio companies and how these are evolving.

Data collection

ESG questionnaires are sent to all portfolio companies. Companies then have several weeks to complete their ESG questionnaire directly or on an online platform, depending on the fund.

Data analysis

The data collected is consolidated and analysed by fund in order to obtain monitoring indicators.

Sending the ESG report

Once the data has been analysed, the results are consolidated into various reports depending on the fund: periodic SFDR reports or voluntary ESG reports.

In addition to the periodic SFDR reports for Article 8 and Article 9 funds under the SFDR, CIC Private Debt has chosen to produce ESG reports for some of its most recent funds. ESG reports are produced for all funds in the Senior Mid Cap division, for the two most recent funds in the Mezzanine & Unitranche division, and for the CIC Infra Transition Debt 2 fund.

ii. List of financial products pursuant to articles 8 and 9 of the Disclosure Regulation (SFDR)

SFDR is a regulation that aims to improve transparency for investors. Funds subject to article 8 and article 9 must comply with certain disclosure requirements.

CIC Private Debt has several **SFDR Article 8** funds:

- CIC Debt Fund 5
- CIC Mezzanine & Unitranche Financing 6
- F5 NEMO SLP (identical mandate to CIC Mezzanine & Unitranche Financing 6)
- F5 PILATUS SLP (identical mandate to CIC Mezzanine & Unitranche Financing 6)
- CIC European Large Cap Financing 3
- CIC ELCF KD 2023 (identical mandate to CIC European Large Cap Financing 3)
- CIC Private Debt Opportunité
- CIC Chanteraine Equity SLP

Two of the funds are not subject to SFDR due to their legal nature, but the decision was made to apply the requirements of article 8:

- CIC Debt Fund 4
- CIC Debt Fund 2022 Evergreen (identical mandate to CIC Debt Fund 4)

One of the funds complies with the requirements of **article 9 of SFDR**:

- CIC Transition Infra Debt 2

c) Information to clients

CIC Private Debt uses various channels to communicate ESG issues with its investors. First of all, the management company's website has a [dedicated page](#) on this subject, which includes the ESG Policy. CIC Private Debt has also set up a document space with a range of media. The following documents are provided to investors and may include information on ESG topics:

- Fund regulatory documents
- Fund marketing documents
- Annual management reports including ESG information
- SFDR periodic reports
- Annual ESG reports for some funds (see above)
- Annual presentation to investors including a section on ESG for certain funds
- Due diligence responses

The CIC Private Debt team is always available to respond to ad hoc requests from investors.

d) Entity participation in initiatives

In line with this commitment to improving its responsible investment practices, CIC Private Debt is engaged in market initiatives promoting more responsible finance. These engagements not only ensure the solidity of the ESG approach, but also promote the development of the finance sector as a whole. Market initiatives play an important role in standardising ESG practices within the sector and thus in the long-term development of the market.



CIC Private Debt adheres to the Principles for Responsible Investment (PRI), an international initiative promoting responsible finance through **six principles**:

Principle 1: Incorporating ESG issues in our investment decision-making processes

Principle 2: Incorporating ESG issues in our shareholder policies and practices

Principle 3: Asking our investee companies to disclose information on their ESG practices in a transparent manner

Principle 4: Promoting the acceptance and application of the Principles among asset management stakeholders

Principle 5: Working in partnership with financial sector stakeholders who have committed to adhering to the Principles to increase our effectiveness

Principle 6: Reporting on our activities and progress in implementing the United Nations Principles for Responsible Investment



CIC Private Debt is a signatory to two charters promoted by France Invest. The aim of these is to change the practices of the signatories, but also those of companies associated with these signatories.

The France Invest Engagement Charter consists of sixteen engagements covering the following areas: economic, social and human issues, environmental issues and good governance. This initiative specifically targets financial players in the French market. Once again, such an initiative is essential for practices to evolve in a harmonised manner.

CIC Private Debt has also signed up to **France Invest's Gender Equality Charter**. This issue is particularly prevalent in the finance sector, where the majority of positions are held by men, especially in decision-making bodies. By signing this agreement, CIC Private Debt is committed to improving the gender balance in its workforce.



CIC Private Debt joined the International Climate Initiative to work specifically on climate change. Climate change is a unique issue because it is closely linked to finance: the proper allocation of financial resources is crucial in the fight against climate change. Investment or divestment policies are a real lever of pressure to encourage companies to improve their impact on the climate. The iCi is a working group aimed at **fostering collaboration between stakeholders in the sector and developing solutions related to climate issues**.

CIC Private Debt – Article 29 LEC report

2. Organisation of the entity

a) Internal resources deployed by the entity

i. Description of financial, human and technical resources

The management company has committed financial, human and technical resources to taking ESG criteria into account.

Since July 2021, CIC Private Debt has dedicated human resources to ESG. The management company now has a dedicated ESG team of two people: an ESG manager and an ESG analyst. The ESG team is dedicated full-time to implementing and further developing the ESG approach. With 44 employees as at 31 December 2025, the ESG team represents 4.5% of CIC Private Debt's workforce.

CIC Private Debt works on a regular basis with a number of external firms and on an ad hoc basis when required. Excluding the dedicated employees, expenditure committed in 2025 on ESG amounted to approximately €79,128. Several tasks were carried out in-house in 2025 compared with 2024. These expenses account for 6% of CIC Private Debt's total expenditure on external service providers. It should be noted, however, that the calculation methodology has changed slightly and that certain services are provided by the group to which CIC Private Debt belongs, and are therefore not included in this total.

ESG governance is organised at various levels, with the ESG team operating under the supervision of the Secretary General and the ESG Committee. Established in 2021, the ESG Committee provides a forum for: defining the strategic guidelines for the ESG approach, involving management in ESG governance, and ensuring that team leaders within the management company are kept informed.

Chairman

Deputy Chief Executive Officer & Head of Mezzanine & Unitranche

Executive Director & Senior Head of Mid-Cap

Head of Operations and Risks

Secretary General

Head of Investor Relations

Head of Infrastructure

ESG Manager

ii. Actions taken to strengthen internal capacities

CIC Private Debt implements training and awareness-raising initiatives to develop the knowledge of all employees on ESG issues. All employees received training on ESG in 2021, and each new employee receives training on ESG in general and on CIC Private Debt's ESG policy in particular. In addition, the ESG team provides ad hoc information on relevant topics: SBTi and CSRD, for example. In 2025, CIC Private Debt staff also received training on the Climate Fresk.

CIC Private Debt also benefits from its link with the Crédit Mutuel Alliance Fédérale group, the first "benefit corporation" bank. The group is active and committed to ESG and CSR issues, and mandatory training courses are attended by all employees, including those at CIC Private Debt (environmental risks for the banking and financial sector, disability awareness, GDPR, ethics, etc.).

It is also important to note that Crédit Mutuel Alliance Fédérale has set up the Mutualist Institute for the Environment and Solidarity, which aims to place sustainability at the heart of the group's strategy. One of the actions taken has been to create a network of officers within the Group, which may lead to exchanges with the ESG team at CIC Private Debt. Furthermore, through its membership of the group, CIC Private Debt contributes to significant measures such as the [Societal dividend](#).

Lastly, CIC Private Debt has become part of the new La Française Group, which brings together the various management companies of the Crédit Mutuel Alliance Fédérale group. This merger also facilitates exchanges with other ESG/CSR functions, particularly in the context of regulatory monitoring and dialogue with the financial community.

b) Incorporating environmental, social, and governance quality criteria into the entity's governance approach

Gender diversity at CIC Private Debt

- ▶ As at 31 December 2025, the CIC Private Debt team consisted of 44 people based in Paris and London. 41% of CIC Private Debt's employees are women and 59% are men. This percentage has varied slightly since 2021 but remains stable. CIC Private Debt aims to increase the proportion of women in the management company's overall workforce in order to move towards gender balance.
- ▶ Women make up 29.41% of the teams, bodies and managers responsible for making investment decisions (Rixain law). CIC Private Debt's aim is to achieve gender balance.
 - In the investment teams in particular, there are 29 employees, 8 of whom are women, i.e. 27.59% women. This proportion has been rising since 2021, when it stood at 19% as at 31 December 2021. CIC Private Debt nevertheless wishes to continue its efforts and improve the gender balance in its investment teams.
 - With regard to the Investment Committee in particular, voting members may vary depending on the committee and strategies, but are part of the general Investment Committee composed of eight men and two women in 2025. However, changes within these positions are limited.
- ▶ In 2024, CIC Private Debt formalised the establishment of an Executive Committee. It consists of three men and two women.
- ▶ Finally, as an SAS (simplified joint stock company), the management consists of the Chairman and the Deputy Chief Executive Officer. There has been no turnover in these positions since CIC Private Debt was established. A change in the gender balance in management is therefore unlikely.

Remuneration policy

CIC Private Debt is covered by La Française Group's remuneration policy, which incorporates sustainability criteria in accordance with the SFDR. This policy is available [here](#).

Inclusion of ESG criteria into the Board of Directors' regulations

CIC Private Debt does not have a Board of Directors, but does have a Supervisory Committee. There are no specific regulations, but ESG issues are addressed at this committee.

3. Engagement strategy

a) Engagement policy and results

CIC Private Debt is a private debt management company. Except in exceptional cases, CIC Private Debt does not hold equity stakes in portfolio companies and generally does not have the possibility of exercising a voting policy, including on ESG issues.

In order to engage with portfolio companies in a different way, CIC Private Debt is stepping up its efforts to raise awareness among companies. Firstly, CIC Private Debt carries out annual ESG reporting campaigns. The purpose of these is twofold: firstly, to enable the CIC Private Debt team to better understand the practices of the portfolio companies and, secondly, to inform investors about the consideration of ESG in their investments. Furthermore, the reporting campaign is also a tool to raise awareness among portfolio companies. The questionnaires show companies the importance of ESG issues for CIC Private Debt. They also provide companies with guidance on current and future market requirements and regulatory constraints. For some companies, the questionnaire encourages the collection of data that had previously not been followed. For others, the questionnaire helps to identify emerging ESG issues that are emerging in regulations.

In 2025
58%–82% ESG questionnaire response rate by fund for Senior Debt Mid Cap and Mezzanine & Unitranche strategies

With regard to the two Mezzanine & Unitranche funds, CIC Private Debt is deepening its engagement with companies. In order to establish dialogue, a meeting is organised with certain companies between management, an ESG firm and the ESG team. This exchange, lasting around an hour, is an opportunity to take a closer look at company practices on a range of issues. Following these interviews, each company receives a report identifying its main risks, its maturity, and proposals for improving or refining its approach.

Lastly, where possible, CIC Private Debt promotes the implementation of financing indexed to sustainability criteria. These mechanisms are based on a contractual engagement to achieve sustainability targets, with the cost of debt indexed to whether or not these targets are met. This type of mechanism is not systematic and requires the agreement of the other participants in the financing as well as that of the borrower. However, it is a tool for dialogue and financial incentives to encourage companies to take action.

In 2025
33% of the holdings in the latest Senior Mid Cap fund benefited from these mechanisms

This percentage is lower than in the previous year because it relates to the new fund for this strategy launched this year, for which the sustainability criteria are currently being finalised with the companies.

b) Voting policy

As mentioned above, CIC Private Debt is not a shareholder in any of the portfolio companies, except in exceptional cases. CIC Private Debt Funds may become shareholders in unlisted companies or, in exceptional cases, listed companies. In such cases, CIC Private Debt would hold a very small minority stake in the company and would therefore not have a significant or influential position.

However, CIC Private Debt implements a voting rights policy. The main points of the management company's voting policy are as follows:

- ▶ CIC Private Debt will exercise the voting rights it holds for all portfolio companies in which it is a shareholder
- ▶ CIC Private Debt will prioritise compliance with the following general principles:
 - Protecting the long-term interests of Fund unitholders
 - The company's social interest
 - Fair treatment of shareholders
 - Integrity of financial statements and transparency of communication
 - Preventing conflicts of interest between the company and directors by affirming the separation of powers and sufficient independence of the board
 - Transparency regarding the compensation policy for senior executives and any stock option plans, and the reasonableness of compensation, which must be linked to the company's performance and development
 - Allocation of profits and use of equity: sound management of equity
 - Strategic development.

4. Approach to environmental issues

a) European taxonomy and fossil fuels

The European Taxonomy classifies economic activities that have a positive impact on the environment. The aim is to redirect investments through six objectives:

1	Climate change mitigation
2	Climate change adaptation
3	Sustainable use and protection of water and marine resources
4	Transition to a circular economy
5	Pollution control
6	Protection and restoration of biodiversity and ecosystems

CIC Private Debt works primarily with SMEs and mid-cap companies. In this type of company, the level of progress made in CSR initiatives varies from one company to another. Similarly, data availability remains an issue for certain portfolio companies. In this context, few portfolio companies disclose their alignment with the European Taxonomy.

However, CIC Private Debt wishes to raise awareness among companies, including on issues related to the European Taxonomy. The ESG questionnaires for Senior Mid Cap, Mezzanine & Unitranche and Infrastructure funds covered by the campaign therefore include questions on companies' alignment with the European Taxonomy. The companies included in the reporting scope were asked whether their alignment share had been measured. Only 1.89% of the companies that completed the questionnaire answered yes to this question.

As detailed below, CIC Private Debt has exclusion policies regarding fossil fuels. At 31 December 2025, companies active in fossil fuels accounted for 0% of assets under management.

b) Alignment strategy with the international objectives of the Paris Agreement

As a financial player, CIC Private Debt is aware of its role in achieving greenhouse gas emission reduction targets to maintain the 1.5°C target. CIC Private Debt has implemented a specific Climate Action Plan to contribute to this reduction at its own level.

Sectoral exclusions to limit climate change

Greenhouse gas (GHG) emissions need to be drastically reduced to limit climate change. CIC Private Debt's engagement is first and foremost reflected in the implementation of exclusion policies targeting certain sectors with particularly high emissions. As fossil fuels are one of the main causes of GHG emissions, CIC Private Debt has implemented sectoral exclusions on fossil fuel sectors, some of which are based on the policies of the Crédit Mutuel Alliance Fédérale group. These policies thus help to limit greenhouse gas emissions from CIC Private Debt's portfolios.

Integrating climate change into portfolio management

As described above, CSR maturity varies from one company to another. Data availability remains an issue for certain portfolio companies. Therefore, CIC Private Debt has a limited impact as a lender. Against this backdrop, the management company has not set any quantitative greenhouse gas reduction targets for the time being.

However, CIC Private Debt is already implementing measures to integrate climate considerations into every stage of the financing process. Climate is, in fact, the first issue taken into account during the pre-investment ESG analysis. Furthermore, CIC Private Debt is working on the roll-out of a pre-investment climate assessment tool to provide a more in-depth analysis of the climate data available at this stage of the financing process.

In addition, during ESG reporting, portfolio companies are questioned about their practices and quantitative data relating to greenhouse gas emissions (except for the Senior Large Cap questionnaire). Questions may, for example, cover:

- Scope 1, 2 and 3 GHG emissions
- The implementation of a policy to reduce GHG emissions
- Setting quantitative and time-bound targets for GHG emissions
- Verification by an external third party that the targets are in line with the Paris Agreement

As described above, for the last two funds deployed by the Mezzanine & Unitranche division, interviews are conducted with certain companies. Climate change is one of the various issues addressed during these interviews. At the end of the discussion, a deliverable is sent to the companies, containing areas for improvement on each of the issues, including climate.

Lastly, the ESG margin adjustment mechanisms described above most often include an indicator on greenhouse gas emissions. Reduction trajectories are then defined over several years.

Generalist and thematic funds: complementary approaches

CIC Private Debt is convinced of the importance of adopting complementary approaches to address climate challenges. Firstly, practices within companies across all sectors of the economy need to be improved. Secondly, greater support must be provided to companies whose activities offer solutions to the challenges posed by climate change.

The funds within the Infrastructure division therefore now aim to finance infrastructure whose operations directly address an environmental challenge, particularly climate-related ones (solar energy, wind energy, energy efficiency, energy storage, etc.). This thematic approach therefore enables us to directly target the key players needed to limit greenhouse gas emissions.

c) Alignment strategy with long-term biodiversity-related objectives

As part of its business, CIC Private Debt has not yet defined a strategy for aligning with biodiversity-related objectives, nor has it set any quantitative targets. Nevertheless, CIC Private Debt takes biodiversity-related issues into account in its ESG Policy. The subject is included in pre-investment ESG analysis and ESG reporting.

However, data availability remains limited. Biodiversity is an issue that is still rarely addressed by companies of this size. With the same aim of raising awareness, biodiversity is included in certain annual ESG questionnaires in order to show portfolio companies the expectations of financial stakeholders as well as future regulatory transparency requirements. Below are three examples of questions taken from the Senior Mid Cap and Mezzanine & Unitranche questionnaire:

- Location in biodiversity-sensitive areas
- Initiatives to reduce their impact on biodiversity
- Assessment of their dependencies on biodiversity

Due to the limitations mentioned above, CIC Private Debt has not yet implemented a biodiversity strategy. Nevertheless, the management company is keeping a close eye on market discussions on this subject.

5. ESG risk management

a) Control system

CIC Private Debt has a control system that incorporates ESG risks. It is implemented at various levels and by various parties to ensure effective management of ESG risks.

First level	Second level	Third level
Permanent control by the CIC Private Debt team on the implementation of the ESG Policy, in particular through the ESG team.	Control by the CIC Private Debt Compliance and Internal Control Officer of the proper application and compliance with ESG procedures.	Crédit Mutuel Alliance Fédérale group audit of all CIC Private Debt procedures and practices, including ESG policy.

b) Inclusion of ESG criteria into risk management

The ESG policy has several objectives, including integrating ESG risks into the management of CIC Private Debt funds. Managing these ESG risks involves identifying them and then mitigating the identified ESG risks. The two pre-investment phases enable the identification and reduction of the funds' exposure to ESG risks.

Initially, sectoral exclusions enable CIC Private Debt to limit or even eliminate its exposure to environmental, social and, in some cases, governance risks. This first phase excludes the sectors most at risk.

Secondly, pre-investment ESG analysis helps identify more specific ESG risks. It takes into account a wide range of issues in order to identify and assess the potential risks of each company studied. The pre-investment ESG grid captures these elements and forms an integral part of the presentation for the Investment Committee. The Investment Committee's decision is based on this presentation. The risks can vary greatly depending on the companies studied: regulatory risks, reputational risks, transition risks, physical risks. CIC Private Debt thus limits ESG risks through its investment selection process.

As a lender, the management company has implemented certain measures to reduce its exposure to ESG risks once companies are included in the portfolio. For the funds concerned, ESG reporting campaigns make it possible to monitor risks over the past year, for example by tracking environmental, social or ethical disputes.

ESG interviews conducted with companies in the two funds of the Mezzanine & Unitranche division enable potential risks to be identified and areas for improvement to be pinpointed in order to address these ESG risks.

Lastly, although they are only present in certain funds, ESG margin adjustments are mechanisms that can be used to encourage companies to take action. The issues selected are generally the most material for companies and target specific risks. These mechanisms encourage companies to take actions that lead to concrete results.

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We do not carry out a quantitative assessment of the financial impact of the main ESG risks, as the selection and monitoring process we have established enables us to identify areas of concern.

Annex 4

Article 29 – Crédit Mutuel Impact

Crédit Mutuel Impact

*Article 29 report on the
Energy and Climate Law*

June 2026

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1. Presentation of the entity

a) *Presentation of the entity*

Crédit Mutuel Impact is a portfolio management company within the asset management division of Crédit Mutuel Alliance Fédérale, operating in two main business lines: infrastructure and private equity. It is fully in line with Crédit Mutuel Alliance Fédérale's social, societal and environmental approach.

The management company invests for the long term in unlisted assets that generate positive, concrete and measurable impacts for the benefit of regions through:

- The Environmental and Solidarity Revolution Fund, created in June 2023 and funded by the Crédit Mutuel Alliance Fédérale Societal Dividend. This is an impact fund that aims to amplify the transformation of production and consumption models and to invest in projects with a significant environmental, climatic and societal impact, where financial needs are significant and few players are present.

Its portfolio is structured around six themes of ecological planning: better mobility, better housing, better consumption, better nutrition, better production, and better preservation and enhancement of our ecosystems. With a broad investment scope, the fund engages with disruptive technology companies and facilitates the scaling up of emerging sectors as well as societal and solidarity-based transformation. The fund's investment policy prioritises the environmental added value of industrial players and the long term;

- the SILOE infrastructures fund, invested in France in the fields of renewable energy, electric mobility and thermal decarbonisation of buildings;
- the Kairos Alpha professional private equity fund (FPCI) for professional and similar investors.

European Regulation (EU) 2018/2088, known as SFDR (Sustainable Finance Disclosure Regulation), has strengthened communication with investors on sustainability risk and the consideration of environmental, social and governance criteria in investment strategy. The funds must therefore be classified into three categories:

- Article 6 funds: general disclosure rule common to all funds within the pre-contractual documentation (prospectus) regarding whether or not sustainability risk is taken into account;
- Article 8 funds: funds covered by this article systematically incorporate environmental and social characteristics. They promote these characteristics provided that the companies in which the investments are made apply good governance practices;
- Article 9 funds: funds covered by this article contribute to the achievement of a defined and quantifiable environmental and/or social objective, for example in terms of reducing carbon emissions. These products may also have a social purpose.

As at 31 December 2025, the management company managed eight funds with total assets under management of €1,387.8 million: 78% of assets under management have sustainable investment objectives (Article 9 funds), and 18% concern investments promoting environmental characteristics (Article 8 funds).

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b) ESG approach

i. List of financial products pursuant to articles 8 and 9 of the Disclosure Regulation (SFDR)

The breakdown of funds managed by Crédit Mutuel Impact is summarised in the table below.

Fund type	Name of the Fund	Regulatory type (SFDR)	Net assets as at 31/12/2025 in €m	%
SLP	Environmental and Solidarity Revolution	Sustainable investment objective (art. 9 SFDR)	1,081.6	78%
SPF	Siloé Infrastructures	Promotes sustainable investment (art. 8 SFDR)	256.0	18%
Professional private equity fund (FPCI)	Kairos Alpha	Product not classified as sustainable (art. 6 SFDR)	49.8	4%
Local investment fund (FIP), venture capital funds (FCPI)	Select SME 2013, Select SME 2014, SME Wealth 2014, Select Innovation Select innovation 2014	Products not classified as sustainable (art. 6 SFDR)	0.4	0%

ii. Sustainable investment policy

Article 2-17 of Regulation 2019-2088, known as the SFDR, defines sustainable investment as "investment in an economic activity:

- **that contributes to an environmental objective**, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy,
- **or an investment in an economic activity that contributes to a social objective**, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities,
- **provided that such investments do not significantly harm any of those objectives**,
- **and that the investee companies follow good governance practices**, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."

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In line with this definition, Crédit Mutuel Impact has set itself the following objectives:

- Regarding the environmental impact:
 - o climate change mitigation;
 - o climate change adaptation;
 - o transition to a circular economy;
 - o protection and restoration of biodiversity and ecosystems;
 - o sustainable use and protection of water and marine resources;
 - o pollution prevention and control.
- Regarding the social and societal impact:
 - o social cohesion and integration;
 - o combating inequality;
 - o economically or socially disadvantaged communities;
 - o human capital.

Crédit Mutuel Impact analyses the environmental, governance and human capital development practices of the investee companies. The analysis methodology is based on:

- reference frameworks (internal and regulatory) for measuring both the negative and positive impacts of investments;
- exchanges with financed companies, which are not required to publish a non-financial performance statement.

iii. Dual materiality and consideration of sustainability risks

The concept of dual materiality emphasises that the two dimensions, financial and impact, are interdependent and must be considered together in the overall assessment of a company's performance.

In particular, in addition to the positive impacts of investments, management companies are required to consider sustainability risks that represent an event or situation in the environmental, social or governance field which, if they occur, could have a material negative impact, actual or potential, on the value of the investment.

Crédit Mutuel Impact recognises that its activities, as well as the assets it helps to finance, may have adverse impacts on the climate and the environment (greenhouse gas emissions, biodiversity, water, waste), social issues, staff and governance. The main adverse impacts are monitored throughout the investment process, from the pre-investment phase to the divestment phase, in particular through:

- monitoring controversies and applying normative exclusions covering, in particular, compliance with the principles of the United Nations Global Compact and the OECD Guidelines;
- strict compliance with sectoral exclusions: Crédit Mutuel Impact does not invest in, guarantee, or provide financial or other support, directly or indirectly, to companies or entities that do not comply with Crédit Mutuel Alliance Fédérale's Sectoral Policies as described in its Universal Registration Document (URD) available on the BFCM website (under the heading RSM/sectoral policies);

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- the use of an internal questionnaire designed to measure, monitor and control the adverse impacts of its investments and promote positive impacts in environmental, social and governance areas;
- In accordance with the regulations (SFDR regulations EU 2019/2088 supplemented by delegated regulation EU 2022/1288), Crédit Mutuel Impact describes and quantifies the main adverse impacts on an annual basis and publishes them on its website.

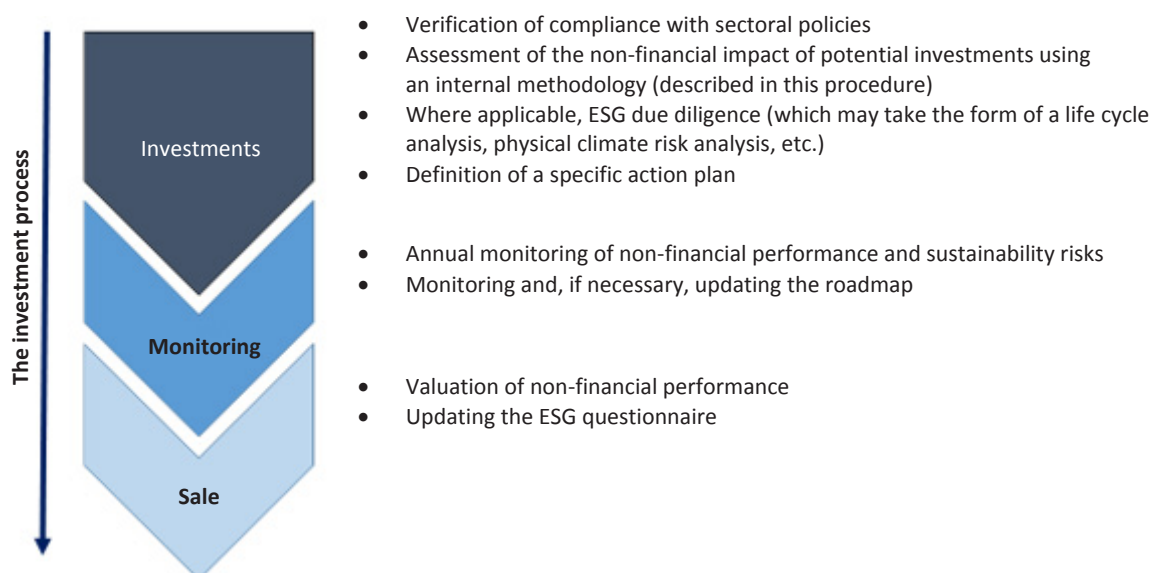
iv. Engagements with stakeholders

For investments made via Article 8 and Article 9 SFDR funds, Crédit Mutuel Impact undertakes to work exclusively with companies that have developed a non-financial policy or demonstrate an appetite for Environmental, Social and Governance (ESG) issues, and to support companies and project sponsors in their non-financial initiatives.

v. Integration of environmental, social and governance criteria analysis into the management company's processes

Environmental, social and governance criteria are analysed at every stage of the investment cycle of the Siloé Infrastructures and Révolution Environnementale et Solidaire funds, followed by regular monitoring, based in particular on an internal questionnaire, the key points of which are updated each year.

The roadmap is updated as necessary during the investment phase and regularly reviewed with the relevant counterparty.



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c) Information to clients

The management company has no affiliates, contributors, beneficiaries or clients.

Subscribers (professionals within the meaning of MiFID II and intra-group) are informed of the ESG criteria taken into account in the investment policy and strategy of the Siloé Infrastructures FPS and the Révolution Environnementale et Solidaire SLP through the annual management report, which includes a section on non-financial performance in accordance with the format of Delegated Regulation 2022/1288 applicable to Article 8 and Article 9 funds. financial performance in accordance with the format of Delegated Regulation 2022/1288 applicable to "article 8" and "article 9" funds.

The other funds managed by the management company are "Article 6" funds (i.e. they do not have sustainability objectives and do not promote ESG criteria). The investment policy of the KAIROS ALPHA Kairos Alpha professional private equity fund (FPCI) is shared with investors via the fund rules. Annual and half-yearly reports are also sent to them by email. FIP and FCPI subscribers are informed of the investment policy via the sharing of fund rules and annual and half-yearly reports on their secure internet space. These funds were in the liquidation phase as at 31 December 2025.

Lastly, the information to be disclosed pursuant to Article 29 of the Energy and Climate Law (known as LEC), EU Regulation 2019/2088 (known as SFDR), Regulation 2020/852 (known as Taxonomy) and delegated regulations (in particular Regulations (EU) 2022/1288 and (EU) 2021/2178) is updated in accordance with the schedules prescribed by regulation on the website of the management company, whose assets under management and total balance sheet exceed €500 million since the 2024 financial year and whose workforce is less than 500 people.

d) Entity participation in initiatives

Crédit Mutuel Impact has signed the France Invest Responsible Investor Charter and joined the International Climate Initiative (ICI) promoted by the PRI (Principles for Responsible Investment: a United Nations initiative to support responsible investment), confirming Crédit Mutuel Impact's engagement in the fight against climate change.

2. Organisation of the entity

a) Internal resources deployed by the entity

As at 31 December 2025, Crédit Mutuel Impact employed 17 people and the resources dedicated to taking ESG criteria into account were internal. All members of the management team (investors and investment managers supported by impact experts) take ESG criteria into account when investing and monitoring investments, using a structured approach that is regularly updated and provides a framework for the relevant methods when:

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- determining whether investments are sustainable or not;
- monitoring controversies;
- measuring sustainability risks by collecting the main material impacts at least once a year;
- collecting key environmental, social and societal performance indicators for the funds managed, defined in agreement with the subscribers in the pre-contractual disclosures;
- investigating eligibility and alignment with the European green taxonomy (Regulation (EU) 2020/852 and associated delegated regulations);
- measuring carbon emissions and avoidance, updated at least once a year based on public databases (in particular the ADEME footprint database) and statements from the companies financed;
- carrying out forward-looking analysis of carbon avoidance in line with the business plan of the portfolio companies;
- carrying out regular dialogue with companies, where applicable according to the terms of the ESG clause provided for in the shareholders' agreement.

Environmental and social impact is the primary focus of analysis of funding applications via the SILOE Infrastructures et Révolution Environnementale et Solidaire funds, and its analysis during the investment and monitoring phases takes up a large part of the team's working time. In total, the management company estimates that three full-time equivalents are dedicated to taking ESG criteria into account.

In addition, Crédit Mutuel Impact can draw on the resources and network of experts at Crédit Mutuel Alliance Fédérale, particularly the Mutualist Institute for the Environment and Solidarity, for training, monitoring, sectoral analysis and communication strategy. In terms of impact, communication relating to the Révolution Environnementale et Solidaire fund is closely linked to that of Crédit Mutuel Alliance Fédérale's Societal Dividend and to the monitoring of commitments made as part of the banking group's status as a benefit corporation.

b) Incorporating environmental, social, and governance quality criteria into the entity's governance approach

Crédit Mutuel Impact's management bodies are as follows:

- Crédit Mutuel Impact's operational management executes strategy, allocates resources, implements the environmental, social and governance vision, monitors and reports on financial and non-financial performance, and relies on the investment committee to identify, evaluate, select and carry out investments and divestments;
- The Board of Directors of Crédit Mutuel Impact is responsible for defining the general policy and business guidelines, appointing and dismissing senior executives, and adopting assessment measures (effectiveness, risks).

This governance is supplemented, within the scope of the Révolution Environnementale et Solidaire fund, by a strategic committee that issues recommendations on investment policy, ensures the fund is properly integrated into the Crédit Mutuel Alliance Fédérale ecosystem, and ensures that investments are consistent with the objectives of carbon neutrality and sustainability.

Within the scope of the Siloé Infrastructures fund:

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- an ethics committee, made up of neutral members, is responsible for managing conflicts of interest. Dedicated internal processes enable the detection and management of potential conflicts of interest;
- an advisory committee, made up of the main subscribers, aims to ensure that investment decisions are consistent with the fund's investment policy and to provide its members with information on the implementation of the investment strategy.

Although not formally included in the internal rules of the Crédit Mutuel Impact Board of Directors, environmental, social and governance quality criteria are widely taken into account by these bodies, whose members have significant experience and a very good understanding of ESG criteria and issues. This is evidenced by the amounts committed to the Révolution Environnementale et Solidaire fund, which works to preserve biodiversity, promote more sustainable energy production, more socially responsible housing and more responsible food production, as well as the fund's direct involvement in Crédit Mutuel Alliance Fédérale's strategic plan and the fulfilment of the commitments made under its status as a benefit corporation.

Furthermore, the composition of the management company's governing bodies reflects its commitment to gender balance:

- Crédit Mutuel Impact is managed by a Chief Executive Officer who is supported by a Deputy Chief Executive Officer and a Deputy Chief Executive Officer in charge of Impact;
- gender balance is ensured within the Investment Committee;
- In 2025, the Crédit Mutuel Impact Board of Directors included 43% female directors, including one independent director.

Lastly, Crédit Mutuel Impact's remuneration policy is strictly in line with that of Crédit Mutuel Alliance Fédérale, while complying with the regulatory requirements applicable to management companies authorised under the AIFM Directive and the provisions of the SFDR (in particular article 5).

3. Engagement strategy

a) *Engagement policy*

Crédit Mutuel Impact exercises its responsibility as an investor in several ways:

- ongoing dialogue with the management of the companies financed;
- engagement, regardless of the type of holding (shares, convertible bonds, debt), to companies financed through funds promoting or targeting sustainable investment;
- voting when the investment is made in equities;
- upstream active participation in the governance bodies of the financed company.

Crédit Mutuel Impact has initiated and maintained regular dialogue on ESG issues with all companies financed through the SILOE Infrastructures et Révolution Environnementale et Solidaire funds.

With regard to the Révolution Environnementale et Solidaire fund, and as indicated above in accordance with the provisions of the shareholders' agreement, an impact committee, whose conclusions are shared

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with the management of the financed companies, has also been set up in most of the financed companies. A representative appointed by Crédit Mutuel Impact is a member of this committee, with the specific aim of enhancing and monitoring the roadmap established in relation to environmental, social, and societal quality issues for governance bodies.

b) Voting policy

Crédit Mutuel Impact's shareholder engagement policy is public and available on the management company's website. Its content follows the recommendations of Articles L533-22 and R533-16 of the French Monetary and Financial Code to describe how the management company fulfils its role as a shareholder.

The voting policy is consistent with the investment strategy and complies with the guidelines set out in the regulations of each fund. Its principle is to cover all shares held in all companies, regardless of size, nationality or voting rights held. It is based on respect for minority shareholders' rights, fairness between shareholders, transparency and quality of information provided to shareholders, balance of power between management bodies, sustainability and integration of companies' long-term strategy, and support for best corporate governance practices.

As a signatory to France Invest's Charter of Engagement for Investor Growth and a member of the International Climate Initiative promoted by the Principles for Responsible Investment (PRI), Crédit Mutuel Impact incorporates environmental, social and good governance considerations into its voting policy and takes into account the results of indicators relating to the principal adverse impacts, including in particular (non-exhaustive list):

- continuous verification that the company financed has no exposure to the fossil fuels sector;
- the proportion of activity having a negative impact on biodiversity-sensitive areas;
- no violation of the principles of the United Nations Global Compact;
- no exposure to controversial weapons;
- monitoring gender equality;
- the protection of employees through the existence of a workplace accident prevention policy.

Overall, all of the main negative impacts identified are analysed in light of the sectoral policies applied, from a long-term perspective and according to a principle of fairness.

When the management company decides to invest in a company's capital, it generally endorses the company's management business plan. However, the management company reserves the right to tighten its shareholder engagement policy and vote against or abstain, particularly if it considers that the main negative impacts have not been sufficiently reduced over the period covered and/or that a resolution is likely to have a significant adverse impact (environmental, societal or financial) on the value of the company or its environmental and societal impact.

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c) Summary of the engagement strategy

In 2025:

- the attendance rate at General Meetings was 96% (either directly or by proxy), with 96% voting in favour of the resolutions presented by the corporate management bodies, 3% against, and 2% abstaining;
- of the 251 votes cast, 7 concerned employee share ownership (granting of founder share warrants (BSPCE), share subscription warrants (BSA), options, etc.);
- Crédit Mutuel Impact did not submit any resolutions.

4. Approach to environmental issues

a) European taxonomy and fossil fuels

The Taxonomy Regulation (EU) 2020/852 defined six environmental objectives and identified the sectors most relevant to achieving the Paris Agreement's climate change targets. In line with its desire to participate fully in these objectives, Crédit Mutuel Impact has analysed the eligibility and alignment with the European taxonomy of each of the investments made by the Siloé Infrastructures et Révolution Environnementale et Solidaire funds.

These assessments were conducted in accordance with Delegated Regulations (EU) 2021-2139 and EU 2023-2486 and on statements from counterparties in the Siloé Infrastructures and Révolution Environnementale et Solidaire portfolios, which have not been published due to their status as unlisted companies and because they do not exceed the thresholds requiring the publication of a non-financial performance statement (NFPS).

The results of the estimated Climate Performance Indicator (CPI) (known as voluntary as opposed to the regulatory CPI, which can only be calculated using data published in the latest available NFPS of counterparties) were shared with subscribers to the FPS Siloé Infrastructures and the Révolution Environnementale et Solidaire SLP funds.

As at 31 December 2025, over 98% of the investments made in Article 8 and Article 9 funds (i.e. 96% of assets under management) met the climate change mitigation objective.

No investments were made in the fossil fuel sector, in application of the sectoral exclusion policies. For further details, please refer to the statement on the consideration of sustainability risks.

b) Alignment strategy with the international objectives of the Paris Agreement

In 2020, Crédit Mutuel Alliance Fédérale decided to adopt the raison d'être "ensemble, écouter et agir" (listening and acting together) and to become a benefit corporation. Societal and environmental objectives have since been enshrined in its statutes to support the ecological and societal revolution.

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On 5 January 2023, Crédit Mutuel Alliance Fédérale decided to create the Social Dividend, a decisive step towards accelerating its efforts to promote a fairer and more inclusive society. Each year, the Societal Dividend allocates 15% of the Group's consolidated net income to finance ecological transformation and social and regional solidarity initiatives.

As an extension of Crédit Mutuel Alliance Fédérale's engagements, Crédit Mutuel Impact is directly involved in preserving the environment and combating global warming and intends to act by promoting sobriety and investing in:

- companies that contribute to this reduction target in an effective manner regardless of their stage of development (R&D, prototype, scaling up) as long as impact measurement is possible;
- projects aimed at transforming practices in the areas of energy, recycling and waste recovery, transport, agri-food and lifestyle.

Crédit Mutuel Impact has not set any quantitative targets for the implicit temperature increase or greenhouse gas emissions (particularly given that, by the end of 2025, carbon absorption will be significantly higher than emissions from the start-ups financed, whose activities are still in their early stages). However, the management company has set itself concrete commitments to align its activities with compliance with the Paris Agreement:

- strict application of sectoral exclusion policies;
- investments primarily made in carbon sinks and in areas where greenhouse gas emission reductions are required, and insufficient funding;
- measurement of CO₂ emissions and avoidance (based on the key indicators of the Siloé Infrastructures et Révolution Environnementale et Solidaire funds);
- systematic assessment of eligibility and alignment with the European taxonomy, and in particular with the climate change mitigation objective within the meaning of Article 10 of Taxonomy Regulation (EU) 2020/852: the activities concerned make "a substantial contribution to the stabilisation of GHGs at a level that prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of in line with the Paris Agreement through either the avoidance, reduction of GHG or the increase of GHG removals, including through process or product innovations".

c) Alignment strategy with long-term biodiversity-related objectives

Two large natural carbon sinks sequester half of greenhouse gas emissions: forests, in proportions closely linked to how they are managed, and oceans.

Preserving carbon sinks, natural resources protection and developing biodiversity are among the priorities of Crédit Mutuel Impact's investment policy, particularly through the Révolution Environnementale et Solidaire fund.

The Révolution Environnementale et Solidaire fund has acquired nearly 8,400 hectares of forest assets in France with the aim of securing these carbon sinks in the long term, at a time when 30% of France's forests are threatened by climate change. Due to poor management, some French forests have even become carbon emitters. Forests make an indispensable contribution to our lives. In addition to their role in regulating the climate through CO₂ capture, they are essential reserves of biodiversity. They also enable

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recreational and cultural activities that enrich the regions. Due to poor management, some French forests have even become carbon emitters. Intensive exploitation of these natural areas or poor maintenance can cause damage, thereby negating their climatic benefits and destroying biodiversity reserves.

Crédit Mutuel Alliance Fédérale and Crédit Mutuel Impact are committed to the long-term preservation of these forest assets, which are financed through a management policy that ensures their sustainable management.

The forests acquired through the Environmental and Solidarity Revolution Fund are outstanding in Europe. The first, located in the Vosges du Nord, is one of the five largest private forests in France. It has nearly a million trees of seven different species (oak, beech, Douglas fir, Scots pine, etc.) that adorn an exceptional biodiversity, including nine ponds - wetlands that urgently need to be preserved for the climate. This forest is one of the first to have obtained the FSC (Forest Stewardship Council) label, which recognises forestry practices that respect the natural environment.

The second, located in Amboise, is home to a forest that is one of the most beautiful oak groves in France, consisting of sessile and pedunculate oaks, and four ponds.

The third, situated in Arpheuilles, is a forest consisting entirely of oak trees, located in a well-known area.

All are managed according to the principles of a common forest management policy established by Crédit Mutuel Impact, which governs the sustainable nature of their management, defined, in line with the national forest and timber programme, as "the stewardship and use of forests and woodlands in a manner and at a rate that maintains their biological diversity, productivity, their capacity for regeneration, their vitality and their ability to satisfy, now and in the future, the ecological, economic and social functions relevant at local, national and global levels, and that they do not cause damage to other ecosystems". Forest managers apply mixed forestry with continuous cover, aiming to preserve natural capital as much as possible. The performance of their management is measured in particular by taking into account the carbon sequestration of forests and the preservation or even increase in biodiversity.

Thus, with regard to preserving carbon sinks and limiting carbon emissions linked to forest management:

- harvesting is systematically less than or equal to the annual growth of the forest (with the exception of emergency felling in the event of specific risks) in order to avoid depleting forest capital and to preserve carbon sequestration capacity;
- the cut timber is primarily intended for sale as timber in short supply chains.

With regard to the implementation of best practices promoting biodiversity, the forestry management system:

- promotes natural regeneration to preserve the genetic diversity potential of native species when they are well suited to the geographical location of the forest;
- promotes species diversity during tree marking;
- selects trees with microhabitats to be preserved;
- limits soil compaction, which impoverishes microfauna;
- leaves dead wood on the ground and promote microhabitats;
- creates islands of senescence;
- respects the seasonality of fauna and flora, particularly the breeding season of fauna;
- leaves the ponds in their natural state.

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To measure the capacity of forest stands to support animal, plant and fungal species, the potential biodiversity index (PBI) is currently being implemented. This tool is based on questionnaires differentiated according to location, type of habitat and survey. On a scale of 1 to 5, it rates the following ten criteria:

- the number of native species;
- vertical vegetation structures;
- the volume of large standing dead wood;
- the volume of large dead wood on the ground;
- the volume of very large live wood;
- the number of living trees that are home to tree-related microhabitats;
- the existence and preservation of open, flowering environments;
- the temporal continuity of the wooded state;
- the existence and preservation of aquatic environments;
- the existence and preservation of rocky environments.

The objective of this measure is to take stock and manage the value of this index with a view to continuous improvement.

5. ESG risk management

a) *Control system*

Crédit Mutuel Impact mirrors Crédit Mutuel Alliance Fédérale's general control and risk management system. The latter is structured around three lines of defence: the operational line, the line comprising risk management functions, and the internal audit line. This organisation complies with regulatory requirements with the three required functions: permanent control, compliance and periodic control.

The control system is organised into several levels:

- first-level, operational or hierarchical controls: Crédit Mutuel Impact employees carry out permanent operational monitoring;
- second-level controls carried out:
 - o by the Compliance and Internal Control Officer;
 - o by cross-functional supervisory teams (Crédit Mutuel Alliance Fédérale's "permanent control" and "compliance" functional lines);
- third-level controls are carried out by the Group's General Inspection.

First- and second level control work is stored on a control reporting tool. The level of control coverage and the results are shared with the management bodies in their executive and supervisory roles.

Crédit Mutuel Impact - Article 29 LEC report

b) Inclusion of ESG criteria into risk management

Non-financial risks, including the assessment of physical, transition and liability risks related to climate change and biodiversity, are covered by this organisation. They include the following:

- verification of compliance with sectoral policies;
- verification of the existence of a non-financial policy on the part of the project sponsor, or at least an appetite for ESG issues among the management of the company receiving the financing;
- verification of the proper use of internal ESG risk measurement tools and roadmap development;
- verification that sustainability risks are taken into account and that the main material impacts are measured;
- verification of the collection of key indicators for article 8 and 9 funds and the minimum provisions set out in their statutory and contractual provisions;
- verification of compliance with reporting obligations;

and, more broadly, verification of the proper application of the management company's ESG procedures.

6. Continuous improvement plan

Topic	Areas for improvement
Quantification of the financial impact of the main ESG risks	Data collection and reliability improvement continue, particularly for estimating the main material impacts and assessing physical climate risks.

Annex 5

Article 29 – New Alpha Asset Management

New Alpha Asset Management

*Article 29 report on the
Energy and Climate Law*

June 2026

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1. Presentation of the entity

a) *Presentation of the entity*

New Alpha Asset Management, referred to in this report as NewAlpha AM, is the La Française Group's open-architecture platform, specialising in the structuring and implementation of bespoke investment solutions.

Through its research, advisory and fund portfolio management activities, NewAlpha AM serves a customer base comprising institutional investors and, increasingly, high-net-worth (HNW) private customers.

Our capabilities cover both traditional and alternative asset classes. As at 31 December 2025, NewAlpha AM managed and advised €4.0 billion.

The information set out in this report concerns all the funds managed by NewAlpha AM.

b) *ESG approach*

Our approach

Through its various business lines, NewAlpha AM places importance on long-term growth, sharing value creation and pursuing the necessary transitions associated with climate change and the social challenges this entails. NewAlpha AM believes that non-financial criteria are sustainable mechanisms for value creation that contribute to the sustainable transformation of VSEs and SMEs into Mid-Market Companies. NewAlpha AM's responsible approach has been formalised in its Sustainable Policy, available on its website¹.

As part of its indirect management activities (selecting and investing in investment funds managed by external management companies), NewAlpha AM incorporates ESG criteria into its management processes and works with its partners to raise their awareness of best practice and the expectations of institutional investors in this area. Investors are kept informed of developments in the ESG practices of the underlying managers on an annual basis.

With regard to its direct Private Equity activities, NewAlpha AM assists portfolio companies to implement an ambitious CSR policy adapted to their stage of maturity.

Our methodology

For the multi-management activity, the integration of non-financial criteria was designed in 2019 and has been applied internally since then.

At the start of the pre-investment phase, the funds under consideration must complete a detailed ESG questionnaire. Responses are combined with a detailed analysis of all ESG policies and reports, as well as a meeting with portfolio managers, to establish an ESG Scorecard.

This internal rating system is applied at two levels: the management company and the investment strategy. A total of 20 general criteria are used, both qualitative and quantitative, each covering several key performance indicators. Specific E, S and G themes are covered, such as the gender balance of management teams, the fund's carbon footprint compared to its peers, alignment with the Paris Agreement, whether or not funds have obtained ESG labels, voting and engagement practices, participation in ESG coalitions and initiatives, etc.

¹ https://www.newalpha.com/wp-content/uploads/01_Politique_ESG_2024_FR.pdf

After the investment, funds are asked to complete an annual ESG questionnaire and report on their progress. The ESG Scorecards will then be updated. This allows NewAlpha AM to track the ESG progress of the underlying investments and highlight areas for improvement. The detailed methodology is available on request.

For the direct Private Equity activity, the methodology was developed with Ethifinance. An evaluation of the performance of the funds and their holdings on ESG issues is carried out annually. It is based on the responses of each holding to the ESG questionnaire established according to a benchmark co-constructed with Ethifinance. Each company obtains an Environmental, Social and Governance rating, as well as an aggregate overall rating of between 0 and 100.

i. List of financial products pursuant to articles 8 and 9 of the Disclosure Regulation (SFDR)

In 2025, no new funds were launched. NewAlpha AM's three SFDR article 8 funds, Emergence Actions II, Emergence Europe and Emergence Techs for Good, accounted for 16% of the company's assets under management and advisory as at 31 December 2025.

c) Information to clients

For multi-management, once the annual non-financial review has been carried out, the results are presented to institutional investors at investment committee meetings. This non-financial reporting is based in particular on the updating of the ESG Scorecards, and on an overall assessment of the progress made by the selected management companies in their responsible investment practices, as well as the areas in which NewAlpha AM considers there is room for improvement.

For direct private equity funds, the ESG performance of the companies' portfolio is monitored annually on the basis of qualitative and quantitative indicators. The annual ESG reporting, supplemented by all companies in which NewAlpha FinTech is a shareholder, is shared with investors.

d) Entity participation in initiatives

NewAlpha AM has been a signatory of the UN Principles for Responsible Investment (PRI) since 2017. This engagement underlines the importance we attach to long-term growth and the sharing of value creation within a framework defined by the highest standards of governance and transparency.

As a member of the PRI, we became signatories to the UN PRI's Spring initiative in 2024.

2. Organisation of the entity

a) Internal resources deployed by the entity

i. Description of financial, human and technical resources

NewAlpha's ESG team is made up of one person working full-time on ESG, supported by two people working 25% of the time.

Furthermore, ESG topics are integrated into each business line, and the investment teams are directly responsible for the analysis and non-financial monitoring of the companies and funds invested. During the year, all investment and client relations teams receive internal training on ESG analysis and relevant regulation (SFDR, Taxonomy, etc.).

For the multi-management activity, ESG research is based on Sustainalytics (MorningStar) and Bloomberg data providers. In addition, other sources of open ESG data are used, such as SBTi, CDP and Urgewald.

NewAlpha AM does not disclose a budget for suppliers of non-financial data, as the main suppliers, Morningstar and Bloomberg, are used for both financial and non-financial data.

For the direct Private Equity business, NewAlpha has a partnership with Ethifinance, which produces an annual report with ESG scores for the investment funds and for each holding.

ii. Actions taken to strengthen internal capacities

In 2025, the ESG team took part in a series of workshops with a specialist consultant to analyse our portfolios using their proprietary methodology. The aim was to identify, from a broad investment universe, the companies with the greatest potential to create financial value by optimising their ESG practices.

In addition, members of the ESG team attended events and conferences relating to ESG issues, in order to keep abreast of market practices and developments in European regulations.

b) Incorporating environmental, social, and governance quality criteria into the entity's governance approach

Steering and supervisory bodies

NewAlpha AM created an ESG committee in early 2021 to oversee the deployment of responsible investment within its activities. This committee is made up of the entity's main stakeholders: its Chairman, its Chief Executive Officer, the ESG team and representatives from each business line. This committee meets four times a year to monitor the progress of responsible approaches, both internally and externally, and to set new objectives in terms of sustainable investment and climate strategy. All decisions taken are communicated to all employees after each committee meeting.

Remuneration policy

NewAlpha AM incorporates ESG criteria into its remuneration policy, such as adherence to ESG policies, contribution to ESG reports and questionnaires, and dissemination of ESG management principles internally and externally. This approach aims to align the company's remuneration practices with its responsible investment commitments.

3. Engagement strategy

Engagement is an integral part of our responsible approach and applies to all strategies, but the degree of engagement may vary from one strategy to another.

a) Engagement policy

Engagement is a key element of NewAlpha's responsible approach to multi-management. The company undertakes with the investee management companies to:

- Analyse ESG practices and identify areas for improvement,
- Raise awareness of regulatory developments in the field of sustainable finance
- And encourage them to engage portfolio companies, but also through coalitions and collaborative initiatives (such as signing the PRI, UNGC, TNFD, participation in working groups and collective engagement campaigns, etc.).

As part of its direct Private Equity activity, NewAlpha AM undertakes to:

- Carrying out ESG due diligence during the acquisition phase (associated with the development of an ESG progress plan in coordination with the company's management)
- Together with the company's management, implement a CSR policy within the companies in which NewAlpha AM is a shareholder via its direct Private Equity funds.

b) Voting policy

NewAlpha AM complies with its policy on the use of voting rights attached to securities held by the funds it manages and reports on it in the annual report of the fund concerned².

For multi-management, fund-of-fund strategies do not offer the possibility of voting at General Meetings. However, for equity multi-management, NewAlpha AM asks the investee management companies to have a voting policy consistent with their socially responsible investment strategies.

For the direct Private Equity funds, NewAlpha AM may appoint corporate officers, directors, members of the management or supervisory board, censors or members of the investors' committee or any equivalent position in the underlying companies invested.

The management company may also appoint third parties it chooses to these positions. NewAlpha AM shall report to Investors in the annual report for the relevant financial year on all appointments made in this capacity and on the voting rights exercised in the General Meetings of the portfolio companies and on the supervisory boards of the above companies.

c) Summary of the engagement strategy

	Companies involved	Topics covered
Multi-management equities	13	<ul style="list-style-type: none"> - Strengthening the exclusion policy - Strengthening the ESG approach - Monitoring controversies
Multi-management Alternative (private debt and hedge funds)	67	<ul style="list-style-type: none"> - SFDR article 8 classification - Exclusion lists - Team diversity
Direct Private Equity	16	<ul style="list-style-type: none"> - Annual ESG score review meeting

² https://www.newalpha.com/wp-content/uploads/07_Politique_de_droits_de_vote_et_d_engagement_actionnarial_2025_FR.pdf

4. Approach to environmental issues

a) *European taxonomy and fossil fuels*

NewAlpha AM measures its eligibility and alignment with the six pillars of the European taxonomy for its listed equity funds:

The percentage of activity (measured by turnover) eligible for Taxonomy is 23% for equity multi-management financial assets (16% of total assets under management), based on data obtained from the Bloomberg data provider, and the percentage of alignment is quantified at 7%. The coverage rate for the year is 64%, which is explained in particular by the ownership of companies not concerned by the taxonomy regulations (companies outside the EU or small). The data concerning the alignment of CapEx and OpEx are detailed in the table below:

	Turnover	CapEx	OpEx
Eligibility	23.12%	31.61%	17.08%
Alignment	7.33%	10.48%	6.48%

To date, we do not have the methodology or the data needed to calculate the eligibility of direct Private Equity and alternative multi-management portfolios, for which we do not have the necessary transparency.

As regards fossil fuels, this sector accounts for **4.23%** of equity multi-management assets. Within this, **0.04%** of assets are linked to the coal sector and **0.05%** to the non-conventional oil and gas sector (in terms of turnover). We encourage asset management companies to strengthen their policy of excluding coal and to implement a policy of excluding non-conventional oil and gas.

b) *Alignment strategy with the international objectives of the Paris Agreement*

NewAlpha AM has not defined absolute or relative GHG emission reduction targets for its investments. Given the diversity of investment strategies and underlying assets, implementing emissions reduction targets across the portfolio presents major challenges. As a multi-manager fund, our portfolios are characterised by diversified management approaches implemented by asset managers with heterogeneous sustainable practices and objectives. Each fund has its own assessment of non-financial risks and its own climate strategy. We therefore work closely with these managers to ensure that they gradually adopt and strengthen their climate strategy.

NewAlpha AM recognises the urgency and importance of combating climate change and reducing emissions, and hopes to be able to implement an emissions reduction strategy in the near future.

This is an important topic where we closely monitor our underlying funds, through metrics such as carbon footprint and intensity (scope 1, 2 and 3), percentage of portfolio companies with SBTi-validated GHG reduction targets, fossil fuel exposure, climate change policy, etc. For multi-management equity funds, this data has been aggregated and is presented in the last section of this document.

Funds and management companies that have committed to Net Zero and with a good performance on the indicators mentioned above, achieve better results in our ESG Scorecards.

Our exclusion policy also aims to help mitigate climate change:

- For multi-management equities, the exclusion policy covers thermal coal, and each investment management company is encouraged to define a policy for phasing out fossil fuels;
- For direct Private Equity funds, investments in the fossil fuel sector are excluded.

c) Alignment strategy with long-term biodiversity-related objectives

NewAlpha AM recognises that biodiversity damage, in conjunction with climate change, poses serious risks and that finance has a role to play in redirecting financial flows to companies that reduce negative pressure on biodiversity, use natural resources responsibly, and contribute to the regeneration of ecosystems, habitats and species. As a company and investor, NewAlpha AM is committed to meeting the biodiversity targets set by the Convention on Biological Diversity, ratified on 5 June 1992, and more recently those approved at the UN Biodiversity Conference, COP15, in December 2022.

For now, NewAlpha AM has taken a qualitative approach to biodiversity. NewAlpha AM monitors the exposure of its funds to palm oil, pesticides and GMOs, the involvement of companies in biodiversity controversies and the percentage of companies with activities that negatively affect biodiversity (PAI 7). We also encourage and support managers to develop their biodiversity strategy and policy.

Of the 11 equity fund management companies that are invested in, eight are signatories to biodiversity-related initiatives, such as the Finance for Biodiversity Pledge, TNFD, Nature Action 100 and CDP.

5. ESG risk management

a) Control system

First level controls are carried out by the ESG team. It ensures compliance with non-financial criteria and the production of ESG indicators that are included in the funds' pre-contractual and periodic reports.

In addition, the Compliance and Internal Control Department conducts an annual review of the ESG process as part of the internal control plan. This second-level control checks all documentation intended for investors (compliance of prospectuses with SFDR, pre-contractual and periodic SFDR annexes, annual reports, 29 LEC report, PAI report, exclusion policy, ESG policy) as well as the monitoring of SFDR commitments (performance of ESG due diligence, sustainability indicators, compliance with exclusions).

Lastly, the Compliance and Internal Control Officer is included in the ESG documentation validation process (prospectus, SFDR annexes, ESG policy, 29 LEC report) in order to ensure compliance with regulatory requirements in this area.

b) Inclusion of ESG criteria into risk management

i. Entity risks

The main risks are related to governance:

- Compliance risk
- Reputational risks

The most likely events that could give rise to a reputational or compliance risk for the NewAlpha funds could be linked to the failure to implement measures to monitor issuers/companies for corruption or money laundering & terrorist financing, unsustainable social or societal practices and/or the governance of one of the issuers held in our funds.

ii. Asset risks

At the level of financial assets, two types of risks are monitored for funds promoting non-financial characteristics:

1 - ESG risks

ESG criteria are non-financial criteria that make it possible to assess a company's approach to corporate social responsibility and sustainability in its internal operations and activities. These criteria are a means of assessing the ethical concerns of managers in the management of their business and of evaluating the associated risks over the long term.

As part of its multi-management activity, NewAlpha AM integrates sustainability risks and opportunities in its analysis and investment process a non-financial and an ESG scoring according to a methodology developed internally (ESG Scorecard). NewAlpha AM mainly analyses the managers' internal rules, the indicators used and the controversy monitoring process.

In the context of direct Private Equity, an external non-financial audit is carried out before each investment.

2 - Climate risks

In terms of climate, NewAlpha AM has identified two types of risk:

- Physical risks resulting from damage directly caused by weather events, on the value chain (e.g. logistics), as well as on the value of assets (e.g. operating costs and infrastructure).
- Transition risks linked to the effects of the implementation of a low-carbon economic model.

In order to avoid a decline in the value of assets, it is necessary to identify long-term opportunities and align with low-carbon trajectories.

NewAlpha AM incorporates these risks into its investment decisions on an ad hoc basis, using a qualitative approach based on its proprietary methodology (ESG Scorecard). At the level of the underlying managers, NewAlpha AM analyses their exclusion policies, the climate indicators used, whether temperature alignment or climate trajectories are implemented and the tools used to assess climate risk.

For the time being, NewAlpha AM has not developed a quantitative approach to ESG risk management, while remaining attentive to the development of tools and methodologies, and may develop its approach in the future.

In addition, in order to limit climate risk, NewAlpha AM has put in place an exclusion policy targeting the sectors most likely to be at the origin of liability risks linked to environmental factors. This policy includes a fossil fuel phase-out plan and raising awareness amongst selected external managers so that they adopt an active engagement policy on fossil fuel. The selected managers enter into regular dialogue with their portfolio companies to:

- Raise awareness among these companies to publish their carbon data;
- Encourage these companies to follow a trajectory to lower their greenhouse gases.

c) Indicators monitored

i. Quantitative estimate of the financial impact of the main risks

Multi-management equities

Scope 1 and 2 carbon intensity (tCO₂/million euros of turnover) at end-2025:

	2025	2024	2023	2022
Emergence Actions II	86	70	113	135
Emergence Europe	100	75	95	151
Emergence Techs For Good	29	32	23	29

Source: Morningstar, underlying managers

Aggregated ESG ratings 2025:

Each underlying fund invested in is rated annually on the basis of a questionnaire drawn up by NewAlpha AM. The ESG rating is established on a rating scale of 0 to 100. The aggregation of ratings at the fund of funds level reflects a qualitative level of performance.

	2025	2024	2023	2022
Emergence Actions II	75.1/100	74.1/100	71.5/100	66.6/100
Emergence Europe	64.1/100	67.5/100	66.2/100	63.8/100
Emergence Techs For Good	77.8/100	77.6/100	76.0/100	73.8/100

Source: NewAlpha AM

SBTi 2025 validated objectives:

Percentage of companies in the portfolio with SBTi-validated GHG reduction targets (or in progress).

	Approved	Committed	Withdrawn
Emergence Actions II	71%	9%	4%
Emergence Europe	66%	2%	7%
Emergence Techs For Good	55%	2%	5%

Source: SBTi

Direct Private Equity

ESG ratings:

For each holding, the scores are aggregated depending on the weight of the related indicators. Data is consolidated at portfolio level based on the relative weight of the holdings. The performance of the holdings is compared to a benchmark from the Ethifinance database. For NewAlpha AM, the established benchmark is made up of French companies with fewer than 300 employees.

	2025 Score	% above benchmark	2024 Score	% above benchmark	2023 Score	% above benchmark
Fintech I	51/100	75%	58/100	75%	65/100	80%
Fintech II	62/100	100%	63/100	100%	69/100	100%

Source: Ethifinance, NewAlpha AM

ii. Data quality

The availability of certain data, particularly from external sources or for certain indicators, may result in incomplete coverage rates or some volatility in the information.

The absence of data on certain indicators may result in a partial coverage rate. Indeed, given the diversity of assets managed by the entity, certain companies are not subject to reporting requirements.

DISCLAIMER

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