



CLIMAT POLICY

for Agirc-Arrco investments

The Intergovernmental Panel on Climate Change (IPCC) prepares on a regular basis a summary to update the state of knowledge on climate change and its serious consequences on ecosystems and societies beyond a threshold of 1.5 degrees of warming compared to pre-industrial levels. Faced with this urgent situation, Agirc-Arrco adopts a climate policy that has as a primary aim to switch from coal to other energy sources by 2030. This is based on the following triptych:

SHAREHOLDER ENGAGEMENT

On 8 October 2020, the Board of Directors of the Fédération Agirc-Arrco adopted the plan's voting policy established in application of the SRI charter. This voting policy is one of the pillars of the responsible investor approach of the Agirc-Arrco scheme and aims to defend the rights of the scheme as best as possible, while encouraging companies to move towards best practices, particularly in terms of taking into account Environmental, Social and Governance (ESG) issues.

INELIGIBILITY CRITERIA FOR COAL INVESTMENTS

1 – Exclusion of companies that undertake new projects in the coal sector

Agirc-Arrco undertakes to no longer invest in securities issued by companies developing thermal coal projects (new mines, coal-fired power stations, infrastructure expansion). This exclusion of companies that have a project to develop thermal coal mines, power plants or infrastructure took effect on 1 January 2023.

2 – Exclusion of companies with high exposure to coal

As a first step, new investments in the securities of companies exceeding the 10% threshold will be excluded by 31 December 2023. This rate will then be lowered to 5% with effect from 31 December 2024, in line with the total switch from coal from Agirc-Arrco by 2030.

3 – Exclusion of important players in the coal sector

The identification of companies in the coal value chain is also based on absolute criteria. These allow for the inclusion of diversified companies for which thermal coal represents a small part of their activity but which are nevertheless important players in the sector.

PROMOTING INVESTMENTS THAT INCREASE THE GREEN SHARE OF THE PORTFOLIO

The third element of the climate policy is the orientation of investments towards the energy and ecological transition and the fight against global warming, known as the green share of the portfolio. This financing axis is based on the European taxonomy, which is a standardised classification of economic activities that contribute to the achievement of environmental objectives according to scientific criteria.

