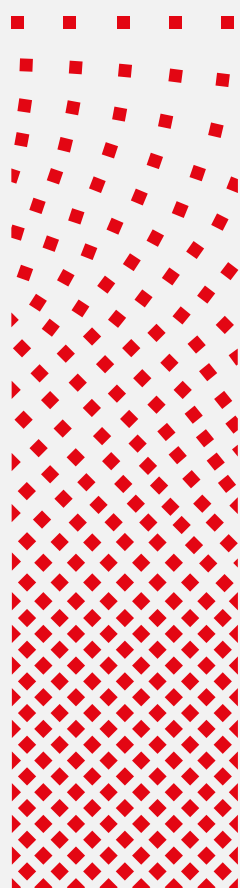


2016 BUSINESS REVIEW AND SUSTAINABLE DEVELOPMENT REPORT



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Editorial

PIERRE-RENÉ LEMAS
Chairman and Chief Executive Officer
of the Caisse des Dépôts Group



Caisse des Dépôts celebrated its bicentenary in April 2016. Two hundred years after it was founded, our institution is “neither exactly the same nor completely different”.

“Not completely different” because Caisse des Dépôts was established in 1816 to manage an unprecedented financial crisis and restore savers’ confidence, and it continues to safeguard French savings independently from the government.

The Caisse des Dépôts Group has a very strong reputation and is highly trusted by its stakeholders. It has been involved in all the major changes in French society, from building roads to rebuilding the country after the Second World War, administering the pensions of one-fifth of the French population, and even rolling out fibre optics. Caisse des Dépôts has, through its actions and those of its subsidiaries, touched the daily lives of the French people, in areas such as housing, transportation, the environment, corporate finance, the protection of people, digital technologies, tourism, infrastructure, etc.

Today, it continues to work to support the country’s economic development and in 2016 further cemented its position as the “Caisse des Dépôts for the regions”

Since I took office, I have sought to focus more intensely on supporting transitions, and the regions are where they are in fact taking shape. Our efforts have therefore targeted four challenges that are key to our country’s future: the ecological and energy transition, the territorial transition, the digital transition and, lastly, the demographic and social transition.

At a time of increased financial constraints, this was reflected in record levels of commitments by our Group in 2016. For example, Caisse des Dépôts invested €4 billion in 2016, a threefold increase over 2014. More than €670 million of this amount was invested in the regions. It also granted €17.3 billion in savings fund loans and Bpifrance supported 80,000 companies.

The Group played an active role in all the regions without exception. In 2015, I worked to restructure our network of regional offices to cater more closely to the needs of all local operators. Our efforts have paid off, as we signed more than 60 agreements in 2016 to support the local elected representatives of both large towns and rural and semi-urban areas.

Caisse des Dépôts' commitment combines innovation, sustainable development and security, and in 2016 was reflected in numerous projects of benefit to the French public. In housing, we developed a new and highly successful type of loan: subsidised equity financing. This offering, to which a total of €2 billion was allocated from the savings funds, will enable the social housing bodies to fund energy retrofits for an additional 41,000 housing units in the 2016-2018 period, as well as the construction of 6,000 units in the 2017-2018 period.

In the digital field, the Group launched the LaBChain initiative, a participatory "innovation laboratory" dedicated to blockchain technology. This initiative will help the Group anticipate the changes that this technology will trigger for its business lines and subsidiaries (banking activities, regulated business lines, insurance sector, etc.), as well as the opportunities that it provides, for decentralised transaction security in particular.

As another example, we are a long-standing operator and leading investor in the social and solidarity economy, with €140 million in investments in 2016. In this sector, we launched the creation of a €100 million social impact investment fund, named "NovESS", to support the development of social and solidarity economy companies, accelerate social innovation and create jobs.

Lastly, Caisse des Dépôts is also known for its long-term actions and ability to find new ways to cooperate with its partners and customers. In 2016, we signed a strategic alliance charter with Agence Française de Développement (AFD, the French development agency) to affirm our two institutions' commitment to supporting development and the fight against global warming.

Caisse des Dépôts has also innovated by offering, for the first time, digital services that target the French public directly. It is adapting to the digital world and offering platforms that meet its customers' needs. In 2016, at the request of the public authorities, it launched the personal activity account (*Compte personnel d'activité* — CPA) which builds on the personal training account (*Compte personnel de formation* — CPF) created in 2015. The CPA gives the French public access, through a single online platform, to their vocational training rights and a set of digital services to help them develop a career plan, for

example. In banking and insurance, Caisse des Dépôts has been tasked with safeguarding the funds from inactive bank accounts and unclaimed life insurance policies so that their beneficiaries can find them. This new "Ciclade" project is at the heart of our firm's historical role as trusted third party.

And what will our future look like? I would like the Group to be more determined than ever to play a key role in the French economy, by providing equity financing to one business per day and helping to build social and intermediate housing, for example. We will develop bold projects focused on smart cities and territories through our eight territorial demonstrators — including the future Olympic Village which will be located in Seine-Saint-Denis. Lastly, the Group is strengthening its support for the ecological and energy transition. We have already committed €13 billion in funding out of the €15 billion anticipated in the 2014-2017 period and are currently developing a 2°C roadmap. We are committed to contributing, at our level, to the 17 sustainable development goals for 2030 defined by the United Nations. This decision is consistent with our commitment to the UN Global Compact, which Caisse des Dépôts signed in 2000 and for which I reiterate my support.

Caisse des Dépôts in 2016: more determined than ever and focused on the future. Unique, productive, innovative and strong.

UN Global Compact and SDGs

A long-standing commitment

The United Nations Global Compact was launched in 2000 and brings together companies, organisations, UN agencies, labour groups and civil society around ten universally accepted principles to build more stable and inclusive societies.

Caisse des Dépôts has been a signatory since its launch and is committed to an advanced level of reporting on its impacts on the environment and society.

It is also a member of its official local network in France, Global Compact France. Three of its subsidiaries are also signatories to this initiative: CNP Assurances and Transdev since 2003, and Egis since 2011.

An enhanced commitment

In 2015, as part of the 2030 Agenda, the United Nations established 17 sustainable development goals (SDGs) to eradicate extreme poverty, combat inequality and injustice, and protect the planet over the next 15 years.

These SDGs are intended, in the coming years, to shape companies' business models and strategies. For that reason, and because they are fully consistent with its values and missions, the Group commits today to contribute to these objectives.

The SDGs will be incorporated into the next version of the Group's materiality matrix, which is expected to be updated in 2018.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT

HUMAN RIGHTS

- 1** - Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2** - make sure that they are not complicit in human rights abuses.

LABOUR

- 3** - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4** - the elimination of all forms of forced and compulsory labour;
- 5** - the effective abolition of child labour; and
- 6** - the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 7** - Businesses should support a precautionary approach to environmental challenges;
- 8** - undertake initiatives to promote greater environmental responsibility; and
- 9** - encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10** - Businesses should work against corruption in all its forms, including extortion and bribery.





Group overview

A PRODUCTIVE YEAR 2016



Ecological and energy transition

€15bn
target for the Group's
funding of the
ecological and energy
transition between
2014 and 2017

**1 in 8 French
people**
have their electricity needs
covered through Caisse
des Dépôts' financing
of renewable energies

40,000
social housing units
underwent energy
retrofits thanks to
the Savings Funds

**≈ 290,000
hectares**
of forest sustainably
managed by Société
Forestière, or 27 times
the size of Paris



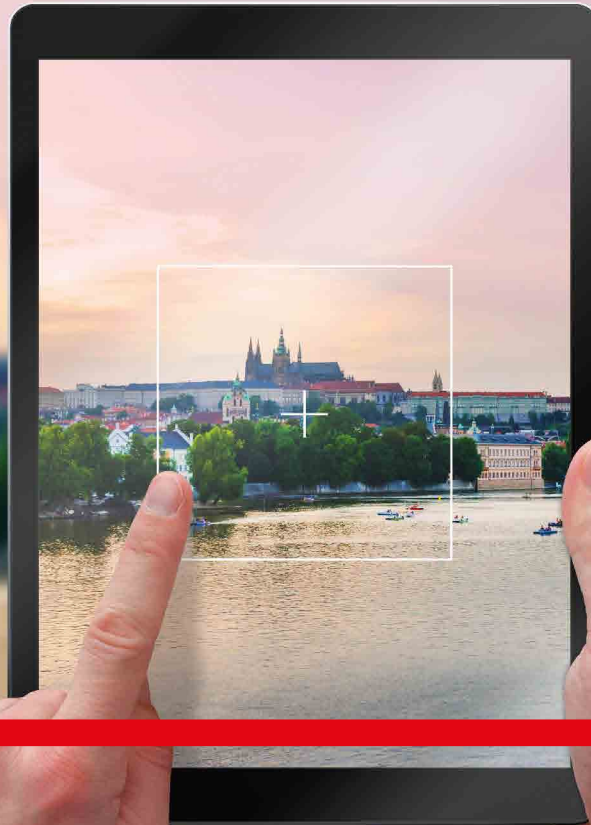
Territorial transition

≈ **€700m**
Invested by Caisse
des Dépôts in
the regions

109,000
social housing units
financed out of
the Savings Funds,
or the equivalent of
the city of Strasbourg

€24.4bn
injected into the
economy by Bpifrance

More than
100,000
direct and indirect
jobs supported by
the Group each year



Digital transition

1.4 million
households and businesses
connected via broadband
or high-speed broadband
networks financed by
Caisse des Dépôts

41
public initiative
networks financed by
Caisse des Dépôts

750,000
visits to
the Cyclade site

€1.3bn
earmarked by Bpifrance
to fund innovation



Demographic and social transition

1 pension in 5
managed by Caisse
des Dépôts

**2 in 7 French
people**
protected from life's
uncertainties through
CNP Assurances' personal
risk and protection
insurance activities

48 million
people will, over time,
have personal activity
accounts

€140m
invested in the social
and solidarity economy
= leading investor in
the sector



Responsible investment

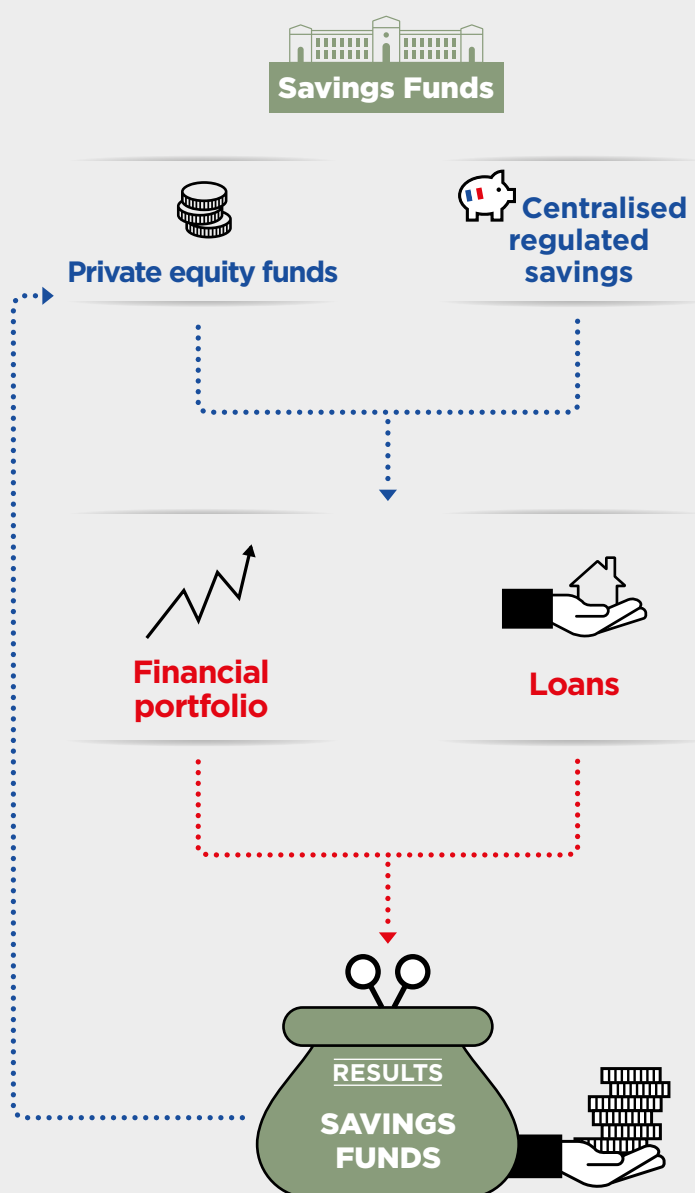
≈ 0.330
tonnes of CO₂ equivalent
per thousand euros
invested in the Group's
own equity portfolios
(at 31 December 2016)

100%
of voting rights
exercised at the general
meetings of portfolio
companies

2
climate resolutions
supported at general
meetings

86
listed portfolio
companies surveyed
by the Group about
their energy and climate
strategy

The Group's cash flows

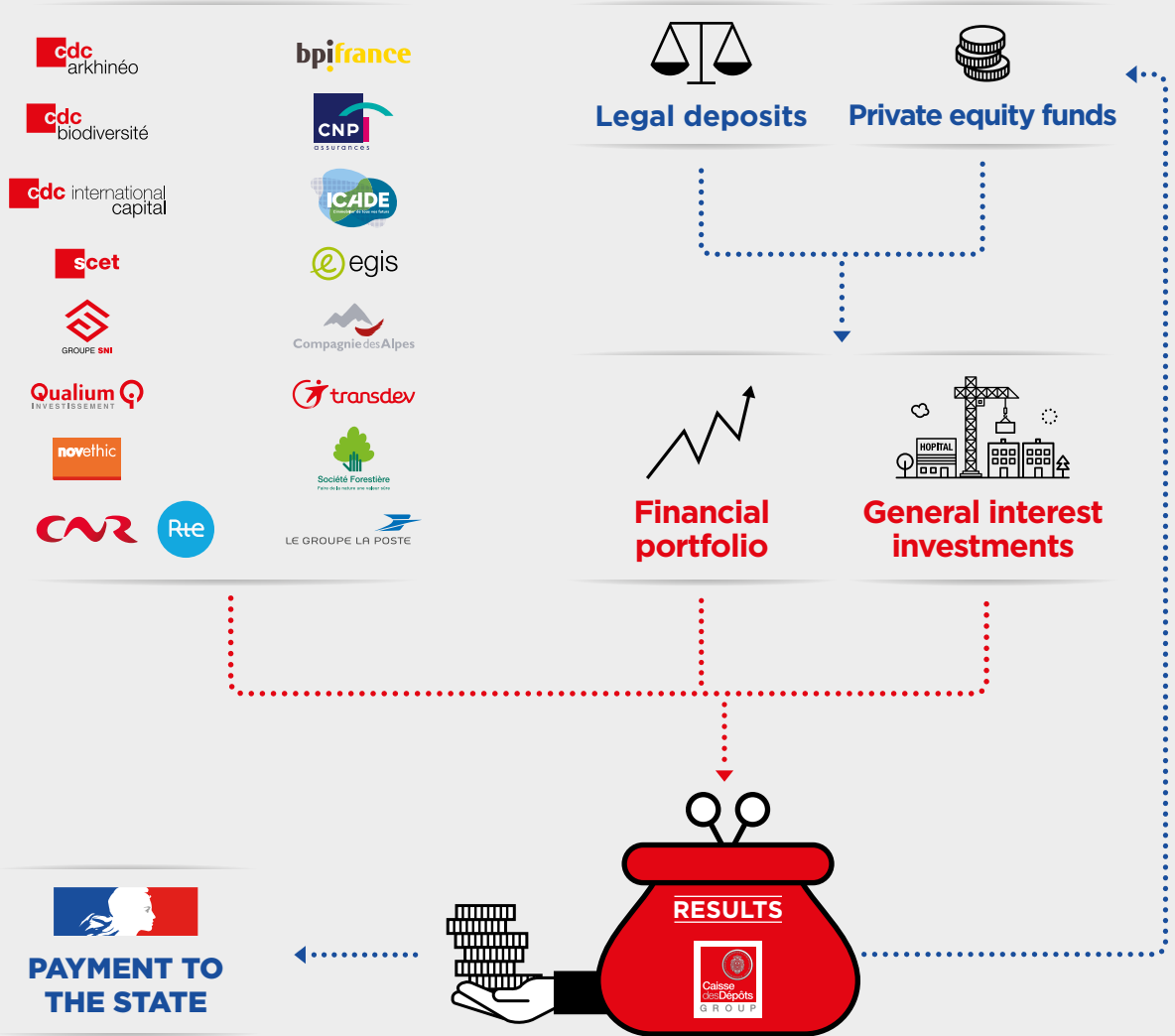




Subsidiaries and strategic holdings



Central Sector



The Group worldwide

72 countries
More than 120,000 employees throughout the world

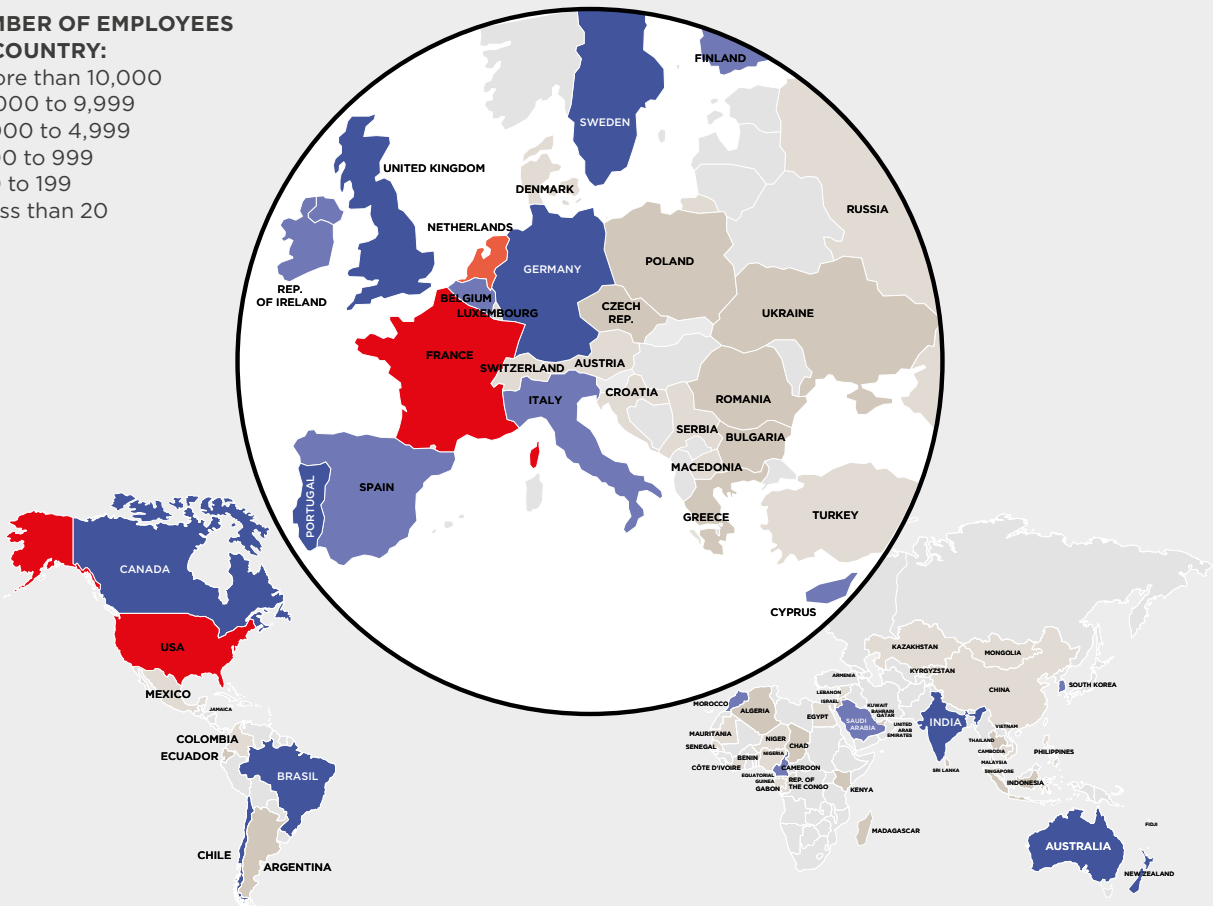
≈ 64,000 employees in France

≈ 5.7% of Caisse des Dépôts' workforce in 2016 was made up of people with disabilities

+17% for the gender equality index of the governance bodies since 2013

NUMBER OF EMPLOYEES BY COUNTRY:

- More than 10,000
- 5,000 to 9,999
- 1,000 to 4,999
- 200 to 999
- 20 to 199
- Less than 20



The Group in action



Investor

in businesses,
infrastructure and real estate



Lender

to provide support for social housing
and territorial development projects



Banker

to the social security
and judicial system



Legal trustee

for pensions, personal training accounts,
Investments for the Future Programme, etc.



Operator

of housing, transport, tourism and engineering
infrastructure



Our challenges and strategy

The Caisse des Dépôts Group aims to find solutions to France's socio-economic and environmental challenges. These include promoting the development of the regions, maintaining ecological and climate balances, accelerating the digital revolution, helping young people find jobs and integrate into society, and anticipating the consequences of longer life expectancy. This commitment, which drives the Group's strategy and daily actions, comes with great social responsibility.

Supporting France's major transitions

The Caisse des Dépôts Group aims to be the leading player in the major transitions facing the French economy and society, i.e. the ecological and energy transition, the digital transition, the territorial transition, and the demographic and social transition. It is leveraging all its expertise and financial capabilities towards that end.

The Caisse des Dépôts Group is helping to accelerate the **ecological and energy transition** to reduce greenhouse gas emissions and strengthen the ecosystems. It is fully mobilised to implement the commitments made at COP21 (Paris Climate Conference) and in particular has committed to investing €15 billion in the ecological and energy transition between 2014 and 2017. It is also working towards crafting a 2°C strategy.

It is working with local operators on the **territorial transition** by supporting development projects that enhance the regions' competitiveness and attractiveness. It provides engineering services and expertise, as well as financing through equity and savings fund loans.

It has supported the **digital transition** by developing an ambitious offer for smart cities that draws on its unique positioning as designer, financier and operator. It also helps the regions develop their digital infrastructure and is accelerating the digital transformation of various sectors of the economy. Lastly, it is undertaking its own digital transformation, in particular by further digitalising its offerings.

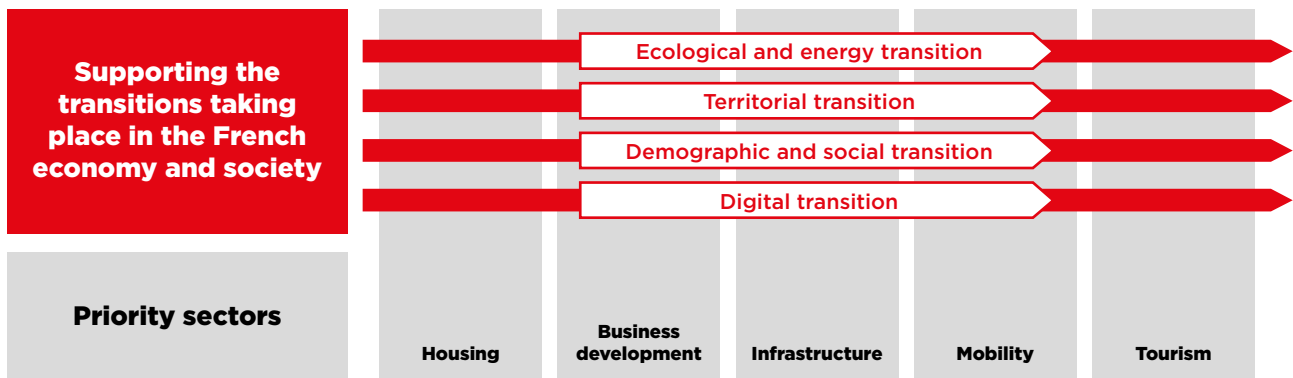
It supports and protects people throughout their lives to promote social harmony so as to facilitate the **demographic and social transition**. It works on a daily basis to enhance social cohesion, help young people become active members of society and promote successful ageing.

To seize the opportunities afforded by these transitions, it works alongside its partners in favour of its priority sectors, namely **housing, business development, infrastructure, mobility and tourism**.



"OUR CONTRIBUTION" CHAPTER

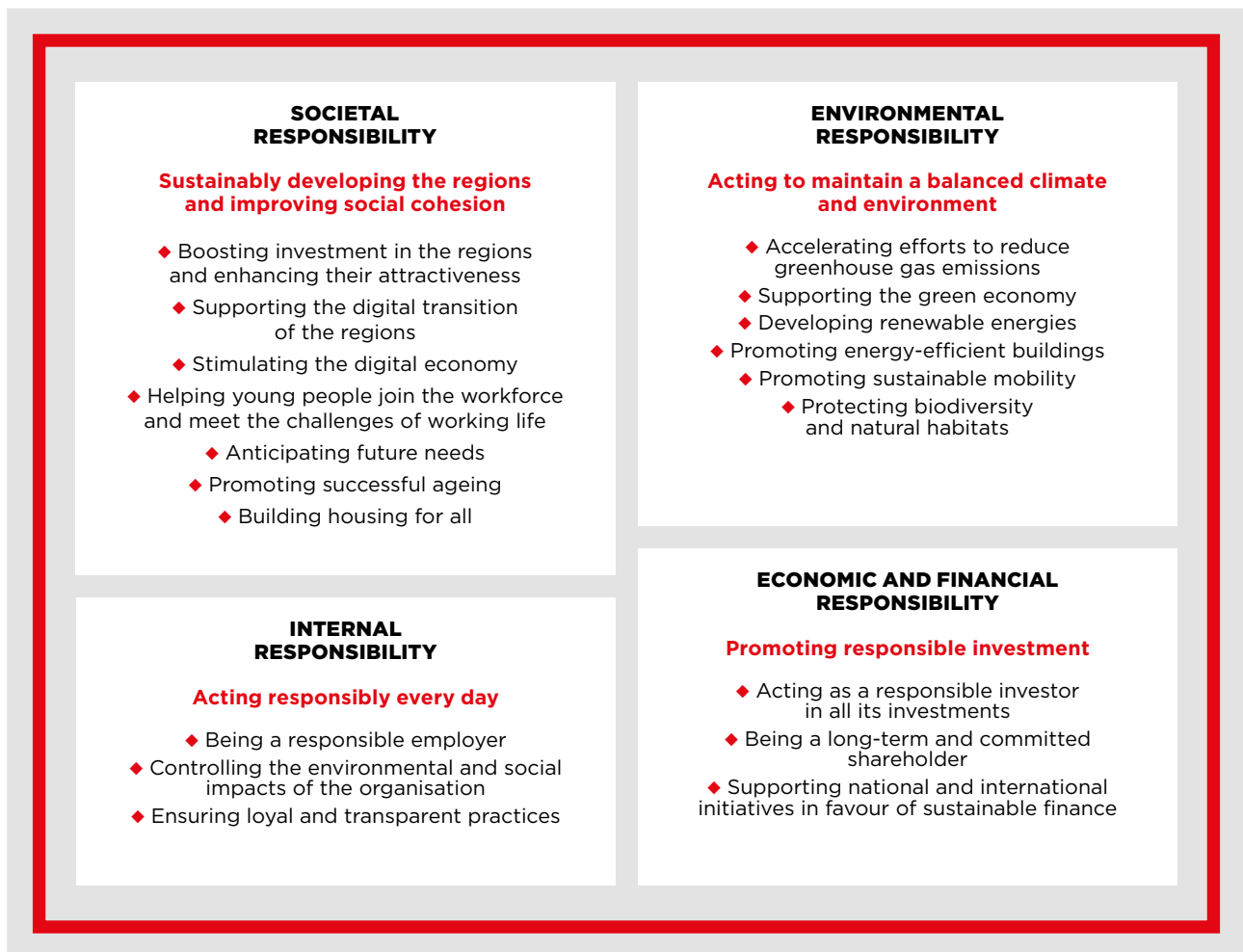
The Caisse des Dépôts Group's strategic priorities



Linking strategy to responsibility

To serve the public interest over the long term, the Caisse des Dépôts Group takes on multidimensional responsibilities, where social, societal, environmental, economic, and financial aspects are all factored in. These responsibilities lie at the heart of the Group's strategy and also apply to the organisation's daily operations.

Group corporate social responsibility



Recognised extra-financial performance

The Caisse des Dépôts Group's extra-financial performance was recognised when it was assessed in 2015. In a May 2016 publication by the NGO⁽¹⁾ Asset Owners Disclosure Project (AODP), the Group ranked in the top 5% of institutional investors for climate-risk management. It was also among the leading performers in its sector in 2015 reports by extra-financial rating agencies Oekom ("Prime" label) and Vigeo (3rd out of 13) on corporate social responsibility policies.

 **"OUR GOVERNANCE" CHAPTER
SEE "GROUP CORPORATE SOCIAL RESPONSIBILITY
POLICY" SUB-CHAPTER**

(1) Non-governmental organisation.



**Our
contribution**

For 200 years, the Caisse des Dépôts Group has worked to support the economic development of France and its regions. Its efforts promote the well-being of the French people on a daily basis and throughout their lives.

Ecological and energy transition

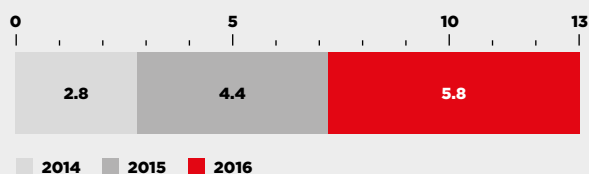
Implementing the Group's commitments

The Caisse des Dépôts Group took advantage of the UN Climate Change Conference (COP21), which was hosted by France at end-2015, to reiterate its strategy and commitment to France's ecological and energy transition. This ambition became a reality in 2016 with the increased mobilisation of its funding capabilities and expertise, as well as those of its subsidiaries.

Level of funding for the ecological and energy transition above the initial targets

Ahead of COP21, the Caisse des Dépôts Group had committed to €15 billion in direct funding for the ecological and energy transition for the 2014-2017 period. It is well on its way to meeting this target, having committed €13 billion in loans and investments by the end of 2016. This performance reflected, in particular, the popularity of the ranges of dedicated savings fund loans; robust financing activities at Caisse des Dépôts, Bpifrance and CNP Assurances; and the successful development of new products.

The Group's aggregate funding for the ecological and energy transition since 2014



A Group committed to putting its businesses on the 2°C path

The Caisse des Dépôts Group is committed to building on the Paris Climate Agreement and to aligning its businesses with the scenario of limiting global warming to 2°C by 2050. As this commitment requires that all of its entities and business lines adapt their business models to climate challenges, the Group has given itself two years to establish a dedicated long-term roadmap. The work began in 2016 and covers three sectors, namely finance, mobility and real estate, with the aim of finalising this roadmap by the end of 2017.

Exceptional measures for the Bicentenary

The Caisse des Dépôts' 2016 bicentenary celebrations served as an opportunity to announce several exceptional measures. For the 2016-2017 period, €1.5 billion was allocated for zero-interest "green growth" savings fund loans to fund energy retrofits for public buildings. At the end of 2016, €1 billion in loans had been signed for nearly 600 projects. Caisse des Dépôts and Action Logement also allocated €2 billion⁽¹⁾ for equity financing subsidised over 20 years for the 2016-2019 period. The aim is to accelerate the renovation, and the energy retrofitting in particular, of the social housing bodies' stock, as well as to scale up construction projects by offering a 20-year grace period and an interest-free loan.

A consistent, long-term commitment

Caisse des Dépôts and its subsidiaries have continued their efforts to support and accelerate the ecological and energy transition by improving energy efficiency in buildings, supporting the green economy, working towards sustainable mobility and preserving biodiversity and natural resources.

Caisse des Dépôts' first green bond finds success

In early 2017, Caisse des Dépôts launched its first green bond for a total amount of €500 million and with a five-year maturity. The funds raised from this transaction will be used to fund three key sectors: energy-efficient real estate (new or requiring major renovations), renewable energies and site remediation. In the end, more than 55 French and foreign investors expressed an interest in the transaction, contributing more than €1 billion, i.e. twice the amount ultimately allocated. This success was due both to Caisse des Dépôts' commitment to setting an example and to transparency, including on the reporting side, and to the cross-disciplinary efforts of its teams.

(1) Increased to €3 billion in 2017.



Promoting energy-efficient buildings

As a landlord, developer and lender, the Caisse des Dépôts Group works to reduce the environmental impact of the construction sector notably by improving the energy efficiency of public and private, residential and commercial properties.

Constructing energy-efficient buildings

Icade and SNI Group are committed to promoting construction projects that have a lower environmental impact and are more energy-efficient.

As both developer and operator, Icade pays particularly close attention to the construction and energy infrastructure choices for its projects. The company conducts a comprehensive carbon audit for all new constructions. It also uses bio-sourced materials and in 2016 had six wood-based projects that had either been delivered or were under development. Lastly, it conducted a life-cycle assessment⁽¹⁾ of 22% of its major projects, including the Thémis tower.

SNI Group aims to reduce the grey energy⁽²⁾ in its projects by measuring it with a specialised tool, training operational personnel on these challenges, and providing project managers with technical and design guidelines.



"OUR INTERNAL RESPONSIBILITY" CHAPTER
SEE "IMPACTS OF THE ORGANISATION" SUB-CHAPTER

**SNI Group
in 2016**
51
NF Habitat HQE
certifications obtained

Icade in 2016
60%
of projects for the
Commercial
Property Investment
division certified HQE
or BREEAM

(1) Process of assessing the overall environmental impacts of a product, service or process throughout its entire life-cycle. (2) Energy consumed in the construction of a building, mainly to manufacture the building materials. (3) Forest Stewardship Council. (4) Programme for the Endorsement of Forest Certification. (5) High Environmental Quality. (6) Building Research Establishment Environmental Assessment Method. (7) Responsible building regulation.

A tower that sets the standard for sustainable development

Located in the heart of the Clichy-Batignolles eco-district in Paris (Ile-de-France), the Thémis project is a mixed wood (certified FSC⁽³⁾ or PEFC⁽⁴⁾) and concrete structure that includes green space, uses geothermal heating, optimises natural light and guarantees energy performance for three years. Thémis is certified both HQE⁽⁵⁾ Outstanding and BREEAM⁽⁶⁾ Excellent, and has been awarded three labels (Effinergie+, Biosourced and BBCA low-carbon building). It is also the first office building to be awarded the French government's "E+C_" phase conception" label. This design-phase certification is being tested in anticipation of the future RBR 2020⁽⁷⁾ regulation. Icade sold the building off-plan in April 2016.



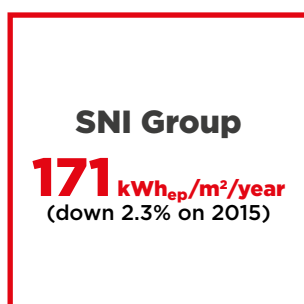
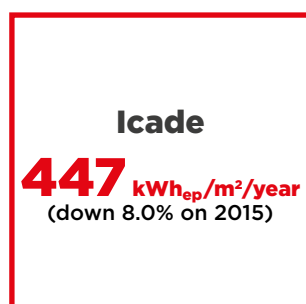
One of the tallest wood-frame buildings in Europe

In 2016, OSICA, a subsidiary of SNI Group, delivered the six-story wood-frame Girard apartment building. Located in Montreuil (Ile-de-France), it prioritised the use of bio-sourced materials and infrastructure that would help control operating costs. Owing to its exceptional insulation and customised infrastructure, a single low-power boiler is enough to heat the building's 17 social housing units. In 2016, the Girard won the Prix Trophée Bois Ile-de-France award for wood-frame construction.

Improving the energy efficiency of the operated real estate portfolio

SNI Group has a strategic energy plan that aims to achieve average primary energy consumption⁽¹⁾ of 150 kWh_{pe}/m²/year by 2020. **Icade** has set a target of reducing its portfolio's energy consumption by 30% between 2011 and 2020, for both common and private areas. Its Commercial Property Investment division has a programme based primarily on improving energy infrastructure (LED⁽²⁾ lighting, high-efficiency boilers, etc.), renovating assets and incentivising operators through energy performance contracts (EPCs). At end-2016, 61% of the surface area operated by Icade was covered by an EPC.

Energy intensity of the real estate portfolio in 2016



Supporting the renovation of the social housing rental stock

SNI Group is conducting an ambitious energy retrofit programme for social housing companies' portfolios. To date, this programme has already covered 10% of its least energy-efficient housing stock, and retrofits are planned for an additional 31,500 units between 2016 and 2026.

On top of these measures, Caisse des Dépôts is mobilising funds to renovate 40,000 social housing units per year by 2020 through eco-loans, which are subsidised savings fund loans. At end-2016, agreements had been signed for more than €600 million in new eco-loans. In March 2016, Caisse des Dépôts also rolled out the €2 billion EIB-funded fixed-rate loan package (see "Territorial Transition" sub-chapter).

The measures announced to coincide with the Bicentenary in early 2016 furthered the Group's commitment in this area. The implementation of subsidised equity financing will allow for an additional 150,000 retrofits by 2018 and for €7 billion in leverage on the investment in the sector. At the end of 2016, €1 billion in loans had been signed for nearly 600 projects.

Eco-loans since 2009



Supporting energy renovations of public buildings

In 2016, Caisse des Dépôts announced its contribution to funding the energy retrofits of two universities: Université Paris Ouest Nanterre La Défense, at 50% of the investment amount, and Université de Lyon, by funding €105 million in green growth savings fund loans. It also launched a call for expressions of interest to support energy renovations of properties belonging to territorial authorities in communities of less than 100,000 inhabitants. In addition to co-funding project feasibility and structuring studies, this call for expressions of interest, conducted in partnership with ADEME⁽³⁾, aims to create an ecosystem able to support the local authorities' initiatives.

SCET has expanded its support and consulting capabilities for energy renovations of public buildings. Its offering mainly involves analysing the technical characteristics and uses of the buildings, developing multi-year work programmes, modelling investment and operating costs, structuring legal and financial arrangements and implementing master plans.



- "TERRITORIAL TRANSITION" AND "IMPACTS OF THE ORGANISATION" SUB-CHAPTERS
- "IMPACTS OF THE ORGANISATION" APPENDIX

(1) Form of energy available in the natural environment and directly usable without transformation. (2) Light-Emitting Diode. (3) French Environment and Energy Management Agency.



Launch of an active energy efficiency operator

In 2016, Caisse des Dépôts partnered with Poste Immo (a subsidiary of La Poste Group) and with **Egis** to create the SOBRE joint venture. SOBRE has an innovative service offering that allows real estate professionals to actively track the energy consumption of their commercial buildings. The offering, which is currently being tested, uses artificial intelligence tools and big data.

Supporting the green economy and the development of renewable energies

To accelerate the ecological and energy transition, the Caisse des Dépôts Group is drawing on its network of regional offices and its subsidiaries to mobilise its funding capabilities and its expertise in support of the green economy, renewable energy producers and the transformation of energy grids.

Supporting green economy businesses

Bpifrance's goal is to commit €4 billion to the ecological and energy transition between 2015 and 2018. In addition to increased support for renewable energy producers, it seeks to promote manufacturers with innovative ecological and energy transition solutions, mainly through the SPI (*Sociétés de Projets Industriels*, i.e. industrial project companies) fund within the Investments for the Future Programme, and to support mid-caps⁽¹⁾ and SMEs⁽²⁾ in their energy transition regardless of their business sector.

It remained highly mobilised in 2016 with €1.2 billion in funding for the ecological and energy transition. This funding breaks down into innovation incentives (€63 million), development loans and co-financing (€1,019 million) and equity financing (€145 million), either directly or through partner funds. Unsecured loans represent an increasing share of this funding, having risen by more than 60% year on year (€183 million in 2016 versus €129 million in 2015).

(1) 450 to 4,999 employees.

(2) Small- and medium-sized enterprises: 10 to 249 employees.

Supporting the renewable sectors and the energy grid transformation

Caisse des Dépôts supports mature renewable energy sectors (onshore wind power, solar power, hydroelectric power), and those still developing (geothermal power, offshore wind power, biomass power, hydrokinetic power and ocean thermal energy, etc.). It makes minority equity investments in special-purpose vehicles alongside private partners while taking care to support small local producers. It also supports local authorities' heating and cooling networks by offering its legal and technical expertise and investing alongside manufacturers.

Bpifrance's support for the ecological and energy transition in 2016 included a specific €871 million commitment to co-finance renewable energies (a 47% increase on 2015). The bank has also set a target of €350 million in equity financing for renewable energy developers between 2016 and 2019.

Developing geothermal energy in Guadeloupe

In 2016, Caisse des Dépôts and Ormat, a global leader in geothermal power, acquired a majority interest in Géothermie Bouillante (Guadeloupe). The aim of this transaction, which represents a €67 million investment for Caisse des Dépôts, is to accelerate the development of the geothermal power plant by increasing its current capacity from 9 MW to 45 MW by 2021. It will also help create direct and indirect local jobs and reduce residents' electricity bills.

Caisse des Dépôts in 2016

**Over
€160m**
of investments in
renewable energy
projects

€22m
invested to
develop
six wind farms
in France



The Group's consulting, engineering and operating subsidiaries are also actively involved in renewable energy development. In 2016, **SCET** helped local authorities create wind-power projects, as was the case in Bourgogne alongside EDF Énergies Nouvelles, and set up dedicated funds, as was the case in Nouvelle-Aquitaine. The **Egis** group strengthened its expertise in expanding existing heating networks and switching them to renewable energies, after winning major contracts in 2016 in Lyon and Toulouse alongside Dalkia.

The Group can also rely on one of its strategic investments, **Compagnie nationale du Rhône** (CNR). The leading French producer of electricity from only renewable sources, CNR represents 25% of French hydroelectric power production. With total installed capacity at end-2016 of 3,568 MW, its goal is to triple its installed wind and solar power capacity between 2015 and 2020 (respectively 457 MW and 61 MWp⁽¹⁾ at end-2016).

A heating network in Rueil-Malmaison

In 2016, **Egis** and Caisse des Dépôts, in partnership with Engie, won the 28-year public service concession contract to implement and operate the heating network for the Arsenal joint development zone in Rueil-Malmaison (Ile-de-France). Worth more than €40 million in total, this contract covers the development of biomass heat production and of a distribution network in a one-of-a-kind Greater Paris eco-district. More than 60% of the energy distributed will therefore be produced from renewable primary energy, and the cost of the heat distributed to future customers will be significantly lower.

Promoting sustainable mobility

The Caisse des Dépôts Group helps local authorities implement sustainable mobility policies, with services ranging from engineering consulting and infrastructure financing and operation to distribution.

Transforming public transport and improving its energy efficiency

As an investor, Caisse des Dépôts also works to promote sustainable mobility through its green growth savings fund loans. More than €1.7 billion in loans was allocated to sustainable mobility between 2015 and 2016.

As an operator working closely with local authorities, **Transdev** develops integrated or on-demand multi-modal solutions, which it combines with forms of soft mobility. It also helps expand and optimise mass transit networks (trams, trains, rapid transit systems, etc.) and innovates with regard to customer experience and new forms of transport.

The first commercial contract for transport by driverless electric shuttles was launched in France in 2016 at the EDF power plant in Civaux (Nouvelle-Aquitaine). **Transdev** also launched tests in Beauvais (Hauts-de-France) and Vitrolles (Provence-Alpes-Côte d'Azur) of ChronoPro, a real-time on-demand transportation service for business districts that are underserved by traditional networks.

To make public transport more energy efficient, **Transdev** continues to develop electric buses through its Living Labs. It also improves the energy efficiency of its operations through country-specific action plans mainly involving the replacement of its fleet with vehicles that meet the highest European standards (Euro 5 and 6), eco-driving, operating strategies and infrastructure management. A pilot project has also been conducted at the Orsonville site (Ile-de-France), the first HQE-certified depot in France.

As an investor, Caisse des Dépôts also provides funding through its green growth savings fund loans. More than €1.7 billion in loans was allocated to sustainable mobility in 2015 and 2016.

(1) Megawatt peak.

Transdev in 2016

13
modes of transport
operated

≈ 1.5m
passengers per day
in France

Guiding the regions towards new forms of mobility

To meet the challenges of regional planning, the Group supports the rapid development of new forms of mobility.

Caisse des Dépôts invests in start-ups in the shared and collective mobility sector as well as in operators and infrastructure (electric vehicle charging stations, telecentres, co-working spaces, etc.) to help develop these new forms of mobility. **Bpifrance** also provides debt or capital financing to French companies in the sector or funds them through its innovation financing tools.



Investing in innovative services for smart and sustainable mobility

In 2016, Caisse des Dépôts invested €2 million in Cityscoot, an electric scooter sharing service for city centres operating under a pay-per-use model and requiring no subscription. This offering is currently available in Paris, with a target of 3,000 scooters by 2020, and will be rolled out to other cities from 2017.



As an engineering, consulting and operations firm, **Egis** is developing a number of shared mobility solutions in areas such as road sharing, operation of bike share fleets and road-user services. The company has developed the concept of a shared smart street, which is based on the dynamic assignment of street space according to changes in use for one day or over the longer term.

Accelerating person-to-person car rental internationally

Drivy, a leader in person-to-person car rental in Europe with 850,000 users, raised €31 million in funds in April 2016 with the support of the Ecotechnologies Fund, managed by Bpifrance as part of the Investments for the Future Programme. This will accelerate the platform's international growth.



Safeguarding biodiversity and natural habitats

Serving businesses and local authorities

The Group's efforts on biodiversity, in line with the ecological and energy transition strategy, are set out in an action plan launched in 2015 and widely implemented in 2016. It has two main objectives: supporting the ecological and energy transition of businesses and the regions and mainstreaming biodiversity into the Group's businesses, by targeting a positive biodiversity trajectory⁽¹⁾.

At the forefront of these measures is **CDC Biodiversité**, the Group subsidiary charged with using its operational and research activities to preserve and develop biodiversity. It assists businesses with their biodiversity initiatives, in particular public and private project owners, by assuming all their offset obligations. In 2016, CDC Biodiversité acted as operator for about 2,100 hectares: 60% in open habitats (steppes, prairies, wetlands, etc.) and 40% in woodland. It also signed a number of major operation contracts, including those with Grand Port Maritime de Guadeloupe and Société du Grand Paris.

CDC Biodiversité in 2016

2,100
hectares
preserved

€545,000
invested in
research and
projects

In 2016, CDC Biodiversité launched the "Urban Biodiversity" offering targeting public and private project owners in the real estate sector. It also created the B4B+ (Business for Biodiversity+) Club, which aims to define what constitutes a "positive biodiversity company" and to support such companies with methodological work, the development of appropriate indicators and the creation of a reference framework on which all stakeholders can agree.

(1) Contributing to the development of biodiversity beyond mere preservation and restoration.

Lastly, CDC Biodiversité is also a leading researcher, with the publication of its work on payments for ecosystem services and on the specific challenges of conserving marine biodiversity. The company is also continuing its work on biodiversity offsetting in France and internationally, more specifically in the marine environment.

Egis has a wide range of services for managing, preserving and enhancing onshore and offshore biodiversity. This range increasingly incorporates into its projects biomimicry-based eco-design solutions, like Seaboost, as eco-reefs can be used to restore projects' marine environment. It has also acquired the skills needed to offer its clients the BiodiverCity® label for their urban projects. On the operations side, it is developing methods to promote biodiversity along the motorways it manages by incorporating the concept of ecosystem services. In 2016, tests were therefore conducted in Normandy, on the A88 motorway between Caen and the main towns in Orne and Calvados.

Nature 2050

The Nature 2050 programme, officially launched by CDC Biodiversité in 2016, is the first European programme designed to adapt natural farming land and forests to climate change by implementing nature-based solutions.

Conducted in partnership with environmental associations (Nicolas Hulot Foundation for Nature and Mankind, *France Nature Environnement* (French federation of associations for the protection of nature and the environment), and the French Bird Protection League) and scientific organisations (French National Museum of Natural History), it relies on a voluntary commitment by public- and private-sector economic players to go above and beyond their regulatory requirements, thereby mobilising additional funds in the territories in which they are active to support public policies.

CDC Biodiversité is committed to adapting to climate change, to restoring and then to preserving through 2050 an area of 1 m² for every voluntary payment of €5. Nearly 30 partners are now involved, such as the AccorHotels group, La Banque Postale, the Orée association and Caisse des Dépôts and some of its subsidiaries (**Bpifrance**, **Compagnie des Alpes**, **SNI Group**, **Icade** and **Transdev**).

Nature 2050 programme website:
www.nature2050.com

Managing forests on a sustainable basis

Société Forestière, a specialist subsidiary of the Group, manages 286,770 hectares of forest (up 6% on 2015), which represent the forest assets of the majority of French institutional investors and a growing number of forestry groups and private owners. It operates over 100,000 hectares of upland areas for the two largest private owners: Caisse des Dépôts and CNP Assurances.

As forestry management has both positive impacts (deadwood management and preservation of wetlands) and negative ones (use of heavy machinery in the middle of forests and plantation upkeep work), Société Forestière has implemented sustainable and ISO 9001-certified management. Institutional forest owners (including the Caisse des Dépôts Group) have signed up to the Programme for the Endorsement of Forest Certification (PEFC), which guarantees sustainable management, particularly in relation to biodiversity preservation.

In the autumn of 2016, Société Forestière launched the "Valter Peupliers" project, in collaboration with Caisse des Dépôts' Nouvelle-Aquitaine regional office, elected officials, manufacturers and forest owners. This pilot project calls for the development of high-quality poplar plantations and the delivery of the trees to the manufacturing plants of a leading industrial partner. This project aims to maximise the value of the territories (VALTER) to support the ecological and energy transition and could be rolled out on a larger scale across the country. Other pilot projects to produce biomass on brownfields are being considered in several cities.



"IMPACTS OF THE ORGANISATION" APPENDIX

Société Forestière in 2016

≈ **290,000**
hectares
of sustainably managed
forests

≈ **27 times**
the city of Paris



Operating real estate and infrastructure on a sustainable basis

Preserving biodiversity is a major challenge for the subsidiaries that operate infrastructure or real estate portfolios. The Group's two real estate subsidiaries are taking steps to reconcile their activities with biodiversity protection. **Icade** therefore manages the share of its portfolio and new projects considered "biodiversity-positive" (target of 25% in 2020) while **SNI Group** tracks an urban sprawl indicator for its portfolio.

As the environment is one of **Compagnie des Alpes'** intangible assets, it has set up nine natural observatories on its sites to track the environmental impacts of its operations and developments. The ski resorts are also taking steps to protect biodiversity, for example, by creating off-piste courses to channel skiers away from habitats and seedlings and by raising customer awareness. Only 25% of the total surface area of the Group's theme parks is concrete, and more than one-third of the space has been preserved in its natural state.



Guiding the regions through climate change

Developing the consulting and engineering offering

As a genuine turnkey operator, the Group helps local authorities to assemble and manage their investment projects. It acts as an expert consultant on energy issues, enabling them to facilitate the development of their region and help to achieve national energy- and climate-related targets.

Egis has a wide range of services for managing and preventing climate risk (flooding, in particular), for factoring in climate change as from the project design phase, and for

ensuring urban resilience. The company has developed **Variways[®]**, which compares the environmental footprints of route alternatives. This software assesses the carbon impact of road infrastructure during the construction and operation phases using two indicators: greenhouse gas emissions and energy consumption. It received **IDDRIM⁽¹⁾** certification and was selected by **Comité 21**, a leading network of sustainable development actors in France, as one of the "21 solutions for the future".

SCET helps local economic players define financing models for their development projects and create systems and operators to produce and distribute renewable energies and perform energy renovations.

(1) Institute of Roads, Streets and Infrastructure for Mobility.

Mobilising funding capabilities

The Caisse des Dépôts Group is also involved in the financing of regional authorities' infrastructure and equipment with €5 billion in green growth loans or equity investments in key regional mobility projects.

Green growth loans in 2016

€2bn
in loans signed
(including €1 billion in zero-rate loans)

+18%
on 2015

≈ 600
public buildings
renovated

Green growth loans

This allocation of €5 billion in savings fund loans will finance public sector projects in favour of the ecological and energy transition in several areas: building rehabilitation, energy-positive construction, sustainable mobility, renewable energies, drinking water and sanitation facilities, and biodiversity planning. These loans are granted at a subsidised rate and have very long maturities (20 to 40 years). In 2016, as part of the exceptional measures announced for the Bicentenary of Caisse des Dépôts, €1.5 billion in zero-rate green growth loans was also "sub-allocated" for 2016-2017 to fund the rehabilitation of public buildings.

Adapting operational activities

All the Group's subsidiaries that operate real-estate portfolios or infrastructure factor the consequences of climate change into their activities. This involves analysing the risks to their businesses, incorporating the highest environmental standards for construction and operation, and improving the resilience of the buildings and infrastructure.

Internationally, and more specifically in Eastern Europe and Asia, **Egis** offers solutions to improve road networks' resilience to recurring weather events. **Icade**, for example, puts its projects as close as possible to public transport and offers electric road and river shuttles as well as vehicle-sharing services. As a result, 86% of its new projects are located less than five minutes by foot from a public transport network. Furthermore, 63% of its business parks and offices have electric vehicle charging stations, with a target of 100% by 2018.

Société Forestière has created basic management plans that incorporate climate change-related issues and help identify priority actions, such as ranking tree species and stand types based on their sensitivity in order to select those best able to withstand higher temperatures. At end-2016, these plans covered 28% of forests under management versus 26% in 2015 (a 2-point increase).

Icade in 2016

86%
of new projects are
located less than 5
minutes by foot from
a public transport
network

63%
of business parks
and offices have
electric vehicle
charging stations
(target of 100% by 2018)



**"PROMOTING ENERGY-EFFICIENT BUILDINGS"
SECTION**

Territorial transition



In 2016, Caisse des Dépôts adopted new strategic focuses to further cement its position as “Caisse des Dépôts for the regions”. This aggressive pro-regional stance is reflected in record levels of funding as well as engineering and expert support. Its increasingly comprehensive and coordinated offerings allow the Group to meet the emerging needs of local authorities, which are under increasing financial strain.

Stimulating investment in the regions

Supporting local investment

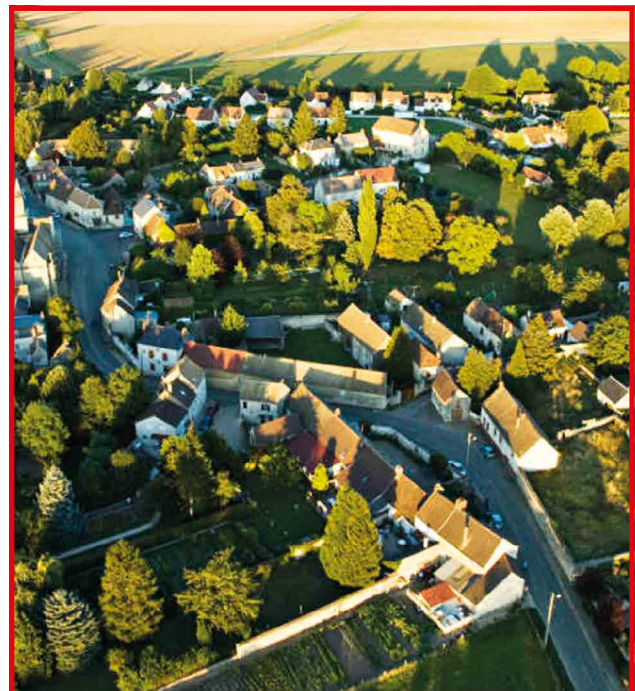
At a time of tight public finances and institutional changes, Caisse des Dépôts is stepping up its efforts to assist all local players and thus become the true “Caisse des Dépôts for the regions”. Activity was particularly brisk in 2016 and the regions were the primary beneficiaries, with Caisse des Dépôts committing €670 million in investments in regional projects.

Caisse des Dépôts also confirmed its support for the regions’ own investments by signing €17.3 billion in savings fund loans: €14.3 billion in loans for social housing and urban planning, along with €2.9 billion in loans for the local public sector. These latter loans were used to fund nearly 1,700 local projects, a significant increase from 2015. This testifies to the key role Caisse des Dépôts plays in even the smallest projects carried out across the country. A total of €11.5 billion in savings fund loans was signed between 2013, when the €20 billion was allocated for the local public sector, and end-2016. One-third were green growth loans. Overall, since 2013, two-thirds of projects funded concerned the construction and renovation of public buildings and transport. Furthermore, through the partnership formed with the European Investment Bank (EIB) at end-2015, Caisse des Dépôts rolled out an EIB-funded fixed-rate loan offering. In all, €853 million in loans was signed in 2016, including €580 million for the regional authorities (the balance went towards funding energy retrofits for social housing).

Lastly, to engage with its community partners at the most local level possible, Caisse des Dépôts launched a “customer-focused” initiative with the creation of a digital platform for the regions (“Territoires Conseils”, which has been live since February 2017). It has also developed its engineering and expertise services to better provide support in all the territories.

Caisse des Dépôts’ support for local authorities has taken the form of: 60 comprehensive agreements signed with the

regional authorities since the end of 2014; 11,000 legal and financial questions answered for towns with less than 10,000 inhabitants and for inter-local authorities; and 2.2 million visits to Localtis, Caisse des Dépôts’ daily online newsletter for local authorities.



Revitalising city and town centres

Closed shops, empty homes, ageing residents and reductions in public services are just some of the symptoms that certain city centres are struggling with and for which Caisse des Dépôts, alongside the French government and with its partners, is committed to finding new and long-term cures. In the face of metropolisation, the revitalisation of town centres and of the downtown areas of medium-sized towns is a major challenge for France’s economic equilibrium. To that end, the Caisse des Dépôts’ regional offices are proposing dedicated agreements to elected officials. These are known as “city centre of the future” or “town centre of the future” agreements and about 60 had been signed at end-2016.

The Group's subsidiaries are also developing new offerings to support the regions, such as project management consulting and assistance to create new financing tools (French semi-public companies and local public bodies) and innovative projects for **SCET**, **Egis** and **Bpifrance** also provide support to the regions as part of their regional economic development and innovation strategy (SRDEII).

 **"ECOLOGICAL AND ENERGY TRANSITION"**
SUB-CHAPTER

Investing in infrastructure

Infrastructure — transport, city planning, development and energy — is a key component in the growth and attractiveness of the regions.

Caisse des Dépôts is a long-term French institutional investor and, as such, is closely involved in major projects for France. It participated in about a dozen infrastructure projects in 2016. It finalised the acquisition of a 60% stake in Aéroports de Lyon alongside Vinci and Crédit Agricole Assurances. This consortium will support the development of two airport hubs, which handled more than 8.7 million passengers in 2015. Aéroports de Lyon's catchment area is one of the most dynamic in France, giving access to the major ski resorts in the Alps. Its development needs to keep pace with growth in traffic, set to exceed 15 million passengers by 2032, and enable the airports to provide a better quality of service while also setting the standard for environmental performance.

Caisse des Dépôts also signed a binding agreement to acquire a 49.9% stake in Réseau de Transport d'Électricité (RTE) alongside EDF and CNP Assurances. This partnership among major public-sector infrastructure financing stakeholders in France will advance RTE's public service mission to optimise the electricity transmission infrastructure, so as to facilitate the ecological and energy transition. It will also help the Group further grow its business.

Making the regions more attractive

Supporting the development of businesses

France's 4 million businesses form a dense network for job creation. In 2016, the Caisse des Dépôts Group's support for all businesses at every stage of their development remained very high.

74,000 businesses supported in the regions

Bpifrance was formally established by the French government and Caisse des Dépôts in July 2013 and now plays a key role in funding and supporting businesses. All its business lines grew for the fourth year in a row. It injected €24.4 billion into the French economy and supported nearly 74,000 businesses through €13.6 billion in credit, €8.4 billion in bank loans and €2.4 billion in equity financing (up 31% on 2015). At the local level, it has given 2,055 businesses access to €941 million in bank lending through the Regional Guarantee Funds.

Bpifrance has acquired stakes totalling €1.1 billion in mid- and large-caps. Significant investments have also been made in health care (Médipôle Partenaires), childcare (Les Petits Chaperons Rouges, La Maison Bleue) and education (INSEEC, AD Education). The SPI (*Sociétés de Projets Industriels*, i.e. industrial project companies) fund, which it manages under the Investments for the Future Programme and which also received funding in 2016 from the European Investment Bank, invested €199 million in projects such as DCNS Energies (renewable marine energies) and the AFM Téléthon (gene therapy). These investments could ultimately create about 6,000 direct and indirect jobs. Lastly, in 2016 Bpifrance supported the first group of companies to participate in the "SME Accelerator" programme, which was launched in 2015. By the end of the year, this support had enabled one-third of these SMEs to become mid-caps.

Bpifrance in 2016

848
regional offices
(including French
overseas departments
and communities)
six of which are new

90%
of decisions taken
at local level

At the same time, Caisse des Dépôts remains a major institutional investor in the economy. It was the leading investor in French small and medium-sized listed companies. Caisse des Dépôts also works to boost innovation and support the industries of tomorrow through competitive clusters and *Sociétés d'Accélération de Transfert de Technologie* (accelerated technology transfer companies, or SATTs), which it manages on behalf of the French State as part of the Investments for the Future Programme. A total of €856 million has thus been allocated to 14 SATTs, covering the entire country, since the mechanism was put in place.

Strong support for micro-businesses

The Group supports micro-businesses through two separate channels. Bpifrance gets involved during the riskiest stages of their life (creation, transfer, growth, cash), by guaranteeing the loans provided by banks, and supports them through co-financing and innovation incentives. The regional interest-free loan (*prêts d'honneur*) funds managed by Caisse des Dépôts are used for the creation or takeover/transfer of these types of businesses. In 2016, 105,000 micro-businesses received assistance from the Group for a total commitment of more than €24 million.

Innovative tools

Caisse des Dépôts also works to encourage French, European and international professional investors to become more involved in the real economy. To that end, it has created six investment funds to support SME and mid-cap growth and innovation, named NOVA, NOVO and NOVI. These funds are helping to develop corporate finance and are picking up where public-sector financing leaves off.

The NOVA fund was established in 2012 to provide capital financing for listed companies, primarily SMEs and mid-caps in the industrial and services sectors. The purpose of the NOVO 1 and 2 funds, created in 2014, was to provide corporate bond financing for these same SMEs and mid-caps, provided they had plans for internal, external or international growth and were established in France. Lastly, since 2015, the €580 million NOVI fund has provided equity and bond loan multi-financing to listed and unlisted companies.

Through these funds, Caisse des Dépôts enables major investors to increase their investments in SMEs and mid-

caps, which in turn benefit from a greater diversity of funding under more favourable conditions.

Boosting the construction of housing units

With 12.1 million people in France facing housing insecurity, the Caisse des Dépôts Group is working alongside government authorities to accelerate the construction of social and intermediate housing. It thus meets the needs of households in all the regions and helps maintain jobs in the construction and civil engineering sector.

Supporting social housing

The Savings Funds' high lending volumes have made Caisse des Dépôts France's leading investor in social housing projects. In 2016, it granted €14.3 billion in savings fund loans. These loans were used to fund the construction or acquisition of 109,000 housing units, or the equivalent of a city like Strasbourg, and to rehabilitate 311,000 social housing units.

Since 2014, the Savings Funds adapted their offering to better meet the needs of social housing bodies and the challenges they face. In 2016, they created a completely new type of loan: equity financing subsidised by Caisse des Dépôts and Action Logement. These 30-40-year loans, with a grace period and zero interest for 20 years, aim to accelerate landlords' investment programmes, notably for energy retrofits. This is expected to result in 150,000 rehabilitations and 20,000 additional new units by 2018. This offering has proven highly successful, with nearly 450 landlords applying for a total requirement of more than €6.5 billion.

This commitment to social housing has been supplemented by the efforts of **SNI Group**, which was very active in 2016. Its social housing stock totalled 190,000 units, and construction rose by 39% between 2015 and 2016.

Facilitating residential mobility

As part of the housing stimulus plan launched in 2014, SNI Group offers an intermediate rental housing solution. This is the missing link in the residential real estate sector, particularly in areas where there are housing shortages. Intermediate housing gives priority to meeting the needs of the middle classes whose income is too high to be eligible for social housing and too low to be able to afford private homes. With the delivery of 2,147 intermediate housing units and starts on 3,738 more, 2016 was a particularly busy year. The total number of intermediate housing units managed by SNI Group now stands at 86,221. The leading landlord in France is therefore on track to meet the target set in 2015 of building an additional 35,000 units by 2023, which would also make it France's leading operator of intermediate housing.

The creation of the “Foncière Solidaire”

As the president of the Republic announced at the launch of the Group’s Bicentenary in January 2016, Caisse des Dépôts and the French government will create the Foncière Solidaire, capitalised at €750 million. This entity will be tasked with building 50,000 housing units, half of which will be social housing, by expediting the release of private and public land, in particular in areas suffering from housing shortages.

Property company strategy reiterated

Icade continues to implement its strategic roadmap, defined in 2015, and to focus on the three core businesses in which it has leadership positions: Commercial Property Investment, Healthcare Property Investment and Development. It has thus become a leading integrated real-estate operator in France, for Paris, Ile-de-France and the major regional cities. In 2021, its real-estate portfolio will be worth €13 billion.

Patronage focused on housing and architecture

With its long-standing involvement in urban policy, Caisse des Dépôts has played a pivotal role in regional planning for 200 years.

Its patronage initiatives reflect its position as a developer of public spaces, as an investor in social housing and as the leading social landlord in France. Against the backdrop of the Culture Ministry’s roll-out of a national architecture strategy, the Group’s patronage measures support the work of young architects and landscapers in two areas:

- support for research; and
- a mechanism to support innovative circular economy projects in architecture and landscaping, and to raise public awareness of both fields.

Improving tourist infrastructure

Tourism, a particularly attractive sector, currently represents 7.4% of gross domestic product (GDP), nearly 1.3 million jobs that cannot be outsourced, and 85 million visitors each year.

The “France Développement Tourisme” platform

In 2015, the Caisse des Dépôts Group launched the France Développement Tourisme platform which aims to use €1 billion in equity over five years to fund accommodation, infrastructure, facilities and tourism-focused SMEs in France. The goal is to receive as many as 100 million foreign tourists a year by 2020. This platform comprises three major components put in place in 2016.

A €100 million investment fund, France Investissement Tourisme, with an initial allocation of €50 million, was created by **Bpifrance** to fund SMEs in the tourism sector. Since establishing this fund, Bpifrance has backed more than 60 businesses, including Looping, one of Europe’s leading regional theme park operators.

The second component is Foncière Développement Tourisme, dedicated to tourist accommodation, with initial capital of €200 million (and a target of €500 million in the future) intended for institutional investors, i.e. an investment capacity of €1 billion after leverage. These funds will mainly be used to build or perform major renovations of hotels, holiday villages and residences located on the coast and in popular tourist regions in metropolitan France. Foncière Développement Tourisme made its first investment at the end of 2016.

Lastly, as the third component, a total of €400 million in equity, usable over five years, has been allocated to fund accommodation, tourism infrastructure and digital projects that seek to make the country more attractive. The funds will be used for all types of accommodation, as well as tourism facilities such as conference and exhibition centres, sports facilities, etc. At end-2016, Caisse des Dépôts had already committed €44.8 million of this amount.

The hotel sector

In early 2016, Caisse des Dépôts and Bpifrance took the lead in bolstering the subsidised Hospitality loan, launched in 2009, by increasing the ceiling and grace period and expanding the bank co-financing with equity financing. At this stage, Bpifrance has paid out €100 million under this loan. Combined with the related bank financing, this means €300 million in financing for about 800 businesses. As an urgent response to the terrorist attacks in Paris and Nice, Bpifrance also announced it would suspend the payment deadlines on loans to hotel owners in Nice for six months as it anticipated that

business would suffer in the wake of the 14 July 2016 attack. It had implemented a similar measure for Parisian hotel owners after the attacks of 13 November 2015.

Social tourism

A long-standing stakeholder in the social tourism sector, mainly as the operator of VVF Villages, Caisse des Dépôts created the social tourism investment fund (Fonds Tourisme Social Investissement — TSI Fund) to renovate and upgrade holiday villages. The first transaction was carried out in July 2016, for €4 million, to renovate the “Plein sud” resort hotel in Hyères. This hotel is run by family-oriented and community tourism operator Vacances Bleues.

Property companies have also been created, including Foncière hôtelière des Alpes which was formed in association with several regional banking partners and has €30 million in equity. Its purpose is to support the hotel industry in resorts in Savoie, Haute-Savoie and Isère by creating and renovating sites. Foncière Rénovation Montagne, in conjunction with **Compagnie des Alpes**, has been working since 2013 to renovate vacant apartments and shuttered hotels. It seeks to acquire under-occupied apartments or buildings, renovate them, and then rent them out.

Raising France’s international profile

The Group is accelerating its international initiatives so as to attract foreign capital to France on a long-term basis to the benefit of the economic development of the regions. It also backs French businesses with an international presence and helps its own subsidiaries make acquisitions and expand their activities and expertise abroad.

Rolling out expertise internationally

A number of Group subsidiaries are stepping up their international development, conscious of the need to go outside France in search of new growth opportunities.

With operations in 19 countries and on 5 continents, **Transdev** generates 62% of its revenue internationally. The group has confirmed its intention to develop its Living Labs concept and is on the verge of consolidating its position in the Netherlands, having won the public transport concession for the Amsterdam region at end-2016 through its Connexion subsidiary. The group will thus operate the largest electric bus fleet in Europe (250 vehicles) for a 15-year period starting

in December 2017. This will make it the leading European operator of “zero-emission” public transport. This new success in the Netherlands comes on the heels of winning the contract to operate 100 electric buses in the cities of Eindhoven and Helmond.

Egis is already very active on the international market, which accounts for 63% of its total business, and undertakes large-scale projects every year. In 2016, it had a number of commercial successes in India, the Middle East and Brazil. These included the Smart City programme in the city of Bhubaneswar in India, supervision of the construction work on the residential ETLAL tower in Riyadh (Saudi Arabia) and two major rail infrastructure projects for mining giant Vale in Brazil.

The **Compagnie des Alpes** group is a leading player in the leisure sector in France and abroad, with 13.7 million skier days and 8.7 million visits to its theme parks every year. In 2016, it opened a subsidiary in China, which will host the 2022 Olympic Games. The Chinese market appears to be a strong growth opportunity for the Group.

The **CNP Assurances group** increased its presence in the Brazilian insurance market with its successful all-digital platform, launched in May 2016 under the Youse brand and which had 32,274 policies at end-January 2017.

Lastly, to provide companies with the means to grow internationally, **Bpifrance** offers a range of services covering all their needs. Consequently, in 2016, over 3,000 businesses benefited from export support, receiving a total amount of €2.3 billion. Since 1 January 2017, Bpifrance has also managed public export guarantees on behalf of, for and under the control of the French government, a function previously performed by Coface. All French companies now have a single point of contact able to meet their export development needs. Lastly, export credit, launched in 2015 so French businesses would be able to extend financing to their foreign customers, increased by 150% in 2016, from €12 million to €30 million. It is expected to ramp up in 2017 with a target of about €150 million in credits granted. As Africa accounts for half of export credit-related business, it is a major strategic focus for Bpifrance. A project conducted in Côte d’Ivoire and South Africa in 2016 provided support to 15 businesses participating in the SME and mid-cap accelerators. In 2016, Bpifrance also finalised its participation in the first cross-border fund between France and Africa, which has €77 million in capital.

Attracting foreign capital

Irrespective of its operational subsidiaries' presence, the Caisse des Dépôts Group has an international institutional presence. It develops bilateral and multilateral relationships with its counterparts to promote long-term investment and develop projects in France and abroad, for the ecological and energy transition in particular, through the Marguerite and InfraMed funds (€64 million and €105 million, respectively, invested at end-2016).

To step up its involvement and attract new foreign capital for French projects and companies, Caisse des Dépôts has participated in the implementation of the Juncker Plan since 2015. With €315 billion in investments in the 2015-2017 period, it aims to stimulate investment in EU countries through the European Fund for Strategic Investments (EFSI). Public and private investors are increasingly unwilling to help fund projects they consider risky and that appear to have less certain returns. In light of this reluctance, the Juncker Plan seeks to encourage stakeholders to fund these transactions by partially covering any potential losses. The Caisse des Dépôts Group committed to contributing €8 billion to fund the Juncker Plan to ensure a successful roll-out in France. In return, it received 29.8% of the EFSI's financing at end-2016, of which 24.5% was dedicated to infrastructure and 41% to supporting businesses (mainly SMEs and mid-caps). The roll-out of high-speed broadband in Hauts-de-France thus benefited from EIB support and a European budget guarantee to secure this large-scale project.

Bpifrance was one of the first European organisations to develop financial solutions to help businesses under the Juncker Plan. The first of these, the seed-stage investment loan (*Prêt d'Amorçage Investissement*), was covered by a new agreement in 2016 with the European Investment Fund (EIF) to guarantee these loans over several years. The EIF's involvement allows for steady and rapid growth in the EIF seed-stage investment loans granted (€113 million in 2016). The second, the innovation loan (*Prêt Innovation*), is available to more mature companies and received a commitment of nearly €237 million in 2016.

Lastly, through its subsidiary **CDC International Capital**, the Group forged sustainable investment partnerships with sovereign funds and major international investors. The goal is to attract them to France while helping French businesses grow internationally. In 2016, it expanded the number of partnerships it has with leading sovereign funds to seven after finalising an alliance with Korea Investment Corporation (KIC), which will invest in French businesses and in Korean companies with ties to France. At end-2016, these partnerships gave CDC International Capital an aggregate investment capacity of €3.5 billion.



A partnership with AFD

In December 2016, Caisse des Dépôts and Agence Française de Développement (AFD, the French development agency) signed a strategic alliance charter as the first step towards closer ties between the two institutions. This charter should help to increase France's influence in Europe and internationally regarding the main issues in the areas of climate change, savings mobilisation and long-term investment to promote development. Caisse des Dépôts and AFD already share sustainable development goals, based on the Paris Climate Agreement, and targets for support for the ecological and energy, digital, territorial, and demographic and social transitions. Several possibilities for cooperation have been considered, including the pooling of expertise, in particular for the ecological and energy transition, digital technology, innovation and economic research, as well as an international collaboration to facilitate the implementation of projects by African Caisse des Dépôts. For example, a joint investment vehicle for infrastructure in developing countries was just launched in April 2017.

Digital transition



The digital revolution, which is comparable to the industrial revolution of the 19th century, is meaningfully transforming current ways of life. To meet these new challenges and help the French public cope with these changes, the Caisse des Dépôts Group is now putting the digital transition at the core of its strategy. Digital drives growth and competitiveness and is an engine for innovation to move the country forward. The Group therefore plays an active role in building their infrastructure while developing the related uses and services to avoid a digital divide.

Supporting the digital transition of the regions

As a long-term investor, Caisse des Dépôts supports the French State and local authorities in the digital development of all the territories.

Funding the regions' digital services and infrastructure

Caisse des Dépôts invests in infrastructure projects and digital services that contribute to territorial and economic development.

Since 2015, it has boosted its investments with its support for the French High-Speed Broadband Plan (*Plan France Très Haut Débit*). In 2016, €53 million was invested in the public initiative networks, lifting the number of such networks in which Caisse des Dépôts is a shareholder to 41. In addition to its equity investments, Caisse des Dépôts offers local authorities savings fund loans that they use to roll out high-speed broadband in their territory. It thus funds about a third of the public initiative network projects in France. In 2016, €65 million in loans was signed, almost all of which fell under the French High-Speed Broadband Plan.

These public initiative networks are already providing 693,000 homes and businesses with the high-speed broadband services that they need. The aggregate equity investments made by Caisse des Dépôts in 2016 will allow nearly 2 million additional homes to be passed by fibre optics. Over a 12-year period, Caisse des Dépôts has dedicated nearly €240 million of its equity to this infrastructure and has therefore funded, through leverage, €2.5 billion in investments in broadband and high-speed broadband networks.

To supplement its public initiative network efforts, Caisse des Dépôts has also invested in an independent operator and distributor of digital video content, Vitis, which seeks to promote the development of triple-play offers (phone, internet, TV) for the general public and to accelerate the market-

Roll-out of high-speed broadband in Hauts-de-France

Caisse des Dépôts invested €32 million to become a shareholder in the group that was awarded the public service concession for the high-speed broadband network for Hauts-de-France. With 681,000 fibre-optic connections, this project is currently the most ambitious in France in terms of number of homes to be passed and the pace of the roll-out. The stated targets are very clear: build out a fibre-optic network to all premises in the region by the end of 2022 and roll out higher speeds to areas that are underserved by broadband by the end of 2017. Furthermore, Caisse des Dépôts and the Hauts-de-France region are committed to ensuring that this investment provides numerous opportunities at the local level in terms of jobs, economic development and innovation. In February 2017, this project was named the "Telecoms Deal of the Year" at the Project Finance International Awards 2016 handed out in London.

ing of fibre-optic networks in "public initiative" regions. The total investment is €21 million, with Caisse des Dépôts contributing €7 million.

Lastly, throughout 2016 Caisse des Dépôts expanded its involvement to help structure and consolidate digital services, most often in direct collaboration with the regional public procurement offices. For example, it invested in the creation of third places, in smart mobility solutions, in the data sector (open data with opendatasoft and monetisation with Dawex), etc.

Putting digital to work for smart cities and regions

With its long-standing experience working with towns alongside local authorities, the Group is positioned as the primary partner of smart cities and regions.

The concept of smart cities and regions is a new approach tied to the digital transformation. This initiative aims to address major urban and semi-urban challenges, such as the economic attractiveness of the regions, equipment and infrastructure saturation, and the new needs of residents, while developing their ability to participate in civic life. This involves the use of digital data, technology infrastructure and other digital services (sensors, the cloud, platforms, etc.) to improve the management of urban energy services, such as parking.



Eight territorial demonstrators to help local authorities design smart cities

At its first smart city forum in November 2016, Caisse des Dépôts announced the launch of eight territorial demonstrators in Besançon, Bordeaux, Lyon, Nantes, Nice, Toulouse and two sites in the Paris region, the Portes de Paris office park and the future Paris 2024 Olympic Village. The goal with the latter is to make it an international showcase for French know-how in smart city design.

These locations will serve as testing grounds for the demonstrators, which are full-scale prototypes for the Group's innovative offerings. More than 80 projects will explore, depending on the needs of the local authorities, the solutions of the future to meet the challenges of easing transit congestion, adapting buildings and housing, optimising the use of infrastructure and public spaces over time, improving air quality and reducing greenhouse gas emissions, controlling energy and resource consumption, addressing data management issues, etc.

The entire Group is therefore working to create the city of the future, focused on users' needs and developed jointly with the local authorities and the people. The "public interest smart city" corresponds to its values and missions: energy-efficient and ecologically sustainable urbanisation, integrated multi-modal mobility policies, sustainable and adaptable housing and, lastly, a high level of digital services and infrastructure, combined with public and transparent data management.

This innovative approach uses the Group's vast expertise in design, financing and operations. As a designer, the Group advises local authorities and helps them rethink towns as a whole, in particular by rolling out new decision-making tools. As a financier, it provides loans and equity investments or operates via the Investments for the Future Programme, in particular through its "Tomorrow's Cities" component. Lastly, as an operator, the Group develops

offerings in its areas of expertise, namely real estate and mobility, as well as in related sectors such as energy, the environment and urban development.

Inventing smart cities is a powerful driver of innovation. In 2016, the Caisse des Dépôts Group launched a partnership with several local authorities to implement eight territorial demonstrators.

Supporting the digital economy

Through its actions, the Caisse des Dépôts Group guides businesses through the digital transformation and supports the digital economy by helping innovative companies become “digital champions”.

Encouraging companies’ digital development

To meet the needs of regions that lack major industrial or digital players, Caisse des Dépôts is investing in start-ups to encourage the creation of innovative mobility services. Along with its subsidiary Bpifrance, it provides loans and investments to promote companies’ digital development.

To help businesses become more competitive, it has expanded its unsecured loan offering. Until 2015, this consisted of the “digital loan” to fund investments in SMEs and mid-caps, which enjoyed a two-year grace period, for a total maturity of seven years, with no guarantee or security. A total of 400 businesses benefited from the €300 million allocated to this type of loan.

These loans have been replaced by “Industry of the Future” loans, funded by the Investments for the Future Programme. Two offerings were available in 2016 for more than €1.2 billion in lending. The first targeted growth in industrial businesses by funding their production lines; the second supported technology adoption and digital practices by companies across all sectors.

Supporting innovative businesses and ecosystems

To strengthen France’s position in digital, the public authorities are encouraging the development of “French champions”, primarily through the French Tech initiative. This initiative, which arose out of a report the government commissioned from Caisse des Dépôts, initially involved identifying and promoting the 13 “French Tech Cities”, i.e. French metropolitan digital ecosystems with strong growth potential and international appeal. The French Tech initiative was enhanced in 2016 with a tailored solution to support start-up growth, the “French Tech Pass”. This service, offered since 2014 by Bpifrance and its partners (Business France, INPI (French Institute for Intellectual Property), DGE (Directorate General for Enterprise), Directorate General of the Treasury) to businesses in the digital sector, was expanded in 2016 to the industrial and health-care sectors.

Bpifrance participates in the French Tech initiative to support innovation and the emergence of these French champions.



At end-2016, it had invested €1.3 billion in innovation to help more than 6,000 businesses. Alongside Business France, it also created an accelerator programme for start-ups innovating in new technologies. Formerly known as “French Tech Tour”, the Ubi i/o programme selected 18 French start-ups, 10 based in San Francisco and 8 in New York, and for a 10-week period in 2016 worked with them to accelerate their development in Silicon Valley. Lastly, the second Bpifrance Inno Génération convention, held in May 2016, was attended by more than 20,000 participants, representing the entire ecosystem. They explored the topic of innovation and, more broadly, entrepreneurship.

Additionally, the “Digital Ambition Fund” (*Fonds Ambition Numérique*), which is financed by the French government under the Investments for the Future Programme, managed by Bpifrance and focused on digital start-ups, has an investment capacity of €300 million. It has already invested €150 million in 35 start-ups, totalling more than 3,000 jobs of which 85% are in France. These include Scality, which specialises in the storage of large volumes of data, and Evaneos, an online marketplace that puts travellers in touch with local travel agents while offering maximum flexibility.

Adapting the Group to the digital transition

Digital technology, a major driver of development, exists in all organisations and has worked its way into all aspects of everyday life. To remain competitive and support France's digital transition, the Caisse des Dépôts Group has turned a digital corner and is modernising its offerings and practices.

Digitalising the offerings

The Group set two strategic priorities in 2016: digitalising its offerings by developing digital platforms and improving the quality of customer relations.

Caisse des Dépôts now offers digital services to its traditional partners, such as local authorities, social housing bodies and the legal professions. In early 2017, it set up a digital platform called "Territoires Conseils", a portal for presenting the Group's offering to agencies and local authorities that also gives access to online services. For its banking activities, it also adopted its new customer-centric strategic plan ("*Résolument client*") and recently launched a site to showcase its financing offering to new notaries.

The Bpifrance Hub, an innovative way to interact

Launched in April 2015, the Bpifrance Hub is simultaneously a meeting ground, a platform and a service provider that offers three complementary activities. The first, the Corporate Hub, gives SMEs an opportunity to develop business relationships with mid-caps and large corporates. In 2016, 160 relationships were formed between SMEs and 43 large corporates and mid-caps. The Start-up Hub is an accelerator for start-ups in the launch phase and has thus far hosted 41 companies at its premises in the heart of Paris. Lastly, the Network Hub, a space for meet-ups and networking, held 290 events in 2016, including conferences and forums on entrepreneurship. It brought a total of 30,000 people together during the year. The Hub also launched two new activities in 2016: the International Hub, which aims to provide in-depth support to growth start-ups in the United States and China (partnership with Business France) and the Digital Hub, which seeks to connect the various innovation ecosystems in France. Its offering will be launched in 2017.





A new BtoC mandate: Ciclade

Under the Eckert Law of 13 June 2014, Caisse des Dépôts was tasked with centralising and safeguarding funds from inactive accounts and unclaimed life insurance policies until a beneficiary requests that they be returned. After financial institutions transmitted the funds from these accounts and policies, i.e. €3.7 billion, Caisse des Dépôts launched the

Ciclade website in January 2017, which has already been searched by 750,000 people (at 1 March 2017). This new mission is consistent with Caisse des Dépôts' traditional core businesses, one of which is to serve as a trusted custodian to transparently and securely safeguard private funds requiring specific protection.

Caisse des Dépôts' expertise in pension management and in the joint management of information systems has also enabled it to develop a services offering for Union Retraite, a public interest group comprising the 35 French pension schemes. This offering consists of an initial set of online services for retired and active employees, rolled out over the new shared inter-scheme portal since February 2017.

Digital services platforms were also developed for the general public in 2016: after the personal training account (*compte personnel de formation*, or CPF) in 2015, Caisse des Dépôts implemented the personal activity account (*compte personnel d'activité*, or CPA), as well as Ciclade, a site where users can search for inactive bank accounts and unclaimed assets.

As part of its digital strategy, the Savings Funds accelerated the roll-out of new digital services in 2016: access to data for social housing loan guarantees on the loan website, testing of electronic signatures, etc. In 2016, 74% of social housing loan applications came through the loan website.

Digitalising the business lines

The Group has placed digital at the core of its strategy in the expectation that new practices will emerge in this sector. In December 2015, it launched the LaBChain initiative, a participatory "innovation laboratory" dedicated to blockchain technology, a technological innovation that could revolutionise the concept of trusted third party. This initiative has now brought together 26 market participants whose

priority is to explore this technology. It is the first of its scope in Europe. Blockchain is a database that relies on a transparent, decentralised and tamper-proof information transmission and storage technology. This network is made up of virtual nodes that validate and certify transactions and record them in the blockchain to ensure they can be traced. Through this initiative, the Group is preparing for the changes that this technology will trigger for its business lines and subsidiaries (banking activities, regulated business lines, insurance sector, etc.), as well as the opportunities that it represents, for example, for decentralised transaction security.

Three tests are underway, covering customers' digital identity, "death" insurance and, since November 2016, management of collateral for securities lending and borrowing.

Mobilising the subsidiaries

The subsidiaries of the Caisse des Dépôts Group have also launched a number of initiatives to adjust their business lines, their fields of activity and their offerings to best meet their customers' expectations.

In 2016, **Transdev**, a global leader in mobility, implemented several applications for on-demand transport integrated into the public network such as Chrono Pro, which allows passengers to reserve transportation through an app or booking service for the last few kilometres between the endpoint of the traditional transport network and the business districts in which they work. The solution is being tested in Beauvais (Hauts-de-France) and Vitrolles (Provence-Alpes-Côte d'Azur). In Helsinki, Maas.global, a pilot Mobility-as-a-Service (MaaS) start-up in which Transdev is a shareholder, is developing the Whim solution. This subscription-based service gives users access to a set of travel solutions within a given area, above and beyond the public transport networks.

Icade has launched "Coach your growth", a plan designed to make its business parks more attractive by creating innovative spaces and services to improve the quality of life of the employees of the tenant businesses (for example, with mobile desks, a digital community platform, well-being facilities and services, health-care centres, a digital concierge service, etc.).

After developing a digital plan, in 2012 **SNI Group** began to launch various projects to digitalise its business, including the use of digital marketing tools (virtual and 3D tours, for example), a paperless contract process, and better knowledge of prospective customers. A new pipeline of projects was drawn up in 2016, involving, for example, the use of data to optimise management processes.

In 2016, **SCET** launched an inter-company social network bringing together about 300 customers, along with its partners and employees, i.e. some 6,000 people. This social network is the new online incarnation of the SCET Network. By allowing users to share their experiences, pool their expertise and work with collaborative tools, this network will enable SCET to significantly revamp its "Network Contract" offering and usher it into the era of digitalisation.

Through its subsidiary **CDC Arkhinéo**, the Group helps businesses and local authorities meet their probative-value digital data retention obligations, in accordance with French and European regulations. With 1 billion documents archived since its creation, CDC Arkhinéo also simplifies the relationship with the public by providing efficient administrative procedures through an e-archiving service based on the Software-as-a-Service (SaaS) model. In 2016, the company obtained the Cybersecurity label as well as AFNOR NF461 certification.

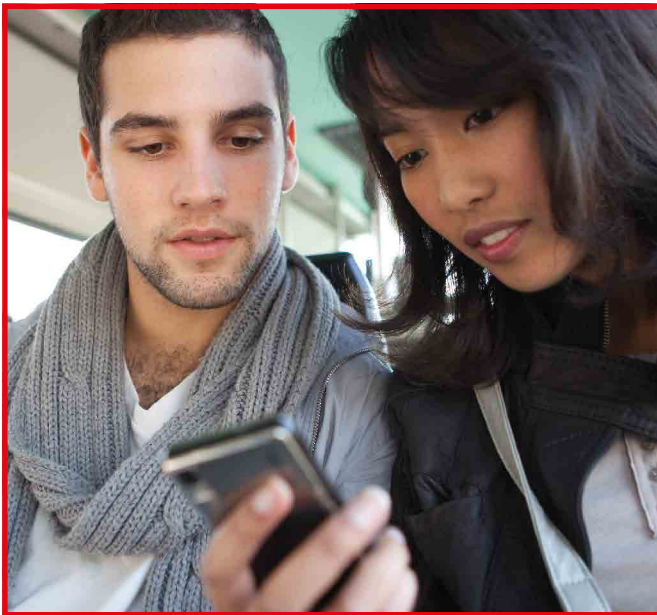
Lastly, in 2016, **Bpifrance** accelerated its digital transformation programme. This cross-disciplinary and participatory programme unites employees, customers, regional and banking partners and investors, and consequently affects all its business lines. Projects underway include the single customer relationship file and mobility, with the aim of giving all customers and employees with smartphones easy access to business line applications on mobile devices or through mobile sites.

Open innovation

Open innovation is a process in which businesses are able to draw on outside ideas and expertise.

In 2016, Caisse des Dépôts began to work on a data lab that is still under construction. Through the use of data and open innovation, this lab will allow the Group to implement an innovation strategy based on sharing and collaboration among several stakeholders and to better understand the customer experience. In housing, the use of big data collected by Group entities such as Icade, SNI Group and the Savings Funds provides an immense opportunity to make housing policy more efficient and responsive.

In 2016, the French government asked Caisse des Dépôts to set up the personal activity account (CPA) which gives all employees access to their vocational training rights, to digital services that help them develop a career plan and find a training course, and to electronic payslips. In this way, Caisse des Dépôts confirmed its ability to innovate and propose secure solutions.



Developing insurance with and for the digital generation

To build its presence among digital natives and meet their new protection and support needs, CNP Assurances is implementing a test-and-learn approach to co-develop novel solutions. In particular, it launched an online community platform, "Generation Y by CNP Assurances", which helped it start a conversation with 400 young people on topics ranging from protection to customer services. Accessible 24/7 for an initial period of seven months, this platform was used to create, host and share all types of content, including forums, chats and mini-surveys. It offers design and testing tools to its members, made up of students, young professionals (salaried employees, the self-employed, etc.) and young families, to help shape CNP Assurances' future offerings.

In less than a year, Caisse des Dépôts designed and created, using the agile method, the CPA platform which was launched in January 2017. It took an open innovation approach in which future users were partnered with start-ups. A big data approach was implemented for this project to gradually develop services tailored to users' practices and needs. With this new offering, Caisse des Dépôts will manage a large-scale services platform as ultimately 48 million people may have a CPA.

In 2016, **CNP Assurances** launched its "Open CNP" initiative. This is an investment and partnership programme with innovative start-ups in fields closely related to its own (e-health, FinTech, etc.). It has a budget of €100 million over five years.

Icade has developed its innovation approach around an ecosystem made up of the Icade Hub community of intrapreneurs, a network of start-ups and partnerships with large innovative companies, SMEs and school laboratories. The Hub, in particular, is an innovation community that gives all Icade employees a voice in a forward-looking conversation about the different business lines: housing, offices, towns, health care and the company of the future. It takes several forms, including an online community called the Smart City Hub, a leading real-estate innovation site that has been open to the general public since end-2015, and the "innovathèque", a database for line staff.

Through calls for projects, **Bpifrance** Le Lab gives the scientific community preferred access to its data in order to better evaluate public policies and improve knowledge of SMEs. In a fully secure environment, Bpifrance is the first French bank to initiate an open data approach. Nearly 15 years of data are available and, to date, have been used by 10 select teams to present nearly 60 research projects. Topics covered include an analysis of the role of public assistance in the development of innovative companies and an evaluation of the management control needs of French start-ups, as well as an assessment of the impact of existing financing arrangements on the performance of international agri-food SMEs.

Demographic and social transition



The Caisse des Dépôts Group is seeking solutions to certain challenges to support French people throughout their lives. These include adapting society to an ageing population, fighting insecurity, and helping young people join the workforce. It offers solutions tailored to their needs, which range from social integration and job entry for young people to secure careers. It also contributes to France's social cohesion and promotes successful ageing.

Supporting entry into the workforce

The Group is gradually developing its youth initiatives around two main priorities: adapting the training system and integrating young people.

Preparing the schools of tomorrow

The Group's actions in the educational world are twofold. It works to renovate school and university buildings and supports the digital transformation of education.

The ageing public school property portfolio must now adapt to the current and future needs associated with the demographic, energy and digital developments in society. In light of this major societal challenge, several Caisse des Dépôts Group entities are prepared to offer engineering, design, operation and financing services. In 2016, the Caisse des Dépôts, through Lab cdc and in conjunction with the Ministry for National Education, Higher Education and Research, the Association of Mayors and Presidents of the Largest Cities and Agglomerations of France, the Association of the Departments of France and the Association of the Regions of France, launched a call for projects to transform primary-, middle- and secondary-school facilities. The aim is to experiment with new uses through new visions for school grounds and classroom furniture. As the right work environment is an important precondition for widespread adoption of these new uses, the Group is focusing its efforts on developing new solutions and will, by September 2019, propose innovative schools that will incorporate, among others, ecological, energy and digital dimensions.



"INNOVATION AND RESEARCH" SUB-CHAPTER

In addition to this initiative, the Caisse des Dépôts Group is now taking actions for itself and for third parties to build and modernise schools and provide vocational training.

On the modernisation side, several schools have been connected to high-speed broadband through Group loans and investments. In October 2016, the European Investment Bank (EIB) and Caisse des Dépôts also signed loan agreements for the Strasbourg Campus project totalling €150 million (€90 million for the EIB and €60 million for Caisse des Dépôts). Strasbourg is the fifth university campus, after Saclay-Centrale, Grand Lille, Lyon and Paris Intramuros, to have received an EIB loan under the Campus project.

Lastly, €2.9 billion in savings fund loans to the local public sector was committed in 2016 out of a total allocation of €20 billion. These loans are primarily intended to fund public universities' long-term investment projects.

More generally, Caisse des Dépôts helps higher education and research institutions develop and implement their digital and real-estate strategies.

One of the major challenges in the coming years will be the digital transformation of educational practices across the country. To address these issues, the Caisse des Dépôts Group is calling on all its entities to roll out new educational technologies (EdTech). Caisse des Dépôts, with its firm commitment to the digital, demographic and social transitions taking place in society and its support of major public policies, has joined the Grande École du Numérique (digital university) public interest group, alongside 16 other partners. Its aims are twofold. It seeks, first, to meet the growing needs of the job market for digital skills and, second, to promote the social and professional integration of populations with little access to employment or training. By 2017, 10,000 learners, primarily young people with no qualifications or diplomas, will be trained for the digital professions.

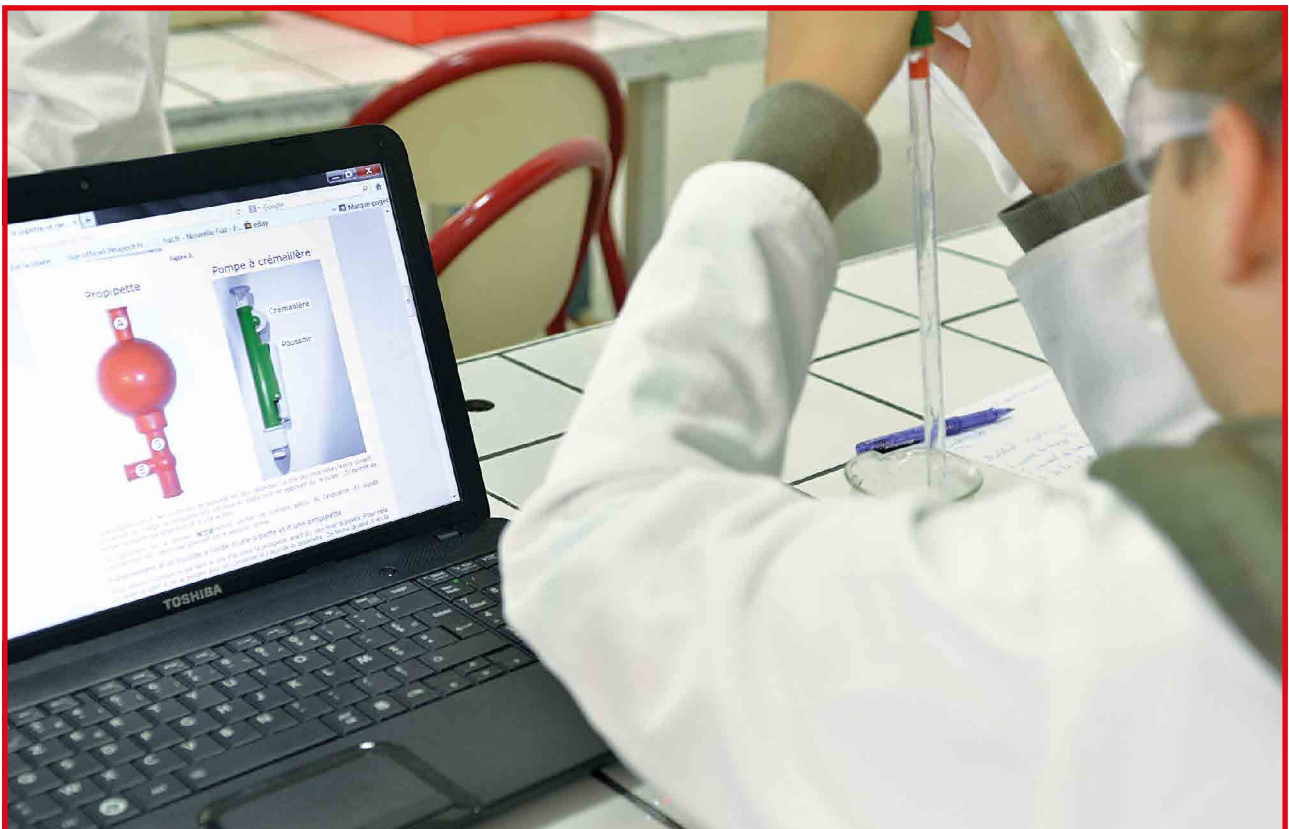
Bpifrance manages an EdTech-focused €10 million fund of funds under an Investments for the Future Programme mandate given by the French government. In November 2016, Bpifrance University and OpenClassrooms, a European EdTech leader, launched a new distance learning module on leadership. This fun and practical way to learn allows students, professionals and job-seekers to gain the skills they need to successfully integrate the workplace.

Lastly, the Caisse des Dépôts Group would like to continue its actions in digital education, a field it pioneered along with the Ministry for Education, and to implement pooling models to develop digital education regions to address the inequalities that exist among regions.

Contributing to the integration of young people

The proportion of 18 to 30 year-olds forced to live with their parents due to the lack of appropriate housing supply stands at 29%. The Caisse des Dépôts Group is investing in specific programmes and developing ways to help them live on their own.

First, **SNI Group** implemented an action plan to offer 25,000 housing spots for students and young professionals by 2019. At end-2016, 23,000 spots had already been made available. To meet these substantial needs, a specific action plan has been drawn up for Ile-de-France by its subsidiary EFIDIS which, for example, inaugurated the 282-unit "Océane" apartment building in Massy (Essonne) in November 2016.



Recognised expertise in training and e-education for young people

Caisse des Dépôts, one of the operators of the Investments for the Future Programme, has backed nearly 150 projects relating to work-linked vocational training programmes, supporting both the training and housing components. More than 75,000 individuals have been placed in work-study programmes and nearly 8,700 places of accommodation have been created. To promote youth employment, Caisse des Dépôts also financed the creation

of new training courses through long-term partnerships between businesses and training bodies, representing a nearly €126 million commitment. It supported 22 digital projects through the nearly €20 million e-Fran programme. These initiatives sought to evaluate the effectiveness of learning the basics (reading, writing and arithmetic) with innovative digital tools.

In 2016, Caisse des Dépôts provided savings fund loans for more than 5,000 housing units for students and young workers. It also deepened its commitment to young workers with a new 2017-2019 framework agreement to help young people successfully transition to their own housing, “Réussir les transitions de l’offre Habitat Jeunes”, signed in December 2016 with the French government, Union Sociale pour l’Habitat, Action Logement and the CNAF⁽¹⁾. It thus reiterated its twofold support for public policies that promote energy renovations for buildings and the development of large numbers of high-quality housing units for young people. Certain actions, including a programme for 9,000 spots reserved for apprentices, are also funded under the Investments for the Future Programme.

Lastly, for students unable to find a guarantor for their security deposit, a guarantee fund backed by the French government and Caisse des Dépôts has been set up with the CNOUS and CROUS⁽²⁾ as well as certain regions.

The “Student Loan” Guarantee Fund, put in place by **Bpifrance** in 2008, aims to make it easier to fund student life by reducing the risk banks take on loans granted without securities to this segment of the population. This offering allows all students to fund their course of study without personal guarantees or means testing. At end-2016 more than 54,000 loans had been guaranteed, for a total of €457 million.

As one in four young people are unemployed in France, the Caisse des Dépôts Group is taking strong action to promote youth entrepreneurship. To do so, the Group supports the creation of “mini-companies” in middle schools in priority neighbourhoods, in partnership with the “Entreprendre pour Apprendre” (Learning by Doing) association. In 2016, more than 27,000 young people participated in this programme, which seeks to develop a culture of entrepreneurship among young people.

Since 2014, Caisse des Dépôts has supported the “Pôles étudiants pour l’innovation, le transfert et l’entrepreneuriat” (Student platforms for innovation, transmission and entrepreneurship, i.e. “Pépites” or “mini start-ups”) programme, in partnership with the Ministry for National Education, Higher Education and Research and the Ministry for the Economy. This programme aims to expand the culture of entrepreneurship and innovation and to encourage students and young graduates who want to become entrepreneurs to take the leap. In the 2014-2016 period, Caisse des Dépôts contributed €1 million to help create 29 *pépites*. Alongside the education ministry, in 2016 it also financed, for the second year in a row, the Prix PEPITE-Tremplin awards with a €270,000 contribution. Information was thus provided to more than 120,000 students and nearly 1,500 of them now have national student entrepreneur status.

Young entrepreneurs are also encouraged through the Investments for the Future Programme. The “Culture of Innovation and Entrepreneurship” initiative supports projects that develop these two tools and that give young people computer programming and digital production skills. “Projêka!” is an educational game funded through this programme with the aim of familiarising children with the world of entrepreneurship from a very young age: in the first phase children are asked to come up with and identify projects and in the second they bring them to life. Children thus learn about concepts central to entrepreneurship: teamwork, initiative, risk assessment and the importance of commitment in bringing projects to fruition.

Protecting minors’ assets

Caisse des Dépôts has long played a role in protecting minors’ assets. It manages 40,000 bank accounts for children, 38,000 accounts for child performers and models, and 45,000 back-to-school allowance accounts. Its customers also include 1,019 protected minors (based on a court decision). Since 2016, Caisse des Dépôts has taken on additional duties for children placed in the care of child services, namely managing the back-to-school allowance or the share of the differential allowance until the child reaches the age of majority or becomes independent.

(1) *Caisse nationale des allocations familiales*, the national family allowance fund.

(2) *Centre national/Centres régionaux des œuvres universitaires et scolaires*, the French national student service agency and its regional affiliates.

Meeting the challenges of social cohesion

For many years, the Group has been a key player in social cohesion through its support for the French people throughout their working lives.

Securing career paths

The transformations of the labour market and of career paths have led the social partners and public authorities to begin discussions on securing professional trajectories to facilitate lifelong activity, mobility, training and retraining.

After the January 2015 launch of a portal giving 23 million employees and jobseekers access to their personal training account (CPF), Caisse des Dépôts was tasked by the French government with setting up the personal activity account (CPA). Created by the law of 8 August 2016, the CPA gives all employees access to their vocational training rights, to digital services that help them develop a career plan and find a training course, and to electronic payslips. In this way, Caisse des Dépôts confirmed its ability to innovate and propose secure solutions. With this new offering, Caisse des Dépôts will manage a large-scale services platform as ultimately 48 million people may have a CPA.

Supporting social entrepreneurs

The social and solidarity economy brings together businesses seeking to combine solidarity, economic performance and social utility. It represents 10% of GDP and nearly 12.7% of private-sector jobs in France. There are about 200,000 businesses and 2.38 million employees in this important economic sector. The Social and Solidarity Economy Law adopted at the end of July 2014 is encouraging a change of scale for operators in this segment.

The Caisse des Dépôts Group, a long-standing operator and leading investor in the social and solidarity economy, with €140 million in investments in 2016, participates in every stage of the lifecycle of sector companies by providing all the financial tools they might need, including equity, quasi-equity, loans and guarantees.

In June 2016, Caisse des Dépôts launched the creation of a €100 million social impact investment fund named "NovESS - Le Fonds ESS" to support the development of social and solidarity economy companies and accelerate social innovation. Equity and quasi-equity account for 90% of the support this fund provides for the entire scope of the Social and Solidarity Economy Law of 31 July 2014 (associations, cooperatives, mutual insurance companies, foundations and com-

Patronage measures focus on young talent

Caisse des Dépôts has decided that its patronage policy will focus on helping young talent emerge in two major disciplines: the performing arts, in particular classical music and dance; and public space planning, more specifically architecture and landscaping.

The first component is in keeping with Caisse des Dépôts' ownership of the Théâtre des Champs-Élysées in Paris and its sponsorship of all of the theatre's programming. Since it opened in 1913, this theatre has been known as a Mecca for classical music and dance, in France and around the world.

The second is consistent with Caisse des Dépôts' role as a developer of public space, alongside the territorial authorities; as a lender; and as the leading social housing landlord in France.

mercial companies), primarily covering the social, medical-social and energy transition sectors. Its priority targets are social companies and associations involved in large-scale projects (investments ranging from €1 million to €5 million).

Furthermore, in keeping with the objectives of the France Entrepreneur agency, Caisse des Dépôts funds operators such as ADIE, France Active and Réseau Entreprendre, to further support companies in the 1,500 priority urban planning areas. For the 2016-2018 period, the goal is to increase the percentage of businesses supported in priority areas by 50%.

The efforts by **Bpifrance**, which complement the work of traditional social and solidarity operators, are based on its general-purpose offering (guarantees, short-, medium- and long-term financing) and on specific tools such as the social and solidarity economy loan and the social innovation fund, which has been rolled out to nine pilot regions to fund socially innovative projects.

Lastly, the NACRE (*Nouvel accompagnement pour la création ou la reprise d'entreprise*, or new support for business creations and takeovers) programme supplements these offerings while serving two purposes: providing long-term employment for the beneficiary and supporting the creation of lasting economic activity. NACRE does this by offering each beneficiary personalised, intensive support for key moments in the business creation/takeover process. Between 1 January 2009 and 30 June 2016, nearly 155,000 people who created or took over a business received support through this programme and more than 91,000 businesses have been created.

Supporting specific populations

The Caisse des Dépôts Group is committed to offering solutions for the most vulnerable populations to promote their integration or reintegration.

SNI Group, through its subsidiary Adoma, supports and houses more than 76,000 people in need across the country. It offers housing for migrant workers, “very social housing” (*résidences très sociales*), emergency shelters and transitional housing. In 2016, 4,000 new spots for migrant workers and 1,400 new emergency shelter beds came on stream, for a total of 16,800 spots in 193 structures, corresponding to 25% of the national programme.

In light of the growing need for emergency shelters, SNI launched the social impact fund Hémisphère through its subsidiaries Ampère Gestion and Adoma. The fund’s first project involved the acquisition of 62 hotels that it will restructure and manage in full. The populations housed in these hotels will receive social support.

Taking its approach even further, SNI Group works towards social cohesion by developing high value-added services for its tenants. It entered into a novel partnership with Afpa (an

association that provides vocational training to adults) and established a dozen Afpa support centres in its residences located in priority urban planning areas. The goal is to make it easy to access vocational training and to help tenants find new employment by bringing together organisations that provide training with the people who need it through a single platform. SNI Group also trains its building managers on how to direct their tenants to these support centres.

Caisse des Dépôts has provided €319 million in new savings fund loans to fund the construction and rehabilitation of facilities intended for vulnerable populations (the disabled, at-risk minors, the homeless, etc.).

Employment for all

Caisse des Dépôts helps employ people with disabilities by managing the Fund for the Integration of Disabled People in the Public Sector (FIPHFP). As a catalyst for public action on this issue, the FIPHFP provides loans and partnerships for public-sector employers to help them implement ambitious inclusion policies and change the narrative around disabled people. Every year, nearly 222,000 disabled employees participate in the civil service.



Promoting successful ageing

The Caisse des Dépôts Group offers a range of solutions to meet the challenges associated with the ageing of the French population.

Historical role focused on pensions and personal risk insurance

Through its trustee business, Caisse des Dépôts has, since its founding, been at the centre of demographic and social transitions. It currently manages pension schemes and solidarity funds representing 7.5 million contributors and 3.7 million pensioners, i.e. one in five retirees. Caisse des Dépôts thus has a unique set of expertise in pensions due to the variety of schemes it manages (integrated, basic, supplemental, additional, etc.). It uses a joint management model, in particular for its information systems. In 2016, it was selected by the Union Retraite public interest group to operate a package of services intended for active and retired participants in 35 French pension schemes. These services, implemented in February 2017, seek to simplify and improve the schemes' relationships with their users; they are accessible from Union Retraite's shared inter-scheme portal.

To "insure a future for everyone", **CNP Assurances** has dared to be different and has reaffirmed its commitments as the leading personal insurer in France. With 19 million personal risk/protection insurance policyholders and 9 million savings and pension product holders, of which 48% are more than 60 years old, CNP Assurances offers lifelong security. Thanks to its operations in Europe and Latin America, and in Brazil in particular, it is uniquely positioned to design and manage life-insurance policies, and holds 17.9% of capitalisation life-insurance assets in France. From personal savings and pension funds to group savings products for professionals and companies, CNP Assurances helps reduce social and economic vulnerabilities and the financial consequences of unforeseen events - disability, death, long-term care, etc. In April 2016, CNP Assurances and AG2R la Mondiale created a joint venture, Arial CNP Assurances, to become the market leader in company-sponsored pension savings. The new entity seeks to manage the supplemental pension schemes of nearly 20,000 companies, from SMEs to leaders in the CAC 40, or about €12 billion in assets.

Responding to the needs of senior citizens

At a time when public budgets are severely strained, the expected rise in age- and dependency-related expenditures will probably require new financing solutions and the increased involvement of other stakeholders. As such,

Caisse des Dépôts has launched several initiatives designed to give senior citizens some financial breathing room, in particular by extracting value from their financial and property assets within a secure framework.

Helping senior citizens diversify their income

While 75% of pensioners own their home, they often need extra income to pay their expenses. In 2014, Caisse des Dépôts, **CNP Assurances** and a group of institutional investors launched Certivia, a fund dedicated to buying and managing real-estate assets through equity release. This product gives seller-occupants 70 years of age and over access to capital and to a monthly annuity. In 2016, this €150 million programme was used to acquire 160 assets out of the 500 anticipated by 2019.

Encouraging senior citizens' residential mobility

To meet senior citizens' housing needs, the Group designs, finances and operates facilities specifically for the elderly. It supports this population to ensure they find housing that is tailored to their changing family circumstances and health.

Adapting individual housing

SNI Group is active in the national effort to adapt individual units for seniors. Its target is to build 4,740 new individual "adaptable" units and to renovate 9,000 additional units in the 2012-2020 period. Over the last few years, it has also developed initiatives to combat senior isolation in order to build social bonds between generations and promote social harmony. To achieve these objectives, SNI Group originated the concept of intergenerational social housing, which was subsequently designed and tested by its subsidiary Efidis for three years with the Marie Curie residence, located in Bussy-Saint-Georges (Ile-de-France). The project was so successful that EFIDIS then expanded its stock in Ile-de-France (Cergy and Fontenay-le-Vicomte).

Helping seniors remain in their own homes

Senior citizens' quality of life depends not only on the adaptation of their home or the availability of high-quality housing, but also on their everyday environment and the city in which they live. Caisse des Dépôts invests in businesses that offer innovative solutions, such as Senioradom, which proposes a telecare system that creates a social connection with carers and families, and Citizen Mobility, a transport operator for seniors.

By way of subsidiaries such as Filassistance and Âge d'Or Services, **CNP Assurances** offers a range of assistance and support services for older people. Its approach and the diversity of its activities enable it to assess dependency levels and increase the inclusion of seniors.

Developing senior housing facilities

The Caisse des Dépôts Group designs, finances and operates accommodation establishments for dependent senior citizens. The Group's objective is to help seniors grow old in the best conditions.

In 2016, Caisse des Dépôts played a role in structuring the sector of not-for-profit organisations managing residences for seniors with the creation of ARPAVIE, formed through the merger of the AREFO, ARPAD and AREPA associations, comprising a total of 127 homes. The aim is to turn it into a major player in the sector.

Additionally, it funded more than 7,000 beds (nursing homes ("EHPADs"⁽¹⁾), senior housing ("EHPAs"), etc.) through €600 million in savings fund loans over the course of the year. It also made an equity investment of €32 million in nine senior services residences (total project amount of €150 million).

Several of its subsidiaries are also involved in the joint effort to help seniors, such as **Icade**, a leading medical-social real-estate developer, which built 532 new adapted housing units.

Actively supporting the silver economy

While population ageing is a long-term phenomenon that drives far-reaching changes, it also offers economic and social opportunities through a new business sector: the silver economy, focused on people over the age of 60. The public authorities launched the Silver Economy plan in 2012 to encourage innovations that will, in the future, support ageing and slow the loss of autonomy. This cross-disciplinary industry encompasses housing, home automation, digital technology, transportation, dependency, health care, personal services, etc. The silver economy generated nearly €94 billion in revenue this year and is expected to reach €130 billion in 2020.

Caisse des Dépôts offers a full range of financing for businesses in the health and autonomy sector. For example, it is testing interest-free loans (*prêts d'honneur*) in Ile-de-France to help innovative companies in this field. In the 2014-2016 period, 42 projects benefited from this type of funding. **Bpifrance**, as the primary investor in the SISA (*Service Innovants à la Santé et à l'Autonomie*, or innovative health and autonomy services) fund, supports French SMEs in this sector in their venture capital transactions. Bpifrance also

granted €16.2 million in loans in 2016 to 27 innovative health-care projects.

Meeting the challenges facing the regions

The regions are grappling with the need to develop solutions related to the ageing of their population, as well as with the wide range of stakeholders (French government, regional health-care agencies, local authorities, businesses, etc.).

A number of regions are participating in the silver economy and are relying on the Caisse des Dépôts Group's offerings to do so. Subsidiaries such as **Egis** and **SCET** can offer ageing-related expertise, consulting and engineering to ensure that urban planning policies take full account of the needs of senior citizens.

At the local level, the Caisse des Dépôts Group already supports the ageing strategies of a number of regional operators. Its efforts can be seen in particular in Ile-de-France, with the greater Paris "Silver Valley" network and the "@autonomie" initiative, which promotes the development of innovative local projects, as well as in Seine-Maritime, Moselle, Limousin and Isère, with the *Autonom@dom* demonstrator, which provides health, medical-social and telecare services managed by the departmental council.

(1) *Établissements d'hébergement pour personnes âgées dépendantes.*

Responsible investment



The Caisse des Dépôts Group is a long-term and responsible institutional investor and, as such, has made it a priority to incorporate environmental, social and governance (ESG) issues into its investment decisions and to contribute to the transition to the green economy.

All of the Group's asset management teams are committed to its responsible investment approach, both at Caisse des Dépôts (more than €139 billion in assets under management at end-2016) and in the subsidiaries (more than €346 billion), such as CNP Assurances and Bpifrance.

Protecting the value of long-term assets and fulfilling the Group's missions

Through its cross-disciplinary responsible investment approach, the Caisse des Dépôts Group aims to protect the value of its long-term investments and fulfil its responsibilities in its business dealings. For Caisse des Dépôts, responsible investment is closely linked to its public-interest mission.

In the long run, the Group's financial performance is contingent on effectively evaluating ESG factors that can affect the long-term economic value of its investments and on managing the associated risks.

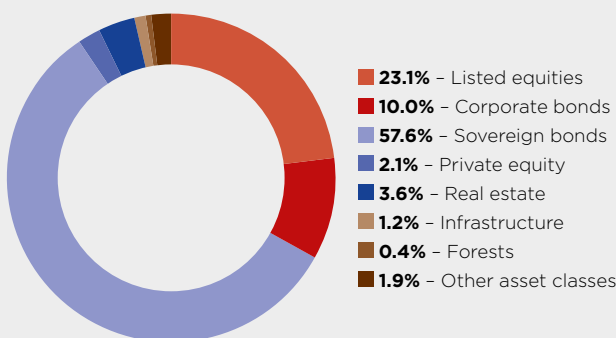
The Group's institutional investor status and financial clout mean that it can exert a certain amount of influence over the practices of other financial players such as asset managers, brokers, businesses, etc. This is an opportunity, as well as a responsibility that the Group assumes and uses to encourage market participants to incorporate ESG issues into the investment process.

Caisse des Dépôts' public-interest mission, entrusted to it by the French legislature, requires that it be able to assess and target the overall impact of its investments on the economy, society and the environment. This means demonstrating how its financial activities help to reduce negative external factors such as climate change and encourage positive ones such as innovation, local economic growth and social cohesion.

Caisse des Dépôts also supports the implementation of certain public policies and backs initiatives that promote corporate social responsibility (CSR), the low-carbon transition and increased transparency of social and environmental practices.

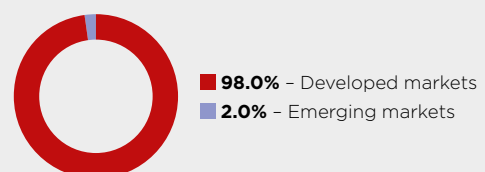
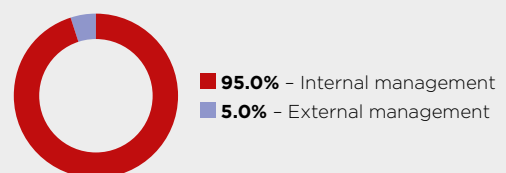
Caisse des Dépôts' investments

Caisse des Dépôts invests in a wide range of assets, mostly in developed markets:



Source: CDC, 2017

Note: These assets do not include subsidiaries and affiliates or loans.



An integrated investment strategy

The Caisse des Dépôts Group's responsible investment policy is defined in public documents, namely its Charter for Responsible Investment, supplemented by guidelines on specific issues, such as the Climate Finance Policy, General Principles on the Governance of Listed Companies, and Principles for Excluding Investments in Countries That Contribute to Financial Fraud.

The Charter sets out the scope of the Group's responsible investment policy, the principles and procedures for its implementation, and the internal and external transparency rules. It sets out three principles applicable to all its investment activities:

- ◆ the incorporation of ESG criteria into the investment decision analysis;
- ◆ shareholder engagement, to encourage companies in which it holds assets to improve their practices; and
- ◆ guidelines for excluding certain practices and activities.

In addition, the Group's Risk function helps analyse ESG risks to ensure they are properly understood with a view to guaranteeing the financial performance of the assets under management and reduce reputational risk.

To make sure this investment strategy is implemented, every year the Caisse des Dépôts Group commits to incorporating ESG issues into the management teams' objectives, submitting a detailed review of its practices to the management and supervisory bodies, and publishing a report on implementation of its Charter for Responsible Investment.

Information on the responsible investment policy and its implementation is published annually in the Group's Business Review and Sustainable Development Report, and on a continual basis on Caisse des Dépôts' corporate website. Furthermore, Group subsidiaries with retail customers make information about their respective policies available directly to them. Every year, CNP Assurances publishes a brochure on its CSR policy for its customers.

The Group's responsible investment approach is a long-standing policy marked by numerous commitments and innovations.



"GOVERNANCE OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY" CHAPTER
SEE "GROUP CORPORATE SOCIAL RESPONSIBILITY POLICY" SUB-CHAPTER

Caisse des Dépôts occasionally partners with other investors through initiatives, industry associations, industry-specific actions, etc. (see "External relations and stakeholder dialogue" sub-chapter). These stances are a way to speak publicly and collectively about responsible investors' needs and expectations and to identify best practices so as to encourage other economic stakeholders to better take into account ESG-related concerns.

In 2016, the Group was particularly focused on climate-related initiatives. In France, Caisse des Dépôts helped draft several guides for industry associations (French Association of Institutional Investors, French Insurance Association and French Forum for Responsible Investment) on investor compliance with the new regulatory requirements under paragraph VI of Article 173 of the French Law on the Energy Transition for Green Growth.

Internationally, through its membership in the Institutional Investors Group on Climate Change (IIGCC), Caisse des Dépôts helped draft two guides encouraging investors to take stances on environmental issues and providing examples of areas for improvement to be discussed with companies. One was for the automotive sector, where the Volkswagen scandal demonstrates the industry's sensitivity to ecological and energy transition issues, and the other for the fossil fuel sector, which is also particularly affected by climate change.

The Group has also responded to consultations conducted by the Financial Stability Board Task Force on Climate-related Financial Disclosures.



· CAISSE DES DÉPÔTS CHARTER FOR RESPONSIBLE INVESTMENT
· GENERAL PRINCIPLES ON THE GOVERNANCE OF LISTED COMPANIES
· CAISSE DES DÉPÔTS CLIMATE FINANCE POLICY
· PRINCIPLES FOR EXCLUDING INVESTMENTS IN COUNTRIES AND TERRITORIES THAT CONTRIBUTE TO FINANCIAL FRAUD

Incorporating ESG issues into investment decisions

Caisse des Dépôts strives to systematically analyse and factor the environmental, social and governance (ESG) criteria likely to affect investment performance into all of its investment decisions. The exact procedures for factoring in ESG criteria for each asset class, and in particular the additional disclosures to meet the transparency requirements of paragraph VI of Article 173 of the French Law on the Energy Transition for Green Growth, are provided in the appendix to the 2016 Business Review and Sustainable Development Report.



"RESPONSIBLE INVESTMENT" APPENDIX

ESG issues analysed throughout the investment process

ESG criteria are analysed throughout the investment process, both ahead of the decision and as part of the ongoing monitoring of the investment.

The pre-decision analysis ensures compliance with the various exclusions (sector-based and regulatory) in place within the Group, consistency between the investment's ESG performance and Caisse des Dépôts' requirements, and incorporation of certain ESG aspects into the strategic and economic analysis of the assets. It is also used to determine areas of improvement in companies' business plans.

Then, during the asset holding period, further monitoring is ensured to potential ESG controversies. Where relevant, this ongoing analysis can also determine which subjects will be discussed with the company when an additional investment will be made to improve current practices.

The list of issues analysed is tailored to the type of investment in order to:

- ◆ incorporate the materiality of the risks (i.e. their possible impact on the long-term value of the investments);
- ◆ meet the commitments made in the Climate Finance Policy and the Charter for Responsible Investment or to international organisations; and
- ◆ contribute to the public-interest objectives.

This means that when Caisse des Dépôts analyses an infrastructure investment, it might consider on-site worker protection and biodiversity criteria. In contrast, other criteria, such as the independence and composition of the board, or the remuneration policy, are considered less material for this asset class. They are, however, analysed more thoroughly for investments in listed companies.

EXEMPLES DE CRITÈRES ESG ANALYSÉS

◆ SOCIAL

- Health/safety •
- Diversity/gender equality •
 - Training and skills planning
- Local communities •
 - Human rights •
 - Job quality •
- Employee turnover •

◆ ENVIRONMENTAL

- Optimal use of resources (water, energy, raw materials) •
- Greenhouse gas emissions •
- Protection of biodiversity •
 - Renewable energies •
 - Pollution •
 - Land take •

◆ GOVERNANCE

- Board composition and *modus operandi* •
 - Remuneration policy and practices •
 - Protection of minority shareholders •
 - Business ethics •
- Quality of management •

The information used in the ESG analysis comes mainly from outside sources such as extra-financial rating agencies, data providers and corporate publications. It is supplemented, where possible and appropriate, by information obtained through direct dialogue with the companies. When selecting data providers, close attention is paid to the methodology used so as to ensure the credibility of the information and understand its potential limits.



“IMPLEMENTING AN EXCLUSION POLICY” SECTION

Close attention paid to environmental and climate change-related issues

The Group analyses the environmental and climate change-related issues of its investment decisions and monitors closely, and for the duration of the investment, assets for which the energy and climate change transition represents a significant challenge.

Depending on the available information and the maturity of existing methodologies for the different asset classes, analysing environmental and climate change-related issues involves measuring and tracking greenhouse gas emissions, assessing the consequences of climate change and extreme events, and checking the investment’s consistency with a low-carbon scenario and with the national and international ecological and energy transition objectives.

Several methodologies are used. CNP Assurances has incorporated the “Carbon Impact Analytics” tool, developed by the Carbone 4 consulting firm, into the ESG analysis of its listed equity portfolio. This involves:

- ◆ measuring the greenhouse gas emissions generated and avoided by companies and the goods and services they sell;
- ◆ evaluating the company’s contribution to the ecological and energy transition using a forward-looking indicator, based on its investments in low-carbon challenges and the related research and development expenditures, and an indicator that evaluates the company’s carbon performance.

To monitor and analyse the environmental and climate change-related issues of its proprietary corporate bond portfolio, Caisse des Dépôts also measures the carbon footprint of the relevant assets.

The ESG analysis seeks to consider physical and transition risks, when they are material and the existing methodology is sufficiently mature. For instance, the business plans for Caisse des Dépôts’ proprietary infrastructure assets include scenarios for changes in regulations, in the price of resources and in energy demand.

Taking an active role in green financing

For three years, the Caisse des Dépôts Group has made — and kept — ambitious commitments to finance green assets (sustainable mobility and towns, renewable energy and energy efficiency, greentech companies): it will exceed its target of €15 billion in financing between 2014 and 2017, with €13 billion committed at end-2016.

The Group is also active on the green bond market where it is both issuer (since February 2017) and buyer. In 2016, the Group held more than €1.1 billion in green bonds. Before investing, portfolio managers analyse the green bonds based on different industry standards, such as the Green Bond Principles and the Climate Bonds Initiative recommendations.



Evolving investment guidelines

More weight was given to environmental risks starting in 2015, when the Caisse des Dépôts Group made a commitment to remove carbon-related investments from its directly held real estate and equity portfolios. This commitment, formally documented in new investment guidelines, sets reduction targets and defines criteria for tracking the portfolios' progress.

In real estate, the Group aims to reduce its properties' energy consumption by 38% between 2010 and 2030. CNP Assurances has set a target of reducing primary energy consumption by 38% by 2020, which should reduce its real-estate portfolio's CO₂ emissions by 43%.

For its directly held listed equity portfolios, the Group has set a target of a 20% reduction in the carbon footprint per thousands of euros invested in the 2014-2020 period. This goal exceeds the European objectives for the same period and aims to support the transition to a low-carbon economy as targetted by the Paris Agreement.

To meet this target, the Group requires that its equity portfolio managers engage on energy- and climate change-related issues to encourage portfolio companies to reduce their greenhouse gas emissions. If the reductions in emissions are not sufficient in the medium term, the Group will reallocate its portfolio investments in order to meet its target.

Incorporation of ESG criteria tailored to the type of investment

The extent to which ESG criteria are systematically incorporated varies by asset class and, within each asset class, by the materiality of the issues. For instance, ESG analysis is therefore routinely conducted during Caisse des Dépôts' due diligence process for selecting the asset managers to which it delegates the management of its private-equity portfolios. This analysis yields a rating, and if it is below a certain level the manager will not be selected. Once an asset manager has been selected, an annual questionnaire is sent to track changes in its ESG practices.

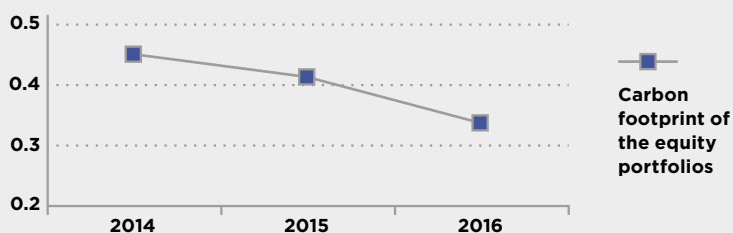
Decarbonizing its investment portfolios

Caisse des Dépôts, like its CNP Assurances and Bpifrance subsidiaries, is a signatory to the Montreal Carbon Pledge and is committed to measuring, publicly disclosing and reducing the carbon footprint of its portfolios.

The carbon footprint of the portfolio of listed equities held directly by the Group fell from 0.450 tonne of CO₂ equivalent per thousand euros invested at 31 December 2014 to 0.330 tonne of CO₂ equivalent per thousand euros invested at 31 December 2016, representing a 27% decline in two years.

The reduction in the carbon footprint is due to portfolio reallocations and to a decrease in businesses' greenhouse gas emissions. The Group will continue its efforts to maintain this trend, which may change due to the volatility of the carbon measurement, as the latter is sensitive to the methods used by portfolio companies to calculate greenhouse gas emissions.

Carbon footprint of the equity portfolios (in tonnes of CO₂ equivalent per thousand euros invested)



"RESPONSIBLE INVESTMENT" APPENDIX

Qualium Investissement in 2016

More than **78%** of assets (= €412 m) managed taking ESG criteria into account through Qualium Fund

The ESG analysis performed by Caisse des Dépôts prompted it to encourage Société Forestière, which manages forestry, to:

- ◆ certify all forests under management to ensure they continue to be managed sustainably;
- ◆ select plant species appropriate to the current and future climate to incorporate emerging climate change risks (e.g. after the drought-induced infestation of bark beetles, spruce trees were replaced by more resistant species);
- ◆ adapt the forest business plans to climate change to incorporate transition risks into the management approach;
- ◆ diversify investment geographies to manage the exposure of Caisse des Dépôts' portfolio to various physical risks deriving from climate change. These include fire risks, which led to the exclusion of forests in the South of France, and storm risks, which prompted limits on the portfolios' exposure to western France.

The wide range of practices in use for the different portfolios reflects the Caisse des Dépôts Group's commitment to using the most relevant approaches available. To that end, Caisse des Dépôts funds methodological research, such as Carbone 4's Climate Risk Impact Screening initiative. This methodological work seeks to identify the physical risks of portfolio assets associated with increases in the number of extreme weather events.



"RESPONSIBLE INVESTMENT" APPENDIX

Improvement in the portfolio's ESG performance

The Group's efforts to adjust its investment guidelines and practices to better integrate ESG issues directly translates in the ESG performance of its portfolios. Certification rates are high for the real-estate and forest portfolios. Of Caisse des Dépôts' proprietary real-estate investments, 36% have at least one label (HQE⁽¹⁾, BREEAM⁽²⁾ and/or BBC⁽³⁾). The Group's entire forest portfolio is certified PEFC⁽⁴⁾. For the private equity funds in which the Caisse des Dépôts Group invests, nearly 75% of asset managers analyse ESG criteria before making investment decisions or include a formal ESG policy in their investment process.

In 2016, in line with the commitment to decarbonize the Group's financial portfolios, first steps have been taken to include contributions to the international 2°C target and to the National Low-Carbon Strategy in the investment process. The aim of establishing a 2°C roadmap in 2017 will be to formalise a more systematic approach and determine whether the analytical methods and investments are consistent with these global objectives.

Establishing a formal roadmap to ensure the financial portfolios align with the 2°C target

The Paris Agreement includes the explicit and binding objective of "making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development" (Article 2.c). The Caisse des Dépôts Group is taking on these challenges to strengthen its role as long-term investor serving the public interest.

For the financial business lines, creating the "2°C" roadmap involves broadening and strengthening the goals of the ecological and energy transition strategy implemented in 2015 in several ways: extending its timeframe from 2020 to 2050, expanding the scope of the business lines and entities covered, improving the traceability and quantification of the financial activities' climate impacts, and gradually increasing the carbon removal targets until the assets financed are carbon neutral.

The objectives of the roadmap, which will be rolled out by major business line and tracked by an aggregate indicator, will be to:

- introduce and implement the principle of shifting, in a flexible and gradual manner, the allocation of investment portfolios and loans to low-carbon or carbon-neutral assets by 2050;
- measure, manage and report on the contribution of the financing to benchmark climate scenarios (national low-carbon strategy, IEA's 2°C and 450 ppm scenarios);
- measure and manage the financial risks associated with the successful transition to a 2° world, and that of a climate failure.

(1) High Environmental Quality

(2) Building Research Establishment Environmental Assessment Method

(3) French low-energy building

(4) Programme for the Endorsement of Forest Certification

Influencing corporate practices through shareholder engagement

The Caisse des Dépôts Group is a long-term investor: it monitors the ESG performance of its investments and encourages corporates to achieve progress over time. It does this by voting at the general meetings of shareholders and engaging in a shareholder dialogue.

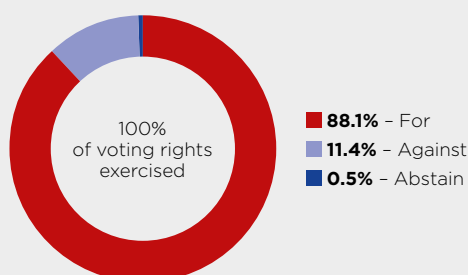
Voting at General Meetings

Voting at general meetings is one of a shareholder's most powerful instruments for delivering a verdict on strategic decisions and corporate actions, major governance decisions and, increasingly, a company's environmental strategy and record. For this reason, Caisse des Dépôts systematically exercises its voting rights at the general meetings organised by all portfolio companies. It follows a voting guide based on its General Principles on the Governance of Listed Companies. These principles are public, which fosters a dialogue with the relevant companies, and are in line with the good governance recommendations issued by industry and international bodies, in particular those related to executive pay, shareholder rights and governance structure.



"RESPONSIBLE INVESTMENT" APPENDIX

General Principles on the Governance of Listed Companies



Breakdown of Caisse des Dépôts' votes on AGM resolutions. Source: CDC, 2016

Caisse des Dépôts systematically reviews the environmental resolutions submitted to vote. If the external resolutions are consistent with its voting principles and strategic priorities, it may choose to support them and, where applicable, make its position public.

The voting policy is a criterion for selecting and monitoring the asset managers for its delegated management portfolios (less than 2% of Caisse des Dépôts' portfolio). This leads to annual monitoring and occasional discussions about certain specific issues, such as climate.

Caisse des Dépôts in 2016

2
climate
resolutions
supported at the
general meetings
of Anglo American
and Rio Tinto

75%
of companies held in
the proprietary
portfolio engaged on
an energy or climate
change-related issue

Shareholder dialogue

If Caisse des Dépôts detects any ESG-related problems in a company, it initiates a process of constructive dialogue with its management. This is frequently the case when resolutions tabled at a general meeting fail to comply with the recommendations in Caisse des Dépôts' voting guide and could result in a no vote.

The Caisse des Dépôts Group also raises energy and climate change performance questions in its shareholder dialogue in order to encourage companies to be more transparent and improve their environmental performance. In particular, the Group expects companies to formalise an ambitious medium-term strategy to manage the ecological and energy transition; disclose regular, detailed and audited information on the implementation of this strategy; draw up a quantifiable, realistic target for reducing greenhouse gas emissions beyond 2020, which should be consistent with an energy transition scenario and pertain to a significant portion of their business; and set up a governance process.

Following the survey conducted in 2015 by the Caisse des Dépôts Group of 100 SBF120 companies in the portfolio on their energy and climate change-related performances, strategies and challenges, the Group's equity investment managers spoke with senior management of 86 portfolio

companies about these issues. Their carbon emissions reduction targets are tracked, with closer monitoring of the portfolio companies with the highest emissions (more than 90% of the portfolio's carbon footprint).



"RESPONSIBLE INVESTMENT" APPENDIX

Implementing an exclusion policy

Caisse des Dépôts seeks to support businesses in their CSR endeavours, as part of a virtuous circle that creates wealth for the investor, the company and society. When this becomes impossible, Caisse des Dépôts excludes the businesses and/or States in question from its investment portfolios. This exclusion policy covers non-compliance with basic French or international law. It notably affects companies manufacturing, storing or marketing land mines or cluster bombs. It has also concerned thermal coal since 2015 and the tobacco sector, for Caisse des Dépôts and Bpifrance.



"FAIR PRACTICES AND TRANSPARENCY" SHEET

In 2015, the Caisse des Dépôts Group therefore undertook to no longer invest directly in listed shares and debt securities of companies that generate more than 25% of their revenue through the extraction of thermal coal or the production of electricity therefrom. In 2016, it lowered this threshold to 20% and does not hold any securities that exceed it, with the exception of:

- ◆ a stake in a small-cap in the French energy sector to support the strategic reconversion of coal to a completely carbon-free mix by 2020;
- ◆ two bonds issued by companies that generate 20%-25% of their revenue from thermal coal and that were held by CNP Assurances and the Savings Fund at end-2016.

The Group has also committed to exclude all financing (equity or debt) to all greenfield coal-based energy production.

This decision is consistent with the International Energy Agency's scenarios, which identify the need to reduce the electricity generated from thermal coal. Under specific circumstances, the Group may decide to support companies exposed to thermal coal if they have a clear strategic commitment to shift to a low-carbon economic model, and if the Group is able to verify compliance with the commitments made.

Under this policy, work is ongoing to collect and analyse data on portfolio companies' coal exposure. This task has been assigned to a specialised service provider. This supplier engages in a dialogue with companies as part of its data collection process to give them an opportunity to comment on or correct the estimated data. These data are susceptible to approximation, as estimates must be made given companies' lack of disclosure on their business segment. This methodology reduces uncertainty and encourages companies to be transparent.

In 2016, Caisse des Dépôts expanded this exclusion to private equity funds when it introduced a specific clause in the contractual documentation of the funds in which it invests.

Mobilising the risk function

The Caisse des Dépôts Group is introducing environmental, social and governance risks into its risk management tools and portfolio risk analysis. In 2016, it began to incorporate climate risk into its financial risk mapping. It also conducted its first climate stress test to assess its financial portfolio's resilience to climate risks.

Caisse des Dépôts' Risk Management and Internal Control department (DRCI) systematically factors ESG risks, in particular climate risk, into the analyses and ratings of bond and listed equity portfolios, and into the analyses of projects above certain financial thresholds. All territorial investment projects are assigned a score.

In 2016, DRCI's management committee and the financial analysts on the "commitments" and "counterparties" teams received ESG training through the "PRI Academy" to develop their expertise in this area. The ongoing efforts of the financial risk department are reinforced by the inclusion of ESG criteria in the department heads' performance appraisals. Caisse des Dépôts also held discussions with its subsidiaries and strategic affiliates to encourage them to consider the financial impact of ecological and energy transition-related risks on their businesses and assets.

The first climate stress test

An interview with Marion Cabrol, Head of Prudential Production and Modelling for the Caisse des Dépôts Group

Why did you introduce climate scenarios into Caisse des Dépôts' risk monitoring system?

Although the Caisse des Dépôts Group is not expressly subject to this regulatory requirement, introduced for credit institutions in the 2015 energy transition law, we decided to take a proactive approach to this issue to better integrate the ecological and energy transition into our risk management.

What was your methodology for this test?

We used the extreme scenarios presented by the Mercer consulting firm in its Investing in a Time of Climate Change report ⁽¹⁾: one scenario where global warming is limited to 2°C and one scenario of a warming of 4°C.

These scenarios determine the expected returns of different asset classes and sectors over a 10-year or 35-year horizon. Based on this modelling, we estimated the resulting yield on our portfolio and consequently its resilience.

What were the results?

We see moderate potential losses in both scenarios. They are in the range of a less than 5% decrease over the impact calculation period which, for this initial test, was limited to five years. This compares with "traditional" stress tests, reflecting cyclical and market risks, which can result in downward variations of more than 20%.

What conclusions can you draw from these results?

The results are interesting but not particularly meaningful at this stage, mainly because of the inherent limitations of this method.

First, these are top-down scenarios, which means broad categories are applied to the portfolio that do not account for the impacts of the proactive policy of removing carbon-related investments from the Group's portfolios.

Second, they have a long forward time horizon and smooth out potential changes when calculating impact over a shorter period of time. The difficulty they have managing the "tragedy of the horizon", i.e. the difference between time in the financial world and how long it takes for climate change-related risks to materialise, means impacts cannot be satisfactorily evaluated.

The testing nevertheless allowed us to educate our teams on this issue and fine-tune our tools as part of the Group's 2°C roadmap. Further developments are planned to make it possible to transcend the limits identified.

(1) <https://www.mercer.com/our-thinking/investing-in-a-time-of-climate-change.html>



Promoting an integrated structure

The Group has set up an integrated, cross-disciplinary and high-level structure to deploy responsible investment practices across all of its investment businesses. Consequently, the responsibility for analysing key ESG-related risks is not distinct from the responsibility of strategic and financial analysis. An integrated analysis is performed by Caisse des Dépôts' investment teams and all dimensions systematically feed into the investment process. Additional third-party ESG analyses are carried out for all investment decisions that represent a significant financial commitment.

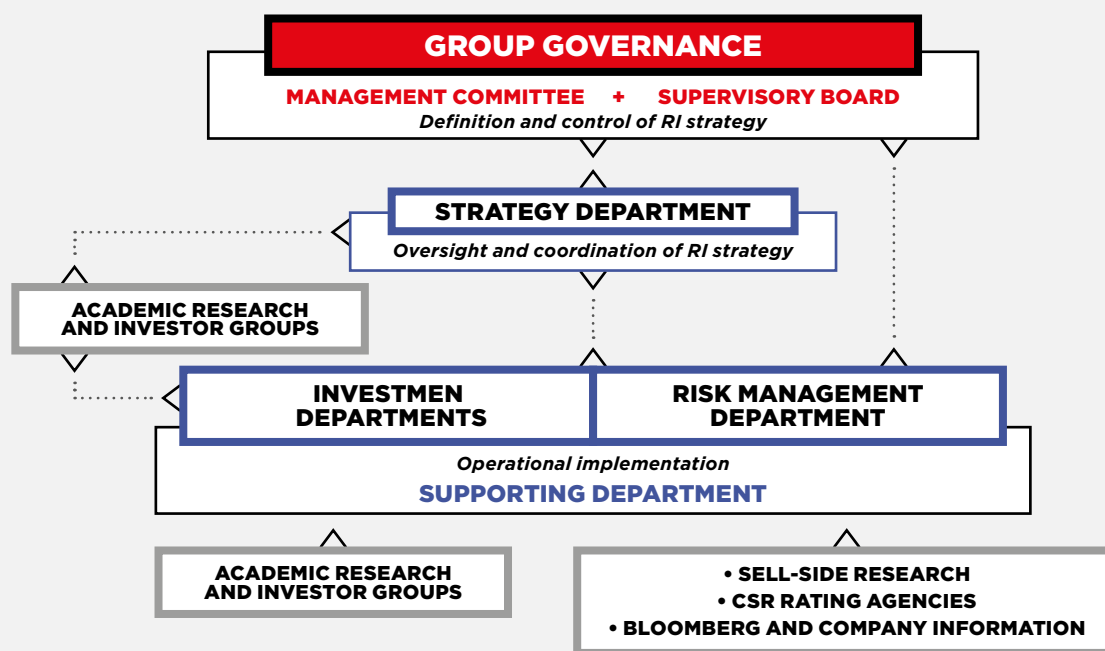
The prerequisites for the success of this model are twofold: mobilisation of the investment teams, which is further strengthened by the annual setting of collective and/or individual responsible investment objectives, and responsible investment training. As ESG expertise is expected of its portfolio managers, who rarely acquire it through their academic experience, Caisse des Dépôts offers its teams different

forms of training, mainly through participation in in-house and external seminars.

In particular, the Group's new climate policy requires the mobilisation, support and training of Caisse des Dépôts' investment teams so they can advocate for and implement this strategy with companies and co-investors that may have different views on this issue. Asset managers may, where applicable, need the impact of more specialised training to increase shareholder engagement and managing the portfolio carbon footprint. In 2016, Novethic developed a training module on the ecological and energy transition which will be rolled out to the Group's 800 employees holding director positions in companies on behalf of Caisse des Dépôts, as well as its portfolio managers on a voluntary basis.

Investment teams' participation in working groups and research projects also rounds out the training provided. It reflects their interest in fostering a better general understanding of ESG-related economic and financial impacts in the financial markets.

Internal organisation of Caisse des Dépôts' responsible investment process



□ External expertise □ Investor network

Achieving a lasting improvement in the Group's practices

For the past eight years, Caisse des Dépôts has been using a composite indicator to roll out its responsible investment policy to all of the Group's investment teams.

It assesses the deployment of the Charter for Responsible Investment and identifies targeted and cross-sectional areas for improvement, by enabling both a global and granular qualitative review of the implementation, by each team, of the different components of the Group's responsible investment strategy:

- ◆ the various internal and external responsible investment commitments, whether general or specific to an asset class or theme;
- ◆ implementation of the three guiding principles of the responsible investment policy;
- ◆ mobilisation of the investment teams by training them, incorporating responsible investment into their individual objectives and involving them in the dissemination of best practices internally and in the investment community.

Progress on the roll-out of the responsible investment policy continued, building on the significant work accomplished in 2015. This year, new asset classes were included in the responsible investment policy oversight process, such as forests and indirectly held bonds.

Group responsible investment policy deployment indicator for all asset classes



Source: CDC 2016

Group responsible investment policy deployment indicator broken down by asset class



Changes in methodology in 2016:

- ◆ Removal of CDC International Capital from the Private Equity direct majority stake asset class (this change in scope accounts for the entire change);
- ◆ Creation of three asset classes (Indirect listed equities, Indirect corporate and bank bonds, and Forests);

- ◆ Reclassification of unit-linked and non-unit-linked mutual funds in the Indirect listed equity and Indirect corporate and bank bond asset classes (reclassification not made for 2009 and 2015 historical data).

Source: CDC 2016

Innovation and research



CDC Research Institute

The CDC Research Institute supports research in the Group's areas of interest, thus helping to showcase academic research and disseminate the related ideas in the business arena.

Qualitative analysis of local impacts: an examination of specific territories

The CDC Research Institute and the Assemblée des Communautés de France (Assembly of French Communities – AdCF) has funded research on qualitative analyses of local impacts, under the leadership of Denis Carré and Nadine Levratto at the EconomiX Laboratory of Université Paris Ouest-Nanterre.

This report was based on two findings: between 2000 and 2009, the economic performance of certain territories was better than it should have been, given their economic activities, and traditional factors were not sufficient to justify the disparities observed. The report sought to identify the local factors at work through an in-depth qualitative analysis of five representative territories: Tours, Vannes, Valenciennes, Dijon and Brive.

This analysis formed the basis of recommendations for public action, with an emphasis on coordination among operators in a territory as a way to improve the local effectiveness of public policies aimed at supporting the economy and businesses.

French investors in the great recession: preferences, expectations and portfolio choices

Between 2014 and 2015, the CDC Research Institute supported the "Wealth, Education, Research" ("*Patrimoine, Enseignement, Recherche*", or PATER) survey led by Luc Arrondel and André Masson at the Paris School of Economics (PSE).

This report observed that French people became increasingly cautious in their financial investments after the collapse of Lehmann Brothers in 2007 and sought to identify why private investment was declining in favour of savings. Three factors were analysed: individuals' tangible and intangible resources, their perception of the environment and their expectations for the future, as well as the extent of their risk aversion and their time preference.

This analysis demonstrated that available resources, which were not significantly affected by the crisis at this stage, and individuals' risk aversion remained stable. In contrast, it found

that people were increasingly pessimistic about the economic future, in particular what will happen in the stock market, which explains their enthusiasm for safer financial investments.

Financial forecasting for the local authorities – 2015-2020

The CDC Research Institute supported the 2015-2020 local budget forecasting work carried out by Alain Guengant (CNRS (French national research agency) - Université de Rennes I) and Guy Gilbert (ENS Cachan).

Since the 2000s, local authorities have faced a scarcity of resources while still needing to maintain their spending, and their investment expenditure in particular. Even as budgets were already constrained by a series of different factors, the contribution of the territorial authorities to improving public finances included in the 2016 budget bill called for a gradual reduction in the general operating grant of €12.5 billion by 2017. This caused concerns within the associations of local elected officials about a decline in local investment spending and a slowdown in economic growth.

Based on local budget extrapolations and modelling within a detailed macroeconomic framework, the financial outlook report aims to anticipate the territorial authorities' infrastructure projects and the associated investment forecasts. The results of this work indicate that while fiscal adjustments are inevitable due to the decrease in the general operating grant, their extent and implementation will depend, first, on the type of expenditure and revenue and, second, on the speed with which local authorities respond. They suggest, in particular, that the adjustment will primarily concern investment, in the short term at a level below the decline in the general operating grant and then to a greater extent in the medium term, and that the reduction in operating expenses will be smaller.



WEBSITE:
WWW.CAISSEDESDEPOTS.FR/INSTITUT-CDC-POUR-LA-RECHERCHE

Lab cdc

Created in April 2013, Lab cdc is a Caisse des Dépôts Group initiative that aims to accelerate the deployment of innovative, cross-business-line services that respond to societal challenges.

Lab Architecture: innovating to transform social housing

In March 2016, Pierre-René Lemas, chairman of the Group, and Jean-Louis Dumont, president of the French Social Union for Housing (USH), announced the five landlords selected by the “Transformational Architecture” call for projects:

- ◆ Actis (Grenoble metro area, in Isère): to develop new construction techniques based on bio-sourced wood and mud-brick materials;
- ◆ Batigère Nord-Est (three sites in Meurthe-et-Moselle, Bas-Rhin and Haut-Rhin): to design a methodology to improve the occupant experience in projects where brownfields are redeveloped as social housing;
- ◆ OPH93/Seine-Saint-Denis Habitat (Stains, in Seine-Saint-Denis): to establish a local industry for the reuse of concrete from building demolition;
- ◆ SNI Sud-Ouest (Bordeaux, in Gironde): to develop a construction process and offering that allows for the functional adaptation of buildings and optimal use of space based on changing uses;
- ◆ Logeo Estuaire de la Seine (Le Havre, in Seine-Maritime): to encourage landlords and tenants to co-develop solutions to reduce tenants’ housing budget.

After an eight-month incubation period, these teams met in November to mark the closing of the call for projects. This event gave them an opportunity to present the solutions they had developed and explain how Lab cdc’s input moved their projects forward.

In a short period of time, this first call for projects helped develop innovative and reproducible solutions; foster further cooperation between stakeholders from different spheres, in particular between landlords and institutions of higher education; and make all the deliverables from the testing process available on an open source basis on the Lab cdc site.

The current challenge is to encourage the adoption and widespread use of these solutions, by factoring in building construction time and building on partner involvement, regulatory changes and the development of different sectors.

2016 Innovation Awards: “Innovating in the territories”

The 2016 Innovation Awards, launched in June 2016, brought together more than 2,300 Group employees for a collaborative, cross-disciplinary and open innovation initiative focused on promoting social harmony.

Of the 165 ideas proposed across all categories, 15 were selected by a jury made up of outside members and Group employees. Ten of the proposals dealt with innovation in the territories:

- ◆ the coastline;
- ◆ energy and smart grids;
- ◆ living and working in non-urban areas;
- ◆ cross-border cooperation;
- ◆ helping Paris win the 2024 Olympic and Paralympic Games.

With the support of coaches and Group experts, the winning teams brought their ideas to life. Anticipating end-users’ needs was an important aspect of the process. In December, the teams presented prototypes, as mock-ups, mobile applications or websites, to test them with future users, seek out testing grounds and identify in-house sponsors.

The Awards programme will continue into 2017 to allow the 15 winning teams to further improve their projects over the next few months. These enhancements will be accompanied by a series of small-scale, simple tests of their value propositions.

Lab Éducation: co-developing tomorrow’s schools

Between October and November 2016, Caisse des Dépôts, the Ministry for Education, Higher Education and Research, the Association of Mayors and Presidents of the Largest Cities and Agglomerations of France and the Association of the Departments of France and of the Regions of France launched a call for expressions of interest to transform and co-develop innovative educational facilities.

This call brought local authorities, schools and innovative companies together to design new uses for these spaces to meet the challenges of the ageing public school infrastructure and of adapting to demographic, energy and digital developments.



WEBSITE: WWW.CAISSEDESDEPOTS.FR/LE-LABARCHITECTURE-DE-LA-TRANSFORMATION

After a one-month project pre-selection and development process, the jury named the five winners:

- ◆ the Montferré/La Cotonne preschool in Saint-Etienne (Lyon regional education authority);
- ◆ the Compère Morel middle school in Breteuil (Amiens regional education authority);
- ◆ the Henri Barbusse middle school in Saint-Denis (Créteil regional education authority);
- ◆ the Roumanille middle school in Avignon (Aix-Marseille regional education authority);
- ◆ the Eugène Freyssinet secondary school in Saint-Brieuc (Rennes regional education authority).

Lab cdc will support these projects for six months to test innovative solutions and new uses. The specifications and implementation guides will then be made available on an open source basis to encourage more widespread adoption.



WEBSITE: WWW.CAISSEDESDEPOTS.FR/LABCDC/LE-LABCDC-PRESENTE-LE-LAB-EDUCATION



I4CE – Institute for Climate Economics

Founded by Caisse des Dépôts and the French Development Agency (AFD), I4CE provides economic analysis and expertise relating to climate change and energy policies in France and across the world. Its mission is to help public and private sector decision-makers to better understand, anticipate and make use of economic and financial instruments designed to facilitate the transition to a low-carbon economy adapted to climate change. The think tank's activities are centred around three areas of research: industry and energy, territories, and investment.

City Climate Finance Training (CCFT)

CCFT is a training programme for local and regional technical and political representatives from developing countries. It seeks to strengthen local capacities in the design, financing and implementation of resilient city projects.

In 2016, I4CE trained 50 Moroccan and Tunisian elected officials, representing 25 towns, through its three-step programme:

- ◆ a day-long conference to raise awareness of the impacts of climate change, with an emphasis on promising practices and solutions developed in Africa and Europe;
- ◆ two days of training on designing economically, socially and ecologically viable projects, and on developing funding strategies;
- ◆ a technical support session followed by a meeting with companies to foster a dialogue between different stakeholders, create opportunities for action in the territories and accelerate the implementation of resilient projects.

The programme aligned with the international policy agenda for 2016 by targeting the local and regional governments of Tunisia and of Morocco, which hosted COP22. It was also fully consistent with the decentralisation processes underway in both countries where these governments are emerging as major local development players.

A similar program will be launched in 2017 in another region with a comparable set of issues but a different environment.

Voluntary Carbon Land Certification (VOCAL)

The Voluntary Carbon Land Certification (VOCAL) project aims to make the French voluntary carbon offset market more transparent by establishing a national carbon unit certification framework. Once the standards and methodologies have been developed and then approved by the public authorities, companies that want to sell carbon units will be

guaranteed that these units represent real reductions or sequestrations of greenhouse gas emissions from agricultural and forestry projects in France.

Landscape of Climate Finance in France: Mapping financial flows dedicated to climate change action and the energy transition

To better understand how the energy transition and the fight against climate change are funded, the *Landscape of Climate Finance* identifies the relevant investment expenditure in France and analyses how it is financed.

The report, which was updated in 2016, finds that as much as €32 billion was invested in climate-related issues in France in 2014, or the equivalent of 10% of the physical investments made in France that year. After the €2.3 billion increase observed between 2011 and 2013, these investments stabilised between 2014 and 2015.

Most of the investments were made by private project developers, households (€9.6 billion in 2014) and businesses (€9.5 billion in 2014). However, the share of funding provided directly or indirectly by the public sector increased from 50% to 55% of total investments between 2011 and 2015.



WEBSITE: WWW.I4CE.ORG/PUBLICATIONS

Novethic

Novethic is a media expert in CSR and responsible finance. It was created in 2001 with the aim of raising awareness of these topics. It is also a research centre dedicated to responsible investment that analyses practices for incorporating environmental, social and governance (ESG) criteria into financial management through studies, monitoring and investor training.

Green bonds: an investors' perspective

The green bond market has grown rapidly and 2016 was an especially strong year. This trend reflects high demand from investors. To better understand their expectations, Novethic's research centre surveyed a representative panel of about 15 investors, of which 40% were institutional investors. This panel, which included some of the most active green financing investors, had invested a total of €2,700 billion in bond assets, of which €7.7 billion in green bonds. These green bonds were 95% held through traditional bond funds and not green bond-specific funds.

Investors see green bonds as a practical way for their investments to support their environmental policies, and like the fact that their financial characteristics are equivalent to those of traditional bonds. However, although the market has grown sharply over the last three years, there was about \$120 billion in green bonds outstanding in 2016. From an investor perspective, this is still too little. The market's lack of diversification and liquidity prevents investors from being selective about the green bonds' environmental characteristics. They therefore have high hopes for issuer diversification (52% of respondents) and for an improvement in issue quality (41%).

Montreal Carbon Pledge, accelerating investor climate disclosure

As part of the Montreal Carbon Pledge launched in September 2014, 120 investors worldwide committed to measure and publicly disclose the carbon footprint of their portfolios on an annual basis. This report, prepared in partnership with the Principles for Responsible Investment (PRI), provides an update on how these commitments have been formalised between COP21 and end-June 2016.

The Montreal Carbon Pledge prompted investors to take action: in less than 24 months, 80% of the signatories publicly disclosed their carbon footprint. The wide range of methodologies used nevertheless underscores the need to harmonise practices, and to push issuers to provide uniform and relevant data.

The report identifies 12 leaders that have implemented best practices for measuring and analysing their carbon footprint. It also notes that few signatories have set ambitious greenhouse gas reduction targets: only 16% have set dated and quantified targets.

Article 173 of the French Energy Transition law

Article 173 of the French Law on the Energy Transition for Green Growth is intended to boost financing for the ecological and energy transition. It is a legislative innovation that made France the first country to require institutional investors to report on their management of climate change-related risks and on their integration of environmental, social and governance (ESG) criteria in their investment policy.

Because it could transform French responsible investment, this article raised many expectations on the part of the public authorities and civil society when it was adopted. To help investors and observers concerned by or interested in this new provision, Novethic attempted to make sense of this text and its implications, which affect more than 840 stakeholders. This analysis led to the publication of a handbook in April 2016.



WEBSITE:

WWW.NOVETHIC.FR/ISR-ET-RSE

Research Unit on Biodiversity Economics

The Research Unit on Biodiversity Economics (MEB) is a Caisse des Dépôts initiative run and managed by CDC Biodiversité and tasked with creating and testing innovative solutions that strike a balance between economic development and the preservation of biodiversity.

Can biodiversity offsetting approaches around the world offer inspiration?

Many questions remain about what biodiversity offsetting is and how it is implemented. To inform the discussion about how the policy will be structured in France, this study conducted by the MEB and published in December 2016 details various approaches to biodiversity offsetting around the world based on an analysis of the scientific literature and stakeholder consultations.

After putting this concept in its historical context, the report analyses the various offsetting measures implemented in 11 countries (United States, Canada, Australia, Germany, Netherlands, Spain, United Kingdom, Luxembourg, Brazil, India and South Africa) and the various implementation challenges they faced. This helps advance the conversation on the French framework: if a consensus emerges on several methods, they will have to be adjusted to specific national circumstances when they are implemented.

How best to locate high-potential biodiversity sites and conduct the search for offsetting sites? Methodology for territorial analysis based on the distribution of at-risk species

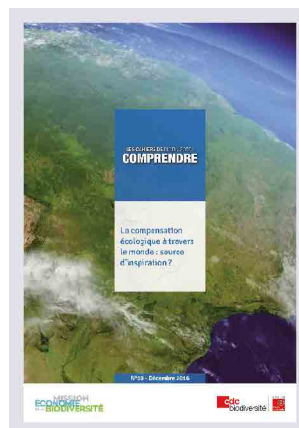
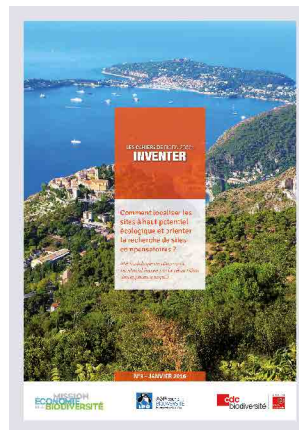
Anticipating the sites that will be selected for offsetting measures in a territory is an assurance that they will be successfully implemented. The methodology proposed in this study is the product of a partnership between the MEB and the French Bird Protection League (LPO) in Provinces-Alpes-Côte d'Azur (PACA). It aims to identify, for a specific territory, the areas where the biodiversity potential is likely to meet the biodiversity offsetting needs of development projects.

One of the key points of this methodology is that it can easily be adapted to different stakeholders and territories. To that end, implementation will require dialogue, communication and the sharing of results.

Payments for environmental services: challenges, stakeholder approaches and outlook in France

France Nature Environnement (FNE) and the MEB joined forces to study the economic approach to ecosystem services, i.e. the benefits that human beings obtain from naturally occurring ecosystems. This analysis concerned the challenges of and procedures for implementing ecosystem payments, which is the practice of paying an economic actor to take steps to protect nature.

As part of this study, a survey was conducted of the FNE network's member associations which showed the emerging nature of ecosystem payments and these stakeholders' interest in testing them. In response to this demand, FNE and the MEB developed a draft matrix for analysing these systems and outlined the role these associations could play in implementing them at the territorial level.



WEBSITE:
WWW.MISSION-ECONOMIE-BIODIVERSITE.COM/ENGLISH



Our internal responsibility

Firm in its belief that a responsible company should apply the same standards for excellence to its internal operations as its activities, the Caisse des Dépôts Group and its different entities work every day to optimise their impacts on society, their employees, their partners and the environment.

Human resources



Working together towards successful transitions

The Caisse des Dépôts Group is home to men and women of very diverse backgrounds and professions. These complementary skills and expertise, reinforced by a human resources policy that encourages cross-disciplinarity and synergies, give it a presence in business sectors that are vital to the socio-economic development of France and its territories.

Deploying Group strategy

The Group's Human Resources (HR) department ensures the link between managing Caisse des Dépôts' human resources and overseeing or supporting the policies introduced by subsidiaries. It initiates and coordinates social dialogue, strategic workforce planning, inter-entity mobility, and the equal opportunity and diversity policy, as well as the management of senior executives and the development of managerial skills, by leveraging innovation, quality of working life, and digital technologies. The HR department is committed to supporting the Group's transition strategy and digital transformation, and to ensuring that its social performance drives its economic performance.

Moving forward with social priorities

With 859 agreements and decision statements signed in 2016 within Caisse des Dépôts and/or its subsidiaries, the social dialogue in the Group takes place within a dynamic and constructive framework. It is formalised in three Group agreements on cross-disciplinary themes that serve as the reference for matters of gender equality, mobility and strategic workforce planning.

Although the Group's different entities pursue their HR policies and labour negotiations independently, based on their specific circumstances and prerogatives, ideas and experiences are regularly shared between their respective HR functions and with the Group's unions to encourage the creation or extension of processes and policies in areas such as:

- ◆ quality of working life (one agreement reached for Caisse des Dépôts and two for Bpifrance) and/or related issues (agreements signed on implementing mileage allowances for bicycle use for Egis and Adoma⁽¹⁾ and on remote working for Compagnie des Alpes);
- ◆ solidarity (agreement on establishing systems for donating unused days off for Egis Group, Scic Habitat and SNI);
- ◆ gender equality (agreements signed for Caisse des Dépôts, Egis Group, Adoma, Bpifrance Financement);
- ◆ disability (agreements signed for Egis Group and Bpifrance).

The Group's HR director and union representatives meet every two months to discuss labour-related topics relevant to the Group. These meetings play a role in developing an active negotiation process within the Group. They offer an opportunity not only to engage in a dialogue on common issues, such as social loans in 2016, but also to learn about the policies and achievements of other Group business lines directly from those responsible.

At the Caisse des Dépôts level, the social dialogue fits into this same discussion-oriented approach. In 2016, several working groups were established, beyond just the stages of negotiation, and culminated in the signature of nine agreements. One example of this co-development process was to give all negotiators, whether from HR or the unions, a certain amount of time to familiarise themselves with the topic of quality of working life before the consultations began. This approach will continue in 2017 with the implementation of the 47 measures set out in the quality of working life agreement, signed in July 2016. The unions will be involved in instituting nearly half of these measures (defining a code of conduct, testing the four-day week, etc.).

(1) SNI Group subsidiary

The Group in 2016

**Over
120,000**
employees across
72 countries

= 900
agreements signed in
2016

Promoting a quality work environment

Advancing the Group's practices

Caisse des Dépôts has made quality of working life part of its commitment to promoting social harmony in the workplace. This is due to its firm belief that a high quality of working life is important to improving an organisation's social and overall performance. A dedicated unit within the HR department handles these matters.

After the discussion groups were launched at the end of 2015, negotiations on Caisse des Dépôts' quality of working life agreement continued in first-half 2016, based in large part on the needs expressed by employees in the 2015 Group Employee Satisfaction Survey. The three-year agreement was signed on 5 July 2016 by virtually all the unions. Caisse des Dépôts incorporated its quality of working life policy for the next three years into this agreement in order to meet the societal challenges of the future (work/life balance, parenthood, sustainable mobility, etc.). Two areas are clearly identified: quality of life both at and through work, mainly by way of issues surrounding prevention, work organisation and working conditions, as well as solidarity.

These quality of working life actions are effective and apply to the subsidiaries. Other agreements were signed in the Group in 2016 (**Bpifrance**) or are being drafted for 2017 (**CNP Assurance, Informatique CDC, Icade, Transdev** and **SNI Group**). Each subsidiary has decided to develop its quality of working life policy based on its organisational priorities and the needs of its employees. They are nevertheless addressing certain common or similar topics, such as work/life balance, the right to disconnect, opportunities for employees to express themselves and share ideas, and support for the digital transformation. In 2016, a network of Group quality of working life officers was created to share best practices, tackle problems observed on the ground, and stimulate ideas and projects on this topic.

The measures to improve quality of working life implemented within the Group are part of a comprehensive long-term social responsibility policy. They are gradually being incorporated into the Group's activities, including in its future projects (digital transformation, development of sustainable mobility offerings, participation in the city of Paris's "Paris 2024" bid to host the 2024 Olympic Games, etc.). They also extend to other HR issues such as health and safety in the workplace, gender equality, equal opportunity, diversity, etc.



A groundbreaking quality of working life agreement

Caisse des Dépôts' quality of working life agreement is structured as a three-tiered pyramid consisting of 47 measures. The first tier targets management. It covers the organisation and meaning of work, participatory processes, cross-functionality among the teams, relationships of trust, and the creation of a caring environment (including recognition of the right to make mistakes). The second tier focuses on developing professional skills over the entire course of an individual's career, through training, mobility and collective support for major technological changes. The third tier is dedicated primarily to the work/life balance. Implementing these measures will help improve and facilitate employees' daily lives through social benefits and new or improved services (housing, home ownership, care for caregivers, concierge services, etc.). This work is monitored by a committee that provides regular status updates.

Enhancing the organisation of working time

Developing different forms of remote working is a highly topical issue for most Group entities that have already begun to address quality of working life. In September 2016, Caisse des Dépôts began testing new computer equipment with assistance from **Informatique CDC**. This equipment is lighter and easier to install, and guarantees a secure remote work environment.

Icade is another example, having experimented with remote working in 2016 to positive reviews. In fact, 90% of users report a positive impact on their work/life balance and 99% of managers would like to continue this programme. Icade also uses smart desks, i.e. mobile desks and third places. Five sites are now up and running.

These new ways of working remotely are also part of the planning process for Caisse des Dépôts' scheduled relocations between 2017 and 2019. Some of its subsidiaries, such as Icade and **Transdev**, will be directly affected as they are scheduled to move to new sites and are developing new workspaces that will be more open and offer greater flexibility. These relocations will also be an opportunity to apply the lessons learned and recommendations made in light of their respective analyses of quality of working life.

Caisse des Dépôts has also decided to test the four-day working week. The 15-month experiment is scheduled to start in 2017, and aims to tangibly improve working conditions and the work/life balance for employees who objectively need these accommodations. Employees will be selected to participate in this programme based on pre-determined social criteria.

Ensuring occupational health and safety

Within Caisse des Dépôts, the annual programme to prevent occupational risks and improve working conditions sets the priorities of the policy for preventing workplace health and safety risks. It is implemented in all Caisse des Dépôts departments by the health and safety officer of each team.

In 2016, this programme focused on five priorities and concluded with the implementation of 39 actions (four of which will continue into 2017):

- ◆ the first priority, concerning the structure and promotion of the risk prevention and workplace health improvement policy, led to the restructuring of the prevention assistant network to reinforce their role and allow them to be more responsive to the concerns of department employees;
- ◆ the second priority, concerning the promotion of the occupational risk prevention policy, enabled more than 700 managers to complete training modules on management practices, including the prevention of psychosocial risks;

- ◆ the third priority led to the development of a new tool and a new process for assessing occupational risks for the 2016 campaign;
- ◆ the fourth priority, covering actions to prevent risks to employees' mental and physical health, resulted in ongoing medical follow-up efforts and in the incorporation of health and safety issues into site renovation processes (more than 250 workstations have been inspected by the medical or ergonomics units to prevent health problems related to movements and postures);
- ◆ the last priority consists of recurring training actions for Caisse des Dépôts employees in health and safety roles (1,400 workplace safety wardens, evacuation wardens, etc. trained in 2016).

Other steps will be taken in 2017 under the quality of working life agreement and in support of changes to employees' digital work environment. These could include an analysis of the impacts of major projects (restructurings, relocations, redesign of information systems or processes, etc.) on working conditions and health.

Icade has organised conferences and fun events around six topics, including physical activity, nutrition and hearing, to supplement the health-related prevention programme and raise employee awareness.

Strengthening the commitment to diversity and equal opportunities

Promoting gender equality

Since 2004, the Caisse des Dépôts Group has been firmly committed to a proactive gender equality and equal opportunity policy. This policy is backed by a framework agreement at the Group level, which remains the common benchmark for all its entities. It is supplemented within Caisse des Dépôts by a set of permanent measures under the agreement of 20 February 2007. This agreement, which was revised in March 2016, calls for the definition and implementation of three-year improvement plans.

The new 2016-2018 action plan will focus on four key areas, which are being tracked by newly developed monitoring and progress indicators. These themes are: job desegregation, recruitment, mobility and training; remuneration and promotions; work/life balance and shared parenting; and communication and awareness-raising among all actors.

Boosting employment opportunities for disabled people

Caisse des Dépôts is committed to an equal opportunity policy and takes steps to integrate and create jobs for the disabled. At end-2016, the direct employment rate for disabled people was 5.67% while the statutory employment rate, which also includes people with disabilities indirectly employed through the use of the protected workers sector for certain types of purchases, was 7.16%. The main event of 2016 was the negotiation of a new dedicated three-year agreement that focuses on onboarding and retaining disabled employees. This agreement was signed on 4 January 2017 by all the trade unions. This momentum continued with the renewal of the agreement with the Fund for the Integration of Disabled People in the Public Sector (FIPHFP) for the 2017-2019 period.

Caisse des Dépôts will therefore continue its proactive policy by committing to:

- ◆ increase its recruitment of people with disabilities, with a direct employment rate target of more than 6% by the end of the period covered by the agreement;
- ◆ continue to improve its onboarding and integration of new employees with disabilities;
- ◆ facilitate job retention and secure career paths;
- ◆ train and raise awareness among all employees.

To strike an even better balance between its policy support tools and employees' needs and expectations, it also conducted a survey, with help from a specialised consulting firm, of current disabled employees, their managers, their colleagues, and HR and medical-social staff. This survey garnered responses from 236 individuals, including 198 people with disabilities, and identified drivers that could further improve the daily lives of disabled employees. The resulting recommendations were presented to Caisse des Dépôts employee representatives and informed the negotiations for the new three-year agreement.

Positive results in 2016 bode well for 2017

Caisse des Dépôts is moving towards a relatively even gender balance in each of its 11 business lines. In consultation with the unions, very close attention is paid to female representation in certain segments, such as "Investments and financial markets" and "Customer relations/sales/marketing", where quantified targets have been set for end-2018.

Gender balance, with regard to both the appointment of senior executives and candidates for promotion or advancement at all levels, is now assured. A special effort has been made at the senior management level through the profit-sharing agreement put in place by Caisse des Dépôts. One of the profit-sharing criteria is tied to female representation in appointments and promotions at all levels, and the target of at least 45% female appointments at the senior executive level has been met. Since 2016, the male/female ratios in apprenticeship contracts have also been tracked to achieve parity for this category of employees, some of whom will join Caisse des Dépôts on a permanent basis.

With respect to remuneration, in mid-2016 Caisse des Dépôts decided to have an external firm audit its process for identifying gender pay gaps. The findings and proposals for optimising the process will be finalised in the spring of 2017. They may, where applicable, result in a methodological change in how these pay gaps are calculated. Lastly, funds have been set aside to address any disparities that may be detected.

Fighting stereotypes

A survey on gender stereotypes was conducted in 2016 of 14,413 Group employees (3,351 of whom responded), with the support of Alter'égales, the Group's diversity network, and Professor Scharnitzky. It found that, while everyone agrees on the need to fight gender inequality, it is difficult to put to rest gender stereotypes that are based on social constructs learned since childhood. Caring, organisation and empathy were still consistently identified as female qualities, and aggressiveness, leadership and self-control as male qualities.

Based on these findings, a gender parity/diversity think tank was launched with two objectives: identify "worst practices" and sexist or inappropriate workplace behaviour and, in mid-2017, propose very concrete actions to create positive change in mindsets and practices. The aim is to break down the stereotypes that can influence the choices, judgements and decisions of managers and HR stakeholders. The think tank's conclusions will be made widely available in-house to help instil a deeper culture of equality and greater awareness of inequality, and to change the mindsets of men and women alike.

The many awareness-raising actions taken within Caisse des Dépôts reflect its proactive policy on integrating disabled employees: sponsorship of a new guide dog for the blind; support for the French Sports Federation for the Disabled (*Fédération Française Handisport*) for the 2016 Paralympic Games in Rio with the acquisition of two wheelchair bikes; use of an ESAT⁽¹⁾ that works with people with mental disabilities to help write content for the disability page on the intranet; meetings with athletes who medalled in the Rio Paralympic Games during Disability Employment Week; organisation of a holiday market that sells products made by ESATs, etc.

Other entities also launched advocacy initiatives, such as **lcade**, which held a conference on the film "The Finishers", and **SNI Group**, which conducted an awareness-raising campaign based on the experiences of three employees. In 2016, lcade and SNI Group also focused on increasing their use of ESATs.



"IMPACTS OF THE ORGANISATION" SUB-CHAPTER

Caisse des Dépôts in 2016

**Over
€670,000**
earmarked for retention
initiatives in
the budget for
the FIPHP agreement

> 6%
of disabled people
employed directly or
indirectly⁽²⁾ since 2012
(= 7.2% in 2016)

≈ 5.7%
of the workforce in
2016 was made up of
people with
disabilities

(1) *Établissement et service d'aide par le travail*, a French organisation that helps disabled people join the workforce.

(2) This data includes people with disabilities currently employed as Caisse des Dépôts staff as well as those employed indirectly through the use of the protected workers sector for certain types of purchases.

Helping young people join the labour market

As part of its equal opportunity policy, the Group puts in place numerous concrete actions targeting young people who come from priority urban areas and/or disadvantaged social backgrounds. Through partnerships with not-for-profit associations, it supports them while they are in school and at university, and then over the course of their careers. It also helps them join the workforce by maintaining a certain level of hires on work-study and permanent contracts.

With the “Nos quartiers ont des talents” (NQT) association, the Group supports under-30s graduates, if they have earned a four-year degree or more and are from disadvantaged social backgrounds or priority urban areas, in their quest for employment. Each year, nearly 150 volunteer sponsors from the Group support more than 200 young people. On average 70% find long-term employment that matches their skills. In 2016, the Group HR department also created an individual sponsorship programme with the “Les entrepreneurs de l'excellence” (EEX) association, which encourages young people to apply to selective universities. This initiative has allowed about 20 students who are in their first year of secondary school, come from educational priority zones and have demonstrated their potential and motivation to receive support from high-level executives within the Group. The goal is to help them find their own path and guide them towards selective universities.

At the Caisse des Dépôts level, one-third of hires since 2013 have been under the age of 30. The use of apprenticeships is also on the rise and has a dual objective: promote the integration of young people by giving them access to training and hire young apprentices for long-term employment after their work-study contract ends. This policy was extended and expanded in 2016 under the new intergenerational agreement, with the ambitious target of hiring 200 apprentices a year (160 to date) and retaining 19% of them permanently.

Caisse des Dépôts also helps young people with little access to employment enter the workforce. Among its staff are 40 people on state-subsidised contracts (outreach and job-training contracts to develop employability (CUI-CAE)). This programme encourages the recruitment, for a two-year period, of unemployed young people who are finding it particularly difficult to gain access to employment. Since 2012, it has also made use of the PACTE scheme (which provides access to regional, hospital and state civil service posts). This is a new way to hire young people for Category C civil service jobs that does not require them to take a competitive exam. This scheme, which was bolstered in the 2015-2017 framework agreement, targets young people aged 16 to 25 who have dropped out of school but would like to join

the labour market. In the 2015-2017 period, Caisse des Dépôts will therefore hire at least 30 young people under PACTE contracts.

Icade aims to hire more young people under the age of 26. In 2016, 13% of its employees on permanent contracts were less than 26 years old.

Working in favour of generational diversity

The age issue figures prominently in the HR policies of Group entities, and lies at the intersection of employment policy, strategic workforce planning and working conditions.

Since 2010, Caisse des Dépôts has adopted a proactive generational diversity policy and has formalised its commitments in a series of agreements. As the intergenerational agreement – the most recent in the series – expired in 2016, the time was right to evaluate the measures and renegotiate a new agreement. The positive assessment of the actions taken in the last three years convinced Caisse des Dépôts to continue its efforts, with support from the social partners.

The key levers include support for senior citizens over the entire course of their careers (e.g. career reviews at age 55 with an HR adviser), transmission of their knowledge and skills, improvements in their working conditions and the prevention of arduous working conditions (e.g. remote working), as well as planning for the end of their careers and their transition to retirement (e.g. reduction in working hours). Caisse des Dépôts also takes great care, through the use of statistical monitoring, to prevent age-related discrimination in mobility and promotions based on existing Group agreements.

Supporting the transformation of the Group and its businesses

Digitalising the HR function

In addition to working alongside its subsidiaries to support France's digital transition, Caisse des Dépôts has undertaken its own digital transformation. This is reflected in its human resources management in the digitalisation of its HR services offering and a greater concern for customer service.

In 2016, it launched a dedicated training portal, Form&Vous, for all its employees. This tool improves the services provided by training managers, and also optimises and simplifies HR processes. All employees can now find out about existing training programmes, consult the training catalogue, sign up for future sessions, check the status of their requests, and access new digital forms of learning (e-learning, virtual classes, training via self-service platforms, etc.).

Additionally, a new administrative management application has been developed to simplify and automate HR processes. It also aims to increase managers' and employees' involvement and give them more autonomy to check and update their administrative data. This is the first step before an electronic safe is made available in 2017. Employees will be able to use it to store their professional and personal documents, including their pay slips, which will soon be paperless.

Understanding the changes in the businesses and human resources

In 2016, the Group HR department continued its strategic workforce planning (SWP) programme. This should allow the Group to anticipate future requirements through a better understanding of how businesses and human resources are evolving, in order to meet the challenges of the employment policy and support the professions affected by the transformation programmes.

Under the digital transformation programme initiated by Caisse des Dépôts, the analysis of digital's impact on its jobs, its employees' skills, and the resulting HR action plans are central to the current SWP programme. To support the execution of this transformation, the HR department aims to strengthen the initiatives launched in 2016. It has developed three training priorities: digital literacy for all employees; upskilling in the most exposed professions; and support for mobility, in particular towards new digital-related professions. It has also adjusted its recruitment policy to incorporate new digital-related professions. Digital SWP will be an important aspect of the employment policy in the coming years, to develop new professions and support the transformation of certain activities, in the context of the negotiations on the next framework agreement.

A digital training plan

The training plan aims to support the major strategic challenges defined by Caisse des Dépôts, which include the digital transition. New methods of learning, which are themselves digital, were rolled out in the 2016 version of the plan. As part of the Digital Academy, awareness training on every one of these new aspects is offered to all employees, who are then able to get their "Digital passport" stamped. Operational projects were also implemented through the Learning Lab, whose main purpose is to foster a digital learning culture among managers and HR

officers in the divisions to promote, oversee and/or support experimentation in this area. Projects launched included the Voltaire remote learning platform, which aims to improve the quality of written French within the company; the Vodeclac platform, which supports the use of office automation tools and social networks; e-learning and self-service modules on renewable energies, intended for new hires; and a MOOC (massive open online course) on "banking fundamentals".

Developing the skill set of the Group's managers and executives

CDC University targets the executives and managers of the Group's various entities and offers each of them, according to their needs and challenges, a selection of development courses and innovative and agile training sessions. When this selection was updated in 2016, the new courses included a focus on the Group's strategic priorities, i.e. the ecology and energy, digital, territorial, and demographic and social transitions.

Managers and executives also have an opportunity to attend participatory conferences on specific topics, with inspirational presentations by external and in-house experts. The Group's executives have also been invited to participate in study travels to the regions. These seminars allow the Group to implement its strategy through an "in-the-field" approach, using the territories as a definitive entry point and building on what has already been accomplished (tours of sites, businesses, start-ups, ecosystems, etc.).

The Group has also developed a "managerial innovation" training offering. Within CDC University, the Management University develops operational and innovative training courses for Group managers, both new and experienced, whether they are reporting-line managers or project management experts. These courses focus primarily on managerial development and conduct. The "Rethinking management in a 3.0 world" course, in particular, relies on design thinking tools to help managers optimise the use of their digital environment. Through the "Developing participatory management methods" programme, managers gain an understanding of and implement tools that harness the power of discussion and collective action. Lastly, the latest module asks them to question their own personal and interpersonal effectiveness and to develop their emotional intelligence.

The Group has also launched the "Managers Programme" to support the development of managerial skills. To meet the needs expressed by Group managers, this programme aims to offer individualised support and to create a management community. In an effort to increase their effectiveness on a daily basis, the support offering, based on the Group's managerial skills guide, takes a two-pronged approach: individual (personal development, career management) and collective (thematic courses on managerial innovation through the Management University). The training programme guarantees a common knowledge base, underpinned by the key skills in the managerial guide: long-term collective performance, cross-functionality and the manager's collective contribution.

Developing managerial innovation in the subsidiaries

In 2016, **Icade** launched discussions on managerial innovation to support the implementation of the new 2016-2019 strategic plan and the shift to a new dynamic digital work environment as part of the relocation of its headquarters. **CNP Assurances** introduced a new agile managerial leadership initiative called DIALOG. It encourages managers to open a dialogue with their teams, three times a year, on eight different aspects of quality of working life as it relates to expected performance. Tools (workshops, animated videos, audio, etc.) have been developed to support this new initiative. Lastly, with the 2016 launch of the "Imagine tomorrow's management" project, **SNI Group** set out a formal management charter that allows managers to coalesce individually and collectively around collaborative management practices.

60
managers
trained since
the launch of the
programme in 2016

3
batches of trainees
since the launch
of the programme



Fair practices and transparency

Owing to its unique public status, Caisse des Dépôts “is closely supervised by the French parliament and the legislative process” via the Supervisory Board. This is a unique status in France, where public institutions are usually under the supervision of a specific ministry. This judicial independence is bolstered by its financial autonomy.

This unique status imposes a duty of neutrality on Caisse des Dépôts while it must also remain attentive to the broad focuses of local and national authorities. It also means Caisse des Dépôts has to be transparent and apply best practices, particularly with regard to business ethics and risk management and control, even when there is no specific legal obligation to do so.

The Caisse des Dépôts Group’s focuses in terms of fair practices and transparency concern ethical standards of employees, prevention of conflicts of interest, financial ethics and the Group’s specific definition of the notion of customer. They also involve its institutional relationships and purchasing practices (see the “External relations and stakeholder dialogue” and “Impacts of the organisation” sub-chapters).

Promoting compliance with ethical principles and requirements

The Caisse des Dépôts Group always keeps a close eye on the conduct of its employees, subsidiaries and affiliates to ensure they are behaving in an exemplary manner. It therefore attaches the utmost importance to compliance with the principles and requirements set out in the Code of Ethics, which is defined at Group level and must be either transposed or adapted by each subsidiary and affiliate.

Code of ethics

Adopted in June 2012, the Group’s Code of Ethics applies to all Caisse des Dépôts employees. It serves as a benchmark for its subsidiaries, which must transpose the principles of the code while taking into account the nature of their respective activities and the risks to which they are exposed.

This document establishes general principles regarding respect for the Group’s image and reiterates its public-interest missions, requiring all employees to conduct themselves in absolute compliance with the principles of fair practice.

As an essential element of how the Group goes about its business, the document covers several aspects, such as conflict-of-interest prevention and management, specific financial ethics rules applicable to employees performing “sensitive” and “very sensitive” functions, and conduct rules (obligation of confidentiality).

This ethics volume was updated and strengthened with the addition of new procedures in the first quarter of 2016.

At the level of subsidiaries and strategic affiliates

Once the Group Code of Ethics was adopted in June 2012, the subsidiaries and strategic affiliates set about implementing the document into their own internal procedures.

Entities that have an ethics code/charter

- Bpifrance
- CDC International Capital
- CDC Placement
- CNP Assurances
- Compagnie des Alpes
- Egis
- SNI Group
- Icade
- Qualium Investissement
- SCET
- Société Forestière
- Transdev



- “FAIR PRACTICES AND TRANSPARENCY” SHEET
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Combating corruption, fraud, money laundering and terrorist financing

Conflicts of interest, corruption and fraud

The Code of Ethics provides clear rules on the appropriateness of giving or receiving gifts and benefits. It also requires that potential conflicts of interest be documented in a register in order to be able to identify and prevent risks.

Once the Sapin II bill was published at end-2016, Caisse des Dépôts initiated its regulatory monitoring of the planned anti-corruption measures. This work is in keeping with its continuous improvement efforts. From 2017, a working group will help implement concrete actions to improve the existing measures.

Caisse des Dépôts' anti-fraud policy is managed by a dedicated unit within the Group's Risk Management and Internal Control department (DRCI). This unit advises, coordinates with and supports the different departments and may also conduct investigations. It also coordinates the policies implemented by the subsidiaries.

Money laundering and terrorist financing

In accordance with the law, in 2010 Caisse des Dépôts developed an anti-money laundering and combating the financing of terrorism (AML/CFT) policy which was validated by the Management Committee. This policy, which is overseen by the DRCI, was then implemented in the departments and subsidiaries. Country and territory risk was the subject of particular focus.

The AML/CFT policy is formally documented by procedures collated in a single volume accessible to all employees on the intranet. It was completely revised and updated in 2016. This policy is supplemented by a number of measures that were strengthened in 2016 as part of the restructuring of Caisse des Dépôts' AML/CFT unit, with the aim of improving centralisation.

At the level of subsidiaries and strategic affiliates

All of the Group's subsidiaries, including those not subject to French Prudential Supervisory Authority (ACPR) or French Financial Markets Authority (AMF) supervision, are required to devise AML/CFT procedures adapted to their own specific risks in accordance with Group guidelines.

Entities that have an AML/CFT policy with a control system

Bpifrance
CDC International Capital
CDC Placement
CNP Assurances
Compagnie des Alpes
Egis
SNI Group
Icade
Qualium Investissement
SCET
Société Forestière
Transdev

Tax compliance and strategy concerning offshore activities

Caisse des Dépôts' tax status requires that it pay a contribution in lieu of corporation tax (CRIS). This contribution is calculated in strict accordance with common-law rules on corporation tax (particularly those applicable to the banking sector) and stood at €383 million in 2016. Caisse des Dépôts also pays VAT at the standard rate.

It transfers part of its profits to the State, in accordance with the procedures established over time. Since 2010, it has paid the State 50% of the Group's consolidated earnings, capped at 75% of its statutory net earnings (excluding temporary provisions from 2015 to 2017, related to implementation of the Bicentenary measures).

Caisse des Dépôts does not have any offshore banking activities.

At the level of subsidiaries and strategic affiliates

Subsidiaries with international activities are particularly careful to comply with local regulations.



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Increasing transparency and internal control

Owing to its status and the nature of its activities, Caisse des Dépôts is required to set up a multi-level internal control system. Implemented Group-wide, this system also takes into account specific regulations that apply to the activities carried out by its subsidiaries.

It is governed by the Internal Control Organisation Principles (IOPs), which describe the general principles of internal control, the operational responsibilities and the ongoing control techniques that should be implemented to ensure that all Group missions are conducted within a secure framework.

Ongoing control

Responsibility for monitoring risk and for ongoing internal control lies with the Group's Risk Management and Internal Control department (DRCI), which reports directly to the Chairman.

Its brief covers four main areas:

- ◆ applying Caisse des Dépôts' risk policy, initiating methodological reviews, and preparing Group standards or framework procedures;
- ◆ helping Group entities to adapt these standards to their own businesses;
- ◆ ensuring that regulations are applied correctly, and verifying that all of the Group's processes are valid and compliant;
- ◆ consolidating the data provided by the entities and reporting to Group governance bodies.

Compliance checks are performed annually or semi-annually, where applicable, by the DRCI and its network of officers.

Periodic controls

Periodic controls are the responsibility of the Group Internal Audit department, which reports to the Chairman and oversees the Group's audit network.

This network covers all of the businesses of Caisse des Dépôts and all fully consolidated and jointly controlled entities. It may carry out compliance and performance audits, inspections and consulting assignments.

External audits

The ACPR is required by law to verify the compliance of Caisse des Dépôts' banking and financial activities, including with respect to AML/CFT. Because of the nature of their businesses, some Group subsidiaries are also subject to ACPR or AMF supervision.

Whistleblowing system

Caisse des Dépôts has a system for whistleblowing and for reporting compliance-related problems. When employees become aware of any such problems or misconduct, they can either inform their line manager, who will in turn inform the compliance officer, or they can go directly to the compliance officer. The latter then handles the matter discreetly and confidentially, making sure to protect the employee who came forward.

At the level of subsidiaries and strategic affiliates

Entities that have a whistleblowing system

Bpifrance
 CDC International Capital
 CNP Assurances
 Compagnie des Alpes
 Egis*
 Icade**
 Qualium Investissement
 SCET
 Société Forestière
 Transdev***



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* 8 alerts of which 4 relating to allegations of international corruption, 2 to competition and 2 to compliance and/or ethics. Audits and inspections have been performed.

** 12 incidents relating to attempts at external fraud. These were dealt with upstream and had no significant impact.

*** 10 alerts concerning cases of perceived harassment or attempts at fraud. The incidents were handled and tracked with the countries and the relevant corporate functions.

Ensuring respect for human rights

As a signatory of the United Nations Global Compact, Caisse des Dépôts is committed to upholding the ten principles, including those relating to human rights. Owing to its status and the nature of its missions, it also works, alongside its subsidiaries, to make a daily difference in populations' living conditions and access to essential services.

The challenges facing the Caisse des Dépôts Group with regard to human rights concern the working conditions of its employees and its supply chain. They are therefore intrinsically linked to its human resources and responsible purchasing challenges. The subsidiaries with the greatest exposure are those engaged in development, construction and operational activities, particularly outside France.

Although the subsidiarity principle applies to human resources and purchasing, these areas are governed by the Group's Code of Ethics, which applies to Caisse des Dépôts itself and must be transposed by its subsidiaries. All Group entities ensure strict compliance with respect for human rights and trade union freedoms. They comply with French labour laws and with the major international declarations and conventions in this area (see inset below). No Group entity uses forced or child labour. Their actions in favour of human rights are detailed in the appendix to the Group's 2016 Business Review and Sustainable Development Report.

Extract from the Group's social declaration

The Caisse des Dépôts Group is "committed to upholding international principles of human rights in all of its activities and spheres of influence, including the principles enshrined in the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration and Conventions. Caisse des Dépôts has also signed the UN Global Compact".

Entities that have mainstreamed human rights into contracts and agreements

CNP Assurances
Compagnie des Alpes
Egis
Icade
Transdev

Protecting data and privacy

Protection of personal data is part of Caisse des Dépôts' clearly stated and comprehensive approach to data protection. A dedicated policy has been defined and is supported by specific human, organisational, managerial and technical resources. These issues are managed by Caisse des Dépôts' Data Protection Officer.

This policy and the conditions for its implementation are set out in four documents:

- ◆ the "General information systems security policy" charter;
- ◆ the "Use of IT resources" charter and the related fact-sheets;
- ◆ the Chairman's directive on "Procedures implemented to protect individuals' personal data contained in automated and non-automated processes at Caisse des Dépôts";
- ◆ the data protection officer's letter of appointment.

This policy is replicated by most of the Group's subsidiaries, in particular those that, in view of their activities, face major challenges from data protection and customer privacy issues (e.g. **CNP Assurances**).

A specific action plan has been put in place to address compliance with the new General Data Protection Regulation adopted by the European Union in April 2016.



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- "FAIR PRACTICES AND TRANSPARENCY" APPENDIX

Impacts of the organisation



In parallel with its voluntary contribution to France's major transitions, the Caisse des Dépôts Group has a daily impact on the territories where it operates and on the environment. This impact relates to its activities as well as to its operations as an organisation. The Group's corporate social responsibility, which is shared by all its entities, thus has an internal component. Each entity assumes this responsibility by way of tailored and independently managed action plans.

Caisse des Dépôts and its subsidiaries implement action plans on energy-efficient buildings, responsible purchasing, sustainable mobility, recycling and responsible consumption. For subsidiaries with a formally documented comprehensive CSR policy, these actions are in line with commitments that cover both business- and internal operations-related aspects. These commitments are implemented within the framework of certifications guaranteeing application of responsible site management and operational processes. Various initiatives are also being rolled out to involve employees in implementing these approaches and to ensure their success.

Reducing the environmental impact of internal operations

Caisse des Dépôts and some of its subsidiaries are obliged to produce a greenhouse gas (GHG) emissions report every three years. Apart from activities-related processes, which are addressed separately, the most GHG-intensive activities are purchases of goods and services, employee travel and energy consumed by buildings and their operations, as well as by computer equipment. Accordingly, measures are taken to prevent, reduce and offset these emissions.

Improving energy efficiency in buildings

The programmes implemented by Group entities to improve the energy efficiency of their buildings are based on optimised property management (increased site density, energy-efficiency requirements for buildings, centralised technical management of temperature and heating) and on implementation of one-off and/or specific measures (e.g. replacing traditional lighting with LEDs).

Caisse des Dépôts has developed an Environmental Property Plan that targets a 38% reduction in the energy consumption of its operational buildings in the 2013-2020 period. This plan was pursued in 2016 with the launch of energy efficiency projects, to be completed in 2017, at five additional buildings representing more than 75,000 square metres. To date, progress is in line with expectations.

In 2016, **Bpifrance**, **CNP Assurances**, **Egis**, **Icade**, **Informatique CDC** and **Transdev** also continued to implement their respective programmes at some or all of their sites. Although not governed by a specific action plan, initiatives have also been undertaken locally at the **Compagnie des Alpes** and **SNI groups**.

Applying the same standards for the operational activities to internal processes

Icade applies the same action plan that it implements at its owned real-estate assets to buildings occupied by its employees. In 2016, it won the silver medal in the Contest for Better Use & Building Efficiency 2020 (CUBE 2020) for energy savings at its headquarters over one year (-15.8% between July 2015 and June 2016). From 2017, management of the energy efficiency of its entire portfolio will be strengthened with the implementation of an environmental management system (EMS), which is a software tool for monitoring, oversight and optimisation.

Engaging employees

Egis's employees can use the "L'empreinte à la trace" website to track the environmental footprint of their buildings and the progress that has been made. The number of buildings covered so far stands at 15. In 2016, Bpifrance launched a digital platform, "Votre geste au compteur", built around a community of employees committed to implementing "green behaviour" and "social actions" in the workplace. By sharing their day-to-day actions, they help spread best practices.

Meeting its own needs with renewable energies

More than 70% of the energy consumed by Caisse des Dépôts comes from the production of renewable energies or of energy from waste. This share increased by 18.5 points from 2015, due mainly to the establishment of a contract to procure 100% renewable electricity for its most energy-intensive buildings, spread across its main sites throughout France. It is also worth noting that 90% of the energy consumed by Icade's headquarters (59% of its employees) comes from renewable energies (100% green electricity and 50% for heating/cooling), while green electricity represents 78% of electricity consumption at Informatique CDC's sites.

The Group in 2016

-4.8%
final energy consumption year on year (at constant scope)⁽¹⁾

Optimising and reducing the impact of employee travel

To optimise employees' business travel and reduce the environmental impact, most Caisse des Dépôts Group entities have implemented travel policies: incentives to use public transport for short distances and less-polluting means of transport for longer journeys; limits on trips made by taxi, etc. Entities with a fleet of company cars or service vehicles are also improving their environmental performance by using electric or hybrid vehicles. Lastly, they made video- and audio-conferencing systems available to their employees, who used them more frequently in 2016.

A variety of measures have been implemented for employee commuting: developing remote working; locating sites close to public transport; promoting and facilitating car-pooling, car-sharing and environmentally friendly and healthy modes of transport (walking and cycling); introducing electric shuttles connected to the traditional network, etc. One of the highlights of 2016 was Caisse des Dépôts' signature of a quality of working life agreement, which includes, among others, measures to encourage bicycle travel and to make it easier to use video-conferencing (roll-out of Skype for Business in 2017) and work remotely (creation of third places). **Egis** has implemented mileage allowances for bicycle use.

Several Caisse des Dépôts Group entities have incorporated these measures into a comprehensive policy, in the form of company travel plans (CTPs): **Bpifrance** (since 2016 with roll-out planned for first-quarter 2017), **CNP Assurances** and **Egis** (inter-company plan). Caisse des Dépôts began to implement its own CTP in 2016.

Video conferencing in the Group in 2016

Caisse des Dépôts

+31
rooms equipped

+46%
meetings held

+34%
hours of use

CNP Assurances

+32%
hours of use



"IMPACTS OF THE ORGANISATION" APPENDIX

(1) Data calculated at constant scope (excluding SNI Group - 2016 data not available). Data for the Compagnie des Alpes group and Transdev are consolidated separately, as their activities represent a significant share of their environmental impacts.

Managing the environmental impact of the operational activities

For Group subsidiaries engaged in direct operational activities, the main environmental impacts are the energy consumption of the real-estate portfolio, vehicle fleet and/or infrastructure operated, as well as the resulting greenhouse gas emissions.

Real-estate activities

The energy consumption of the portfolio is the main source of the greenhouse gas emissions of the Group's real-estate subsidiaries (98% of **SNI Group's** total emissions in 2013) and one of the key levers for reducing their emissions. The energy efficiency programmes carried out in recent years have had a significant impact on their portfolios' energy performance and carbon footprint. **Icade** was able to double the share of renewable energy in the portfolio's total energy consumption in one year (16% in 2016 with a target of 20% in 2020).

Real-estate portfolio in 2016

	Icade	SNI Group
Average annual energy consumption per m²	447* kWh _{pe} /m ² /year -8% on 2015**	171.0*** kWh _{pe} /m ² /year -2.3% on 2015
Average annual energy consumption per occupant	6,713* kWh _{pe} /occupant/year -0.2% between 2015 and 2016	3,899*** kWh _{pe} /occupant/year -3.9% on 2015
CO₂ emissions/m²	20.0* kg _{pe} CO ₂ /m ² /year -13.0% on 2015	32.0*** kg _{pe} CO ₂ /m ² /year -4.2% on 2015

Transport activities

The vehicle fleet, consisting mainly of combustion engine vehicles (scope 1), and the infrastructure that **Transdev** operates (scope 2) represented 95.5% and 4.5%, respectively, of its total greenhouse gas emissions in 2016. In 2016, the modes of transport operated by Transdev emitted 87 kgCO₂ per 100 km travelled. At the end of the year, clean vehicles accounted for 61.5% of its French fleet (up 5.5 points from 2015). The energy efficiency measures implemented by the company are defined according to local circumstances (condition of the buildings, investment opportunities, customer's wishes).

Tourism activities

The **Compagnie des Alpes** group's greenhouse gas emissions footprint is relatively evenly split between ski resorts (47%) and leisure destinations (51%), with the remaining emissions coming from service sites and internal operations. Transportation of customers to the sites and buildings' energy use (tourism-related commercial and residential buildings) account for more than 80% of the greenhouse gas emissions generated by the operation of ski resorts (scope 3). While it is more difficult to measure these emissions for leisure destinations, customer transportation is also a major source of emissions.

At end-2016, the carbon footprint of a Compagnie des Alpes group customer, for one day of skiing or a one-day visit to a theme park, was 1.15 kg of CO₂ equivalent per skier (equivalent to driving 9 km in a car) and 2.31 kg of CO₂ equivalent per visitor (equivalent to driving 18 km in a car). Every Group site has its own action plan to reduce these emissions.

Electricity is a major challenge and represents nearly two-thirds of the Group's energy consumption. It is used mainly to run ski lifts and theme park rides. At end-2016, the energy consumed by tourism infrastructure stood at 156,708 MWh for ski lifts (up 7.8% on 2015) and 93,505 MWh for theme parks (up 4.7% on 2015).

The Compagnie des Alpes group in 2016

63%
of energy consumed is from renewable sources

- 20%
greenhouse gas emissions compared with the level before renewable energies were factored in



**"ECOLOGICAL AND ENERGY TRANSITION"
SUB-CHAPTER AND "IMPACTS
OF THE ORGANISATION" APPENDIX**

* Data adjusted for climate change.

** 2015 data adjusted for Icade's total Commercial Property Investment scope: 484 kWh_{pe}/m²/year.

*** In the use of Energy Performance Assessments (*diagnostic de performance énergétique*) for the owned portfolio (excluding Adoma).

Encouraging responsible purchasing

Some Group entities face significant responsible purchasing challenges. The development, construction and operations activities in the real estate, transport, infrastructure, and IT sectors all generate large volumes of equipment purchases, combined with the challenges of tracing the materials used and managing waste.

The Group's entities' actions are focused on factoring CSR challenges into their relationships with suppliers and sub-contractors (signing charters, incorporating CSR criteria into contracts, etc.) and on taking steps to control, monitor and support them. Several Group entities also use suppliers and service providers from the protected workers sector.

Caisse des Dépôts' purchasing practices comply with the French Public Procurement Code. In 2016, it focused to an even greater extent on incorporating CSR criteria into its procurement contracts. Almost all of its general purchases and all of its purchases for construction work include binding environmental and/or integration clauses. It also began to draft its framework for promoting responsible procurement, which outlines its responsible purchasing policy and will set out its future commitments. This plan is being finalised and will be published in first-half 2017.

Icade has standardised its purchasing procedures for all its activities, in particular for the "responsible purchasing" aspect. The Property Investment and Development segments have introduced joint responsible purchasing charters,

requiring businesses to commit to issues such as employment, integration, anti-corruption, respect for human rights and protection of health and the environment. Icade also helps people having difficulty finding work by systematically requiring the creation of jobs that serve as gateway to the labour market at its large-scale construction sites.

At **SNI Group**, all new procurement contracts provide for systematic verification and monitoring of the issues the supplier has agreed to address. A supplier tracking tool has also been developed to monitor their commitments, and in particular their duty of care. Lastly, efforts are underway to identify all the micro-businesses and SMEs that Group entities work with in order to create a national map that will be accessible through a dedicated tool.

Transdev has also strengthened its responsible purchasing policy. In addition to incorporating the Supplier CSR Charter into all purchasing contracts, a questionnaire is sent to suppliers during the consultation phase asking them to specify their CSR actions. The questionnaire contains criteria that may be disqualifying for candidates that do not meet the standards or do not give details on their actions on these issues. A procedure for managing the main supplier risks has also been drafted. It will be rolled out to all entities in France in 2017 and will specify how to assess these risks and take the necessary corrective actions.



"IMPACTS OF THE ORGANISATION" APPENDIX

A commitment to the protected workers sector

In 2016, the Group sourced more than €4 million of its purchases from the protected workers sector. At constant scope, this corresponds to a 1.2% increase on 2015. These contracts are mainly for secretarial, publishing, office supply and waste management work, as well as office and green-space maintenance. In particular, SNI Group offers ESAT⁽¹⁾ service contracts whenever possible, bringing spending in the sector to more than €980,000. Icade increased its purchasing volumes with the protected workers sector by 15% in 2016, and will redouble its efforts to achieve a more than 50% increase in 2018 compared with 2015.

The Group in 2016

**Over
€4 m**
in purchases from
the protected
workers sector

Caisse des Dépôts in 2016

100%
of construction
purchases and
95%
of general purchases
incorporate
CSR criteria

(1) *Établissement et service d'aide par le travail*, a French organisation that helps disabled people join the workforce.



**Our
results**

With the improvement in its 2016 results, the Caisse des Dépôts Group has once again demonstrated the effectiveness and soundness of its financial model. The quality of its results strengthens its capacity to invest in increasingly bold actions in the future so as to meet the economic, social and environmental challenges of tomorrow.

Group results

“As Chairman and Chief Executive Officer, my aim has been to get our assets performing and to inject fresh impetus into our subsidiaries, with two goals in mind – first to grow our attributable equity and give us some all-important wriggle room going forward, and second to strike the right Group-wide balance and bring our subsidiaries on board as we seek to support government policy and transitions. We want Caisse des Dépôts to operate like a group, not just a collection of affiliates.”

PIERRE-RENÉ LEMAS,

Chairman and Chief Executive Officer of the Caisse des Dépôts Group

The Group in 2016

€1.783 bn
in attributable
net profit

€1.564 bn
in recurring profit

The Caisse des Dépôts Group: attributable net profit of €1.783 billion and recurring profit of €1.564 billion in 2016

In 2016, the Caisse des Dépôts Group recorded attributable net profit of €1.783 billion, up 30% from €1.371 billion in 2015 when asset write-downs weighed on performance.

The total contribution to Group profit from subsidiaries and affiliates rose sharply (up 42%) in 2016, as the Group stepped up its affiliate portfolio turnover policy and issued €1.35 billion in zero-interest loans to support the renovation of social housing stock and public buildings.

Recurring profit stood at €1.564 billion in 2016, up 3% from €1.523 billion in 2015.

Recurring profit is a measure of the Group's economic performance corresponding to the recurring profit of the Central Sector as well as the Group's share in the operating profit of its subsidiaries. It does not include gains, losses and impairment of equity portfolios and shareholdings, or non-recurring items.

Attributable equity grew by €2.6 billion to €34.2 billion at 31 December 2016 thanks to the impact of net profit for the year and the €1.5 billion jump in unrealised capital gains generated by the ongoing bull market. Excluding unrealised gains, attributable equity totalled €24.3 billion at 31 December 2016, up €1.1 billion year-on-year and €4.9 billion on the 2012 figure.

◆ **The Caisse des Dépôts division contributed €557 million to consolidated net profit in 2016, compared with €507 million in 2015**, spurred by major gains on assets in the Central Sector in the year (notably the partial sale of its stake in Veolia Environnement). Net banking income came in at €3,621 million and reflects the fine operating performance and careful management of the Central Sector. **The contribution of the subsidiaries to attributable net profit stood at €1,226 million in 2016, up 42% year-on-year from €864 million.**

All of the subsidiaries and strategic affiliates delivered positive performances.

◆ **CNP Assurances** was the largest contributor to Group profit of all subsidiaries, up 9% to €459 million in 2016. Revenue remained largely unchanged at €31.5 billion (against €31.6 billion in 2015). Net insurance revenue grew by 10.7% year-on-year to €2,782 million, reflecting a robust business performance in France (up 18.8% on a like-for-like basis). Attributable net profit was €1,200 million in 2016 (up from €1,130 million in 2015).

- ◆ **Bpifrance** contributed €317 million to the Group's consolidated net profit in 2016, up from €234 million in 2015 after consolidation adjustments. Bpifrance's net profit for the year was €723 million (including €571 million from its investment arm), against €666 million the previous year. The robust performance in 2016 was fuelled by gains on assets (including the sale of Eiffage) and cost of risk management measures.
- ◆ **La Poste** added €225 million to Group profit in 2016, up from €162 million in 2015. The subsidiary posted net profit of €849 million for the year (against €635 million in 2015), reflecting an 11.5% spike in operating profit to €975 million on the back of exceptional gains on assets and non-recurring impairment recorded in 2015.
- ◆ **Icade** made a €23 million contribution to Group profit in the year, versus a negative -€81 million in 2015. Attributable net profit stood at €58 million last year, after a €208 million loss in 2015 when the subsidiary recorded losses on assets of €310 million. Net operating cash flow was up 8.4% to €325 million, while EPRA triple-net asset value grew by 8.1% to €5.8 billion.
- ◆ **Société nationale immobilière (SNI)** added €111 million to Group profit in 2016, down from €122 million the previous year. SNI again posted robust net profit on the back of sustained investment (1,765 homes delivered and 1,299 new homes under construction).
- ◆ **Compagnie des Alpes (CDA)** contributed €13 million to the Group's net profit, stable compared with €12 million in 2015. CDA posted revenue of €720 million in 2016, up 4.4% on a like-for-like basis following strong performances across its theme parks and ski resorts businesses (up 4.3% and 3.9% respectively). Net profit was €33 million, up from €30 million the previous year.
- ◆ **Transdev Group** added €33 million to Group profit in 2016, against €41 million in 2015. The group continued to invest against a backdrop of strong commercial competition, posting €66 million in profit for the year - fuelled by the strong performance in its public transport business and a sharp drop in net debt.
- ◆ **Egis** generated a positive contribution of €18 million for the year, compared with €20 million in 2015. Managed revenues jumped 9.3% to €1,020 million in 2016. The company recorded net profit of €24 million (down from €26 million the previous year) as it shored up its impairment policy on foreign receivables (offset by gains on asset sales).
- ◆ **Compagnie nationale du Rhône (CNR)** made a contribution to Group profit (excluding impairment losses on goodwill) of €36 million in 2016, down slightly from €38 million the previous year. The company posted net profit of €108 million for the year.
- ◆ **CDC infrastructure** made a positive addition of €39 million to Group profit for the year, against a €68 million negative contribution in 2015, fuelled by non-recurring impairment on financial assets in the previous year.

The Group's investments

Caisse des Dépôts' portfolio of financial assets provides the Group with the income streams needed to fund its actions. The assets are invested from a long-term perspective in order to obtain a regular and recurrent yield with a highly-regulated risk and are managed in compliance with the Group's Charter for Responsible Investment.

Bond portfolios (€33.8 billion): secure and regular yields above all else

Bond holdings are divided between two main portfolio categories:

- ◆ long-term fixed-rate portfolios, with mostly held-to-maturity investments, which mainly invest in bonds issued by European governments, with some diversification into credit and emerging sovereign bonds;
- ◆ shorter-term variable-rate portfolios, which invest in corporate or emerging country bonds, designed to leverage yield spread of private issuers.

Fixed-rate investments reached €1.9 billion in 2016, with an average maturity of 12.5 years, and 70% were in French treasury or similar bonds. Despite the downward trend in rates, average yield held steady at 2.80%.

A total of about €500 million was invested in variable-rate products, with an average maturity of 7.5 years for an average margin of 103bp against 3-month Euribor.

All the portfolios continue to carry a very high rating: 74% of assets are rated AAA or AA and 12% BBB+ or below. SRI concerns are taken into account, with notably two investments in green bonds totalling €71 million.

The diversification into debt funds began several years ago and continued in 2016, with €330 million committed to nine corporate, real-estate and infrastructure debt funds. Assets at 31 December 2016 stood at €510 million, with an additional €408 million in residual commitments.

The portfolios generated total income of €751 million in 2016.

European equities (€16.5 billion): outperformed the markets and made significant capital gains

This portfolio, which excludes equity investments in listed companies, consists of long-term investments in around 100 French and European listed equities. Its market value increased, due to higher share prices, but its book value dipped slightly. There were a number of non-recurring items during the year, including the takeover bid for several securities and the sale of a block of shares held in a community services operator.

These non-recurring items lifted capital gains to €613 million, which was supplemented by €516 million in dividends. Unrealised capital gains nonetheless increased by €511 million. The portfolio significantly outperformed its benchmark index, growing 4.9% against a market average of only 2.4%. This outperformance is all the more remarkable given the

portfolio's defensive investment strategy which can be a hindrance during a bull market. Over five years, the portfolio outperformed the benchmark index by 12%.

As usual, Caisse des Dépôts fulfilled its role as responsible investor during the year, voting at all of the shareholders' meetings of the companies in its portfolio and maintaining a fruitful dialogue with the management of said companies on environmental, social and governance issues. It also reduced its carbon footprint by 17% during the year.

Real estate (€4.5 billion): more of a sellers' than a buyers' market

In 2016, Caisse des Dépôts' real estate investment portfolio increased by about €200 million to €4.5 billion. Business was brisk, with seven acquisition or redevelopment transactions approved for €453 million and six disposals underway for €282 million.

Several major leases were signed, including for an office building under development in the Austerlitz neighbourhood a year before delivery.

Environmental concerns remain central to the Central Sector's property and forest management approach. All new developments incorporate the latest environmental advances (wood construction, thermal loops, stringent labelling requirements, etc.).

Diversification

Caisse des Dépôts holds predominantly French or European financial assets, consistent with the missions entrusted to the institution. However, with a view to increasing diversification, the portfolio also has marginal investments in international funds, which are delegated to internal or external asset management companies. These concern non-European equities (approximately €1.3 billion), small listed companies (almost €1.2 billion), and international private equity funds (€1.3 billion). In all of these segments, performance was consistent with benchmark indices.

Consolidated financial statements

Consolidated income statement, year ended 31 December 2016

(in millions of euros)	31.12.2016	31.12.2015
Interest income	1,426	1,402
Interest expense	(1,092)	(1,021)
Fee and commission income	22	37
Fee and commission expense	(41)	(36)
Gains and losses on financial instruments at fair value through profit or loss, net	61	133
Gains and losses on available-for-sale financial assets, net	1,233	712
Income from other activities	4,439	4,394
Expenses from other activities	(2,427)	(2,508)
Net banking income	3,621	3,113
General operating expenses	(2,004)	(1,910)
Depreciation, amortisation and impairment of property and equipment and intangible assets	(276)	(271)
Gross operating profit	1,341	932
Cost of risk	(58)	(168)
Operating profit	1,283	764
Share of profit (loss) of equity-accounted associates	240	211
Share of profit (loss) of equity-accounted joint ventures	884	775
Gains and losses on other assets, net	118	16
Change in value of goodwill		
Profit before tax	2,525	1,766
Income tax expense	(652)	(457)
Net profit (loss) from discontinued operations	15	(9)
Net profit	1,888	1,300
Non-controlling interests	(105)	71
Net profit attributable to owners	1,783	1,371

Consolidated statement of comprehensive income

(in millions of euros)	31.12.2016	31.12.2015
Net profit	1,888	1 300
Items not to be reclassified to the income statement		
Actuarial gains and losses on post-employment defined benefit obligations	(10)	(6)
Credit risk associated with financial liabilities designated at fair value through profit or loss	14	
Items not to be reclassified to the income statement recognised directly in equity - equity-accounted companies	(1)	3
Total items not to be reclassified to the income statement	3	(3)
Items to be reclassified to the income statement		
Exchange differences on translation of foreign operations	1	(1)
Fair value adjustments on remeasurement of available-for-sale financial assets	1,099	916
Fair value adjustments on remeasurement of hedging instruments	28	71
Items to be reclassified to the income statement recognised directly in equity - equity-accounted companies	504	289
Total items to be reclassified to the income statement	1,632	1,275
Total income and expense recognised directly in equity	1,635	1,272
Net profit and total income and expense recognised directly in equity	3,523	2,572
Attributable to owners	3,298	2,625
Non-controlling interests	225	(53)

Consolidated statement of financial position, at 31 December 2016

(in millions of euros)	31.12.2016	31.12.2015
Assets		
Cash and amounts due from central banks	7,648	34
Financial assets at fair value through profit or loss	1,869	1,867
Hedging instruments with a positive fair value	2,156	1,605
Available-for-sale financial assets	64,609	62,422
Loans and receivables due from credit institutions	14,015	12,102
Loans and receivables due from customers	5,300	10,058
Cumulative fair value adjustments to portfolios hedged against interest rate risk		
Held-to-maturity investments	21,875	22,310
Current and deferred tax assets	420	618
Prepayments, accrued income and other assets	7,275	6,566
Non-current assets held for sale	53	195
Investments in equity-accounted companies	22,286	21,353
Investment property	14,552	14,360
Owner-occupied property and equipment	2,758	1,508
Intangible assets	602	384
Goodwill	1,092	462
Total assets	166,510	155,844
Liabilities and equity		
Due to central banks	2	
Financial liabilities at fair value through profit or loss	2,900	3,525
Hedging instruments with a negative fair value	1,758	1,712
Due to credit institutions	12,728	11,978
Due to customers	58,638	55,246
Debt securities	40,014	39,454
Cumulative fair value adjustments to portfolios hedged against interest rate risk		
Current and deferred tax liabilities	1,790	2,042
Accruals, deferred income and other liabilities	9,633	5,862
Liabilities related to non-current assets held for sale	37	156
Provisions	1,257	747
Subordinated debt, guarantee deposits	1	1
Equity attributable to owners		
Reserves and retained earnings	22,482	21,742
Gains and losses recognised directly in equity	9,935	8,437
Profit for the period	1,783	1,371
Total equity attributable to owners	34,200	31,550
Non-controlling interests	3,552	3,571
Total equity	37,752	35,121
Total liabilities and equity	166,510	155,844

Consolidated statement of changes in equity, 1 January 2015 to 31 December 2016

	Reserves and retained earnings	Gains and losses recognised directly in equity			Net profit (loss) Group share	Equity attributable to owners	Retained earnings - Non-controlling interests	Non-controlling interests in gains and losses recognised directly in equity	Non-controlling interests in profit (loss)	Non-controlling interests	Total equity	
		Change in credit risk associated with financial liabilities designated at fair value through profit or loss (not to be reclassified)	Cumulative fair value adjustments available-for-sale financial assets	Cumulative fair value adjustments to cash flow hedges								Translation reserve
(in millions of euros)												
Equity at 1 January 2015 ⁽¹⁾	20,616		7,566	(365)	(28)	1,793	29,582	3,523	(21)	135	3,637	33,219
Effect of changes in accounting methods												
Appropriation of 2014 profit	1,793					(1,793)		135		(135)		
2014 dividend paid in 2015	(637)						(637)	(203)			(203)	(840)
Transactions with non-controlling interests								(3)			(3)	(3)
Other movements	(29)		(9)	6	9		(23)	193			193	170
Profit (loss) for the period						1,371	1,371			(71)	(71)	1,300
Gains and losses recognised directly in equity												
Exchange differences on translation of foreign operations					(82)		(82)		2		2	(80)
Fair value adjustments to financial instruments recognised directly in equity			2,220	79			2,299	16			16	2,315
Fair value adjustments to financial instruments reclassified to the income statement			(941)	(19)			(960)					(960)
Equity at 31 December 2015	21,743		8,836	(299)	(101)	1,371	31,550	3,645	(3)	(71)	3,571	35,121
Effect of changes in accounting methods	40	(40)										
Appropriation of 2015 profit	1,371					(1,371)		(71)		71		
2015 dividend paid in 2016	(463)						(463)	(218)			(218)	(681)
Call options on non-controlling interests	(195)						(195)					(195)
Transactions with non-controlling interests	(36)		7		14		(15)	7			7	(8)
Other movements	22		(19)	14	(1)		16	(30)	(3)		(33)	(17)
Profit (loss) for the period						1,783	1,783			105	105	1,888
Gains and losses recognised directly in equity												
Exchange differences on translation of foreign operations					121		121		(4)		(4)	117
Fair value adjustments to financial instruments recognised directly in equity			2,331	(41)			2,290	109			109	2,399
Change in credit risk associated with financial liabilities designated at fair value through profit or loss		12					12					12
Fair value adjustments to financial instruments reclassified to the income statement			(919)	20			(899)	15			15	(884)
Equity at 31 December 2016	22,482	(28)	10,236	(306)	33	1,783	34,200	3,333	114	105	3,552	37,752

(1) Amounts adjusted downwards by €18 million with respect to the 2015 financial statements due to the interpretation of the DGFIP/CDC agreement on network remuneration.

Central Sector individual financial statements

Statement of financial position

(in millions of euros)	31.12.2016	31.12.2015
Assets		
Interbank and similar transactions	48,953	36,952
Cash and amounts due from central banks	7,647	33
Public sector and similar securities	28,774	26,309
Loans and receivables due from credit institutions	12,532	10,610
Customer transactions	3,287	8,289
Ordinary accounts in debit	348	422
Other term loans due from customers	2,939	7,867
Bonds, equities and other fixed and variable-income securities	50,355	52,153
Bonds and other fixed-income securities	36,804	39,028
Equities and other variable-income securities	13,551	13,125
Long-term equity interests	22,124	21,438
Property and equipment and intangible assets	3,579	3,488
Prepayments, accrued income and other assets	10,071	11,012
Total assets	138,369	133,332
Liabilities and equity		
Interbank and similar transactions	5,296	4,795
Due to central banks	2	
Due to credit institutions - loans repayable on demand	2,320	3,463
Due to credit institutions - term loans	2,974	1,332
Customer transactions	58,743	55,130
Ordinary accounts in credit	46,856	47,047
Other amounts due to customers	11,887	8,083
Debt securities	39,070	40,101
Accruals, deferred income and other liabilities	13,013	12,050
Provisions	734	503
Guarantee deposits	1	1
Fund for general banking risks (FGBR)	556	556
Equity (excluding FGBR)	20,956	20,196
Reserves and other additional paid-in capital	19,733	19,056
Profit for the year	1,223	1,140
Total liabilities and equity	138,369	133,332

Off-balance sheet commitments

(in millions of euros)	31.12.2016	31.12.2015
Commitments given in respect of financing and guarantees		
Financing commitments	12,481	11,708
To credit institutions	8,345	7,159
To customers	4,066	4,492
Doubtful financing commitments	70	57
Guarantee commitments	4,053	5,306
To credit institutions	2,091	3,455
To customers	1,962	1,851
Doubtful commitments		
Commitments received in respect of financing and guarantees		
Financing commitments	24,227	22,906
From credit institutions	24,227	22,906
From customers		
Guarantee commitments	11,849	11,867
From credit institutions	8,993	9,433
From customers	2,034	1,614
From the State	822	820
Securities-related commitments		
Securities to be received ⁽¹⁾	3,197	1,068
Securities to be delivered		9
Other commitments given and received		
Other commitments given	21,218	20,616
Other commitments received	53	50

Off-balance sheet commitments relating to forward and spot currency instruments and loans/borrowings denominated in foreign currency are presented in Note 4.1. Forward financial instruments are presented in Note 4.2.

(1) Of which, at 31 December 2016, €1,615 million in securities to be received under the binding agreement for a long-term partnership with RTE (see significant events).

Central Sector income statement

(in millions of euros)	Notes	31.12.2016	31.12.2015
Interest income		1,789	1,858
Treasury and interbank transactions	5.1	205	181
Customer transactions	5.2	139	166
Bonds and other fixed-income securities	5.3	909	1,021
Other interest income	5.4	536	490
Interest expense		(1,101)	(1,166)
Treasury and interbank transactions	5.1	9	(4)
Customer transactions	5.2	(319)	(378)
Bonds and other fixed-income securities	5.3	(523)	(500)
Other interest expense	5.4	(268)	(284)
Revenue from variable-income securities	5.5	1,229	1,300
Fee and commission income	5.6	10	16
Fee and commission expense	5.6	(34)	(32)
Gains or losses on trading portfolio transactions	5.7	(16)	29
Gains or losses on available-for-sale and similar securities	5.8	466	157
Other net banking operating income and expense	5.9	(249)	(78)
Net banking income		2,094	2,084
General operating expenses	5.10	(434)	(415)
Depreciation, amortisation and impairment of assets	5.11	(112)	(107)
Gross operating profit		1,548	1,562
Cost of risk	5.12	1	(2)
Operating profit		1,549	1,560
Gains or losses on fixed assets	5.13	57	(66)
Profit from ordinary activities before income tax		1,606	1,494
Income tax expense	5.14	(383)	(354)
Net profit		1,223	1,140

Individual financial statements of the Savings Funds centralised by Caisse des Dépôts

Statement of financial position

(in millions of euros)	31.12.2016	31.12.2015
Assets		
Interbank and similar transactions	65,000	67,727
Public sector and similar securities	43,000	43,984
Loans and receivables due from credit institutions	22,000	23,743
Customer transactions	162,511	155,951
Other term loans due from customers	162,511	155,951
Bonds, equities and other fixed- and variable-income securities	27,076	31,119
Bonds and other fixed-income securities	15,193	18,740
Equities and other variable-income securities	11,883	12,379
Property and equipment and intangible assets		
Prepayments, accrued income and other assets	227	130
Total assets	254,814	254,927
Liabilities and equity		
Interbank and similar transactions	240,260	241,153
Due to credit institutions	240,260	241,153
Customer transactions	79	80
Other amounts due to customers	79	80
Accruals, deferred income and other liabilities	2,118	2,333
Provisions	2,149	1,724
Fund for general banking risks (FGBR)	3,891	3,177
Equity (excluding FGBR)	6,317	6,460
Reserves and other additional paid-in capital	5,457	5,138
Retained earnings	239	239
Profit for the year	621	1,083
Total liabilities and equity	254,814	254,927

Off-balance sheet commitments

(in millions of euros)	31.12.2016	31.12.2015
Commitments given in respect of financing and guarantees		
Financing commitments	29,713	31,409
To credit institutions	37	241
To customers	29,620	31,119
Doubtful financing commitments	56	49
Guarantee commitments	1,787	
To credit institutions	1,787	
To customers		
Doubtful commitments		
Commitments received in respect of financing and guarantees		
Financing commitments	3,761	4,000
From credit institutions	3,761	4,000
From customers		
Guarantee commitments	149,300	143,448
From credit institutions	14,202	13,910
From customers	1,540	4,831
From the State	133,558	124,707
Securities-related commitments		
Securities to be received	543	1,385
Securities to be delivered		
Other commitments given and received		
Other commitments given		
Other commitments received		

Income statement of the Savings Funds centralised by Caisse des Dépôts

(in millions of euros)

	31.12.2016	31.12.2015
Interest income	4,295	5,043
Treasury and interbank transactions	402	432
Customer transactions	2,374	2,971
Bonds and other fixed-income securities	1,143	1,420
Other interest income	376	220
Interest expense	(3,492)	(4,048)
Treasury and interbank transactions	(2,773)	(3,274)
Customer transactions	(2)	(1)
Other interest expense	(717)	(773)
Revenue from variable-income securities	589	505
Fee and commission income	4	4
Fee and commission expense	(228)	(239)
Gains or losses on trading portfolio transactions	(25)	15
Gains or losses on available-for-sale and similar securities	454	687
Other net banking operating income and expense	(7)	(5)
Net banking income	1,590	1,962
General operating expenses	(138)	(135)
Gross operating profit	1,452	1,827
Cost of risk	(117)	(26)
Operating profit	1,335	1,801
Gains or losses on fixed assets		
Profit from ordinary activities	1,335	1,801
Net additions to (reversals from) Funds for General Banking Risks	(714)	(718)
Net profit	621	1,083



**Our
governance**

Since 1816, Caisse des Dépôts has enjoyed a unique status under which it is supervised by the French Parliament and the legislative process.

Group organisation and governance

Group overview

The French Monetary and Financial Code (*Code monétaire et financier*) defines Caisse des Dépôts as “a state-owned group at the service of the public interest and the country’s economic development. The said group fulfils public interest functions in support of the policies pursued by the State and local authorities, and may engage in competitive activities. [...] Caisse des Dépôts et Consignations is a long-term investor promoting business development in line with its own patrimonial interests. Caisse des Dépôts et Consignations is closely supervised by the French Parliament and the legislative process”.

The Caisse des Dépôts Group is unique insofar as it comprises a public institution with subsidiaries and affiliates that operate in the competitive sector. Therefore, with due regard to their own interests and competition law, each of the Group’s entities contribute to the public interest and national economic development in their different businesses, by helping to implement public policy.

A long-term investor serving the public interest

The public service mandates entrusted to Caisse des Dépôts are part of its long-term commitment. Consequently, it administers with complete security pension funds, deposits and escrow accounts as well as savings funds entrusted to it and constantly strives to enhance the services it provides.

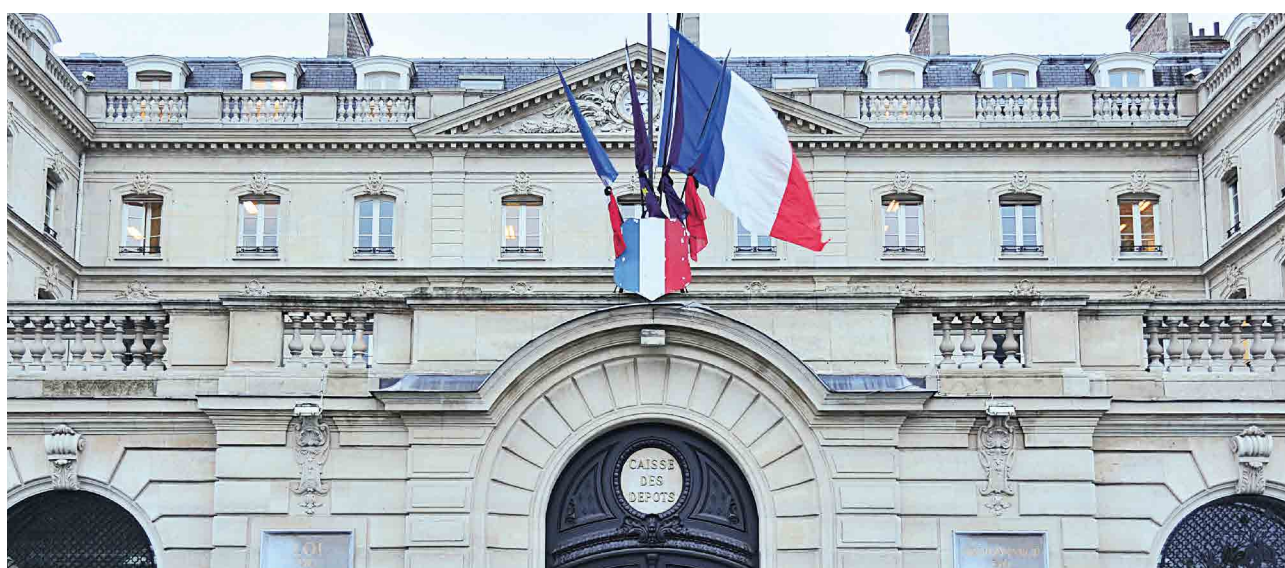
The backing of a heavyweight public investor guarantees that the subsidiaries will help in partnering public policy and and that they will aim to have positive financial and extra-financial impacts nationwide. The Group’s investment strategy is underpinned by a long-term, sustainable development perspective. It assumes certain risks in the expectation that financial and social benefits will accrue some time in the future.

The Group’s business lines

The Caisse des Dépôts Group comprises financial businesses and operators specialised in wide-ranging sectors that include transport, tourism, real estate and engineering.

Caisse des Dépôts itself is involved in several different lines of business with diverse missions:

- ◆ It manages the funds held in regulated savings accounts in France with complete security to finance key public policies, mainly in the social housing sector;
- ◆ It acts as banker to the public service, the judicial system and the social security system;
- ◆ It manages public and semi-public pensions and social security schemes;
- ◆ It partners French local and regional development alongside local authorities;
- ◆ It invests in the French economy, taking a long-term perspective.



Group governance

The Group comprises Caisse des Dépôts itself – a Public Institution founded as part of the 1816 law setting out its historic mission of serving the national public interest – and its subsidiaries, which operate in the competitive sector.

There is an ongoing dialogue among the Caisse des Dépôts Group entities. It takes place at the Group level for issues affecting all business lines (strategy, accounts, risks, human resources, etc.). The frequency and closeness of relations between Caisse des Dépôts and a given subsidiary depend on the level of control, the associated risks and how much value it adds to the Group. Purchasing, sales, marketing and communication policies are based on the subsidiarity principle.

The involvement and contribution of a given subsidiary to the Group's strategic and financial processes are a function of its own governance policy. Relations between the Public Institution and the subsidiaries are set out in framework documents designed to enhance the unity of the Group and promote its values: The Group Charter, capital adequacy ratios, Caisse des Dépôts' Responsible investment charter.

A unique governance model

The 1816 law setting up Caisse des Dépôts et Consignations stipulated that it should be “closely supervised by the French Parliament and legislative process” and conferred a unique status designed to guarantee the utmost independence, notably by making it accountable to Parliament through the intermediary of the Supervisory Board. Parliament exercises control over its activities and guarantees its autonomy. There are two clear governance objectives: independence of the Supervisory Board and autonomy of the Chairman and Chief Executive Officer.

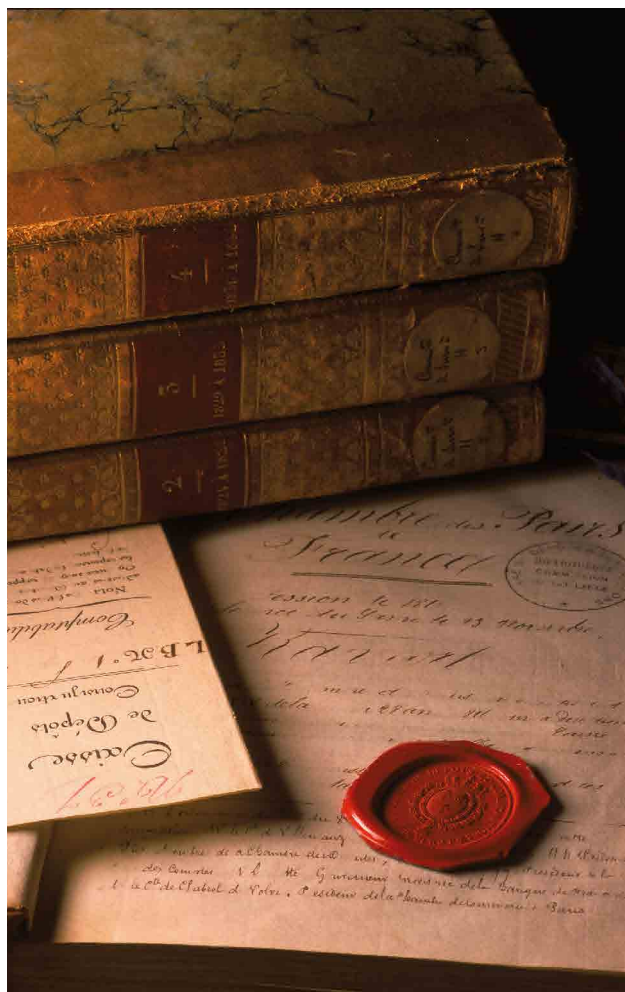
The Caisse des Dépôts Group is headed up by a Chairman and Chief Executive Officer, appointed for a period of five years by Decree of the President of France adopted in the French Council of Ministers. Before being appointed, he or she must appear before the Finance Committees of both the National Assembly and the Senate. The Chairman and Chief Executive Officer has wide-ranging powers and a large degree of independence from the executive and may not be forcibly removed from office.

Upon assuming office, he/she takes an oath before the Supervisory Board to “employ all [his/her] powers to maintain Caisse des Dépôts' inviolability”. The Chairman and Chief Executive Officer is personally and financially responsible by law for managing the funds entrusted to Caisse des Dépôts. He/she is assisted by Caisse des Dépôts' Management Committee and the Group Management Committee.

The Group Management Committee is the Group's main reporting, strategic consultation and management oversight body. It is tasked with preparing the decisions of the Chairman and Chief Executive Officer and ensuring the unity of the Group. The permanent members of the Group Management Committee are the members of the Caisse des Dépôts Management Committee, the heads of cross-disciplinary functions and the senior managers of subsidiaries appointed by the Chairman and Chief Executive Officer.



“GROUP ORGANISATION AND GOVERNANCE” APPENDIX



Composition and duties of the Supervisory Board

The Supervisory Board is tasked with overseeing of major decisions, strategic policies, equity investments, management of the Savings Funds and approval of Caisse des Dépôts' financial statements. The Board is also responsible for framing Caisse des Dépôts' capital adequacy ratios and adapting them as needed. The Economic Modernisation Act of 4 August 2008 strengthened the role of the Supervisory Board and parliamentary representation within it, and enlarged its composition. Once a year, the Chairman of the Supervisory Board presents a report to Parliament on the financial position of Caisse des Dépôts.



REPORT TO PARLIAMENT

The composition of the Supervisory Board is enshrined in the Economic Modernisation Act:

- ◆ three members of the National Assembly;
- ◆ two members of the Senate;
- ◆ three eminent persons (of whom two are appointed by the President of the National Assembly and one by the President of the Senate);
- ◆ a representative from the *Conseil d'État*;
- ◆ two representatives from the *Cour des comptes*;
- ◆ the Deputy Governor of Banque de France;
- ◆ the Director General of the French Treasury.

The members of the Supervisory Board are independent, with the exception of the Deputy Governor of Banque de France and the Director General of the French Treasury.

Since 2003, the Supervisory Board has had its own Internal Regulations setting out its rights and duties and organising its relations with senior management.

These Regulations, a new version of which was published in 2016, also define the roles of the special committees that report to the Supervisory Board and provide it with extra scrutiny and oversight:

- ◆ Financial Statement and Risk Review Committee, created in 2003;
- ◆ Savings Funds Committee, created in 2003;
- ◆ Investment Committee, created in 2008;
- ◆ Appointments Committee, created in 2008;
- ◆ Bpifrance Monitoring Committee, created in 2014;
- ◆ Remuneration Committee, created in 2015 - its methods of operation are stipulated in the new version of the Internal Regulations.



SUPERVISORY BOARD WWW.CAISSEDESDEPOTS.FR/EN/GOVERNANCE

Number of Supervisory Board meetings

	2014	2015	2016
Number of meetings	25	22	22
- Financial Statement and Risk Review Committee (FSRRC)	21	13	14
- Savings Funds Committee (SFC)	6	8	7
- Joint FSRRC/SFC Committees	/	3	0
- Appointments Committee	4	1	1
- Investment Committee	9	13	21
- Bpifrance Monitoring Committee	2	1	0

Average attendance at Supervisory Board meetings

	2014	2015	2016
Average attendance rates	80.83%	80.77%	83.92%

Remuneration of members of the Group's governance bodies

Supervisory Board

The members of the Supervisory Board do not receive any remuneration for their participation in the Board's meetings.

In 2004, a decision was taken in line with established practice to pay "an indemnity for expertise provided at the request of the Chairman, particularly in relation to the work of the special committees" (Supervisory Board Internal Regulations). Since 1 January 2011, these indemnities have amounted to €500 for a monthly review of the General Cashier's Office and €1,500 for an annual review of the General Cashier's Office, expertise provided or participation in a special committee.

Remuneration policy and the amount of indemnities are at the discretion of the Chairman of the Supervisory Board. They are discussed with the Board members during the process of reviewing the Supervisory Board's Internal Regulations. Certain members of the Supervisory Board have waived their entitlement to indemnities.

In 2016, ten members received gross indemnities pertaining to "provision of expertise", at an average of €29,050 each.

Group senior managers

The remuneration of the Group's senior managers is determined by the governance bodies of each Group entity.

Proposals for setting and adjusting remuneration must comply with applicable regulations and be for reasonable amounts, in line with market practice.

Decree no. 2012-915 of 26 July 2012 capped executive remuneration in French public companies. Because this decree was not applicable to Caisse des Dépôts, Decree no. 2013-56 of 16 January 2013 capped the remuneration of the Chairman and Chief Executive Officer of Caisse des Dépôts at an identical level as that set in public companies. Although senior managers of the Caisse des Dépôts Group were not specifically targeted by the two aforementioned decrees, the Group voluntarily applies this capping mechanism at Caisse des Dépôts itself and in majority-held subsidiaries.

The procedures for determining the variable component take into account Caisse des Dépôts' own standards. Exceptionally, this variable component can be different depending on the director's background and specific skills. The qualitative and quantitative targets set every year are tailored to each of the departments in question and are derived from a contract-letter outlining certain objectives. A department-specific letter is prepared jointly by the Chairman and Chief Executive Officer and the relevant director. A managerial component is systematically included in the targets set.

The nature of the information provided on the remuneration of senior managers of subsidiaries who are members of the Group Management Committee is the same as that included in the annual report of the French government shareholding agency (APE) on the senior managers of public companies.



**"GROUP ORGANISATION AND GOVERNANCE"
APPENDIX**

Remuneration of senior executives of Caisse des Dépôts⁽¹⁾ who were members of the Group Management Committee at 31 December 2016

Total fixed ⁽²⁾ compensation for 2016 (full year)	3,530,929
Total target variable ⁽²⁾ compensation for 2016 ⁽³⁾	725,278
Total variable ⁽²⁾ compensation paid for 2016 ⁽³⁾	701,723
Total benefits in kind for 2016 ⁽³⁾	23,512
Workforce	15

Euro amounts are gross figures.

(1) Excluding the Chairman and Chief Executive Officer.

(2) AFEP-MEDEF code terminology.

(3) On a pro rata basis.

Remuneration of the Chairman and Chief Executive Officer of Caisse des Dépôts at 31 December 2016

Fixed remuneration for 2016 (full year)	Variable remuneration for 2016			Severance pay: situation at 31/12/2016	Supplementary retirement benefits: situation at 31/12/2016	Stock options granted during 2016	Free shares awarded during 2016	Attendance fees paid during 2016	Benefits in kind for 2016
	Maximum amount	Amount paid	Criteria						
342,638		none		none	none	none	none	none	none

Euro amounts are gross figures.

Remuneration of senior executives in subsidiaries who were members of the Group Management Committee at 31 December 2016

Subsidiary	Name and title	% of capital held by CDC at 31/12/2016	Fixed remuneration for 2016	Variable remuneration for 2016	
				Maximum amount	Amount paid
Bpifrance	Nicolas Dufourcq, Chief Executive Officer	50.00%	400,000	50,000	50,000 ⁽¹⁾
CDC Biodiversité	Laurent Piermont, Chairman	100.00%	200,000	70,000	65,100
CDC International Capital	Laurent Vigier, Chairman and CEO	100.00%	250,000	75,000	72,375
CNP Assurances	Frédéric Lavenir, Chief Executive Officer	40.88%	400,000	50,000	47,961 ⁽²⁾
Compagnie des Alpes ⁽³⁾	Dominique Marcel, Chairman and CEO	39.58%	360,000	180,000	180,000
Egis	Nicolas Jachiet, Chairman and CEO	74.99%	305,790	137,606	107,883
Icade	Olivier Wigniolle, CEO	39.10%	400,000	50,000	48,750
Qualium Investissement	Jean Eichenlaub, Chairman	100.00%	290,000	145,000	139,925
SCET	Stéphane Keïta, Chairman and CEO	100.00%	260,000	91,000	79,352
SNI	André Yché, Chairman of the Management Board	100.00%	325,000	110,000	110,000
Société Forestière	Gilles Seigle, Chairman and CEO	49.96%	287,400	100,590	98,578 ⁽¹⁾
Transdev	Thierry Mallet, Chairman and CEO	70.00%	400,000	50,000	13,120 ⁽⁴⁾

Gross figure in euros for full year

* Termination benefits are not paid to public-sector senior managers who are reintegrated into their original department or unit.

(1) Amount pending authorisation.

(2) In accordance with CNP Assurances' remuneration policy, 60% of the €47,961 will be paid in 2017, 20% in 2018, 10% in 2019 and 10% in 2020.

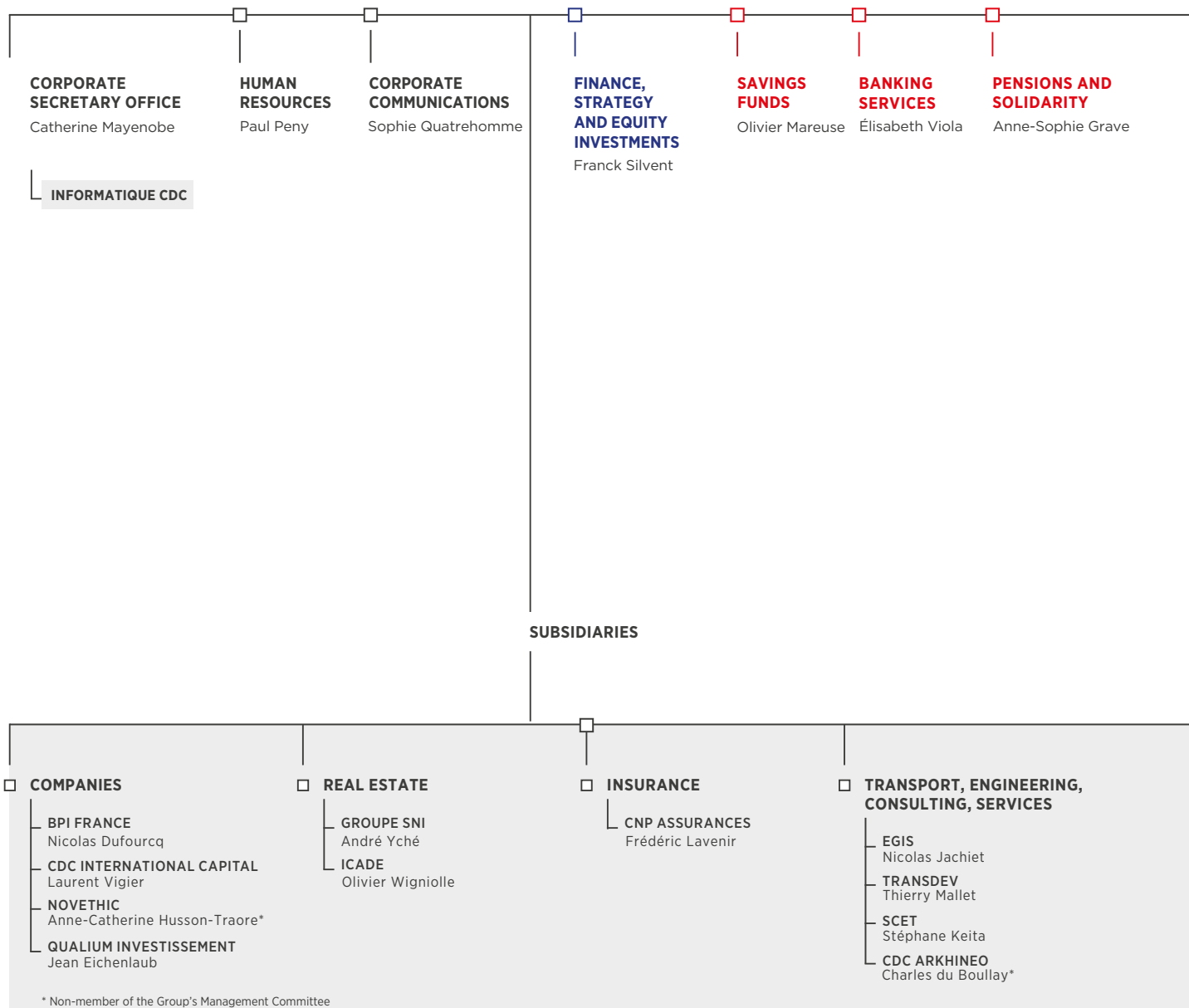
(3) Data for Compagnie des Alpes is for the 2015-2016 period (which ended on 30 September 2016).

(4) Took office on 9 September 2016. The amount shown represents a payout of 84.1% *pro rata*

NA: not applicable.

Variable remuneration for 2016		Severance pay: situation at 31/12/2016*	Supplementary retirement benefits: situation at 31/12/2016	Compliance with AFEP-MEDEF corporate governance code (for listed companies)	Stock options granted during 2016	Free shares awarded during 2016	Attendance fees paid during 2016
Criteria							
Quantitative objectives	Qualitative objectives						
60%	40%	no	no	NA	no	no	no
45%	55%	no	no	NA	no	no	no
50%	50%	yes	no	NA	no	no	no
50%	50%	no	no	yes	no	no	no
50%	50%	yes	yes (defined contribution and defined benefit plans)	yes	no	no	no
60%	40%	yes	no	NA	no	no	no
50%	50%	yes	no	yes	no	no	no
50%	50%	yes	no	NA	no	no	no
30%	70%	no	no	NA	no	no	no
50%	50%	yes	yes (defined contribution plan)	NA	no	no	no
55%	45%	yes	no	NA	no	no	no
60%	40%	yes	yes (defined contribution plan)	NA	no	no	no

Organisation chart of the Caisse des Dépôts Group



(April 2017)

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

LOCAL DEVELOPMENT AND INVESTMENT
Gabrielle Gauthey

INVESTMENTS FOR THE FUTURE

REGIONAL AND NETWORK
Marc Abadie

16 REGIONAL OFFICES

- Auvergne-Rhône-Alpes
- Burgundy-Franche-Comté
- Brittany
- Centre-Val de Loire
- Corsica
- French Antilles-French Guiana
- French Pacific
- Grand Est
- Hauts-de-France
- Ile-de-France
- Normandy
- Nouvelle-Aquitaine
- Occitanie
- Pays de la Loire
- Provence-Alpes-Côte d'Azur
- Réunion-Indian Ocean

GENERAL CASHIER BACK OFFICES
André Laurent Michelson

EUROPEAN AND INTERNATIONAL INSTITUTIONAL RELATIONS
Laurent Zylberberg

INTERNAL AUDIT
Nathalie Gilly

MEDIATOR

SENIOR FINANCIAL CONTROLLERS

RISK MANAGEMENT AND INTERNAL CONTROL
Anne Gautier

ENVIRONMENT

- CDC BIODIVERSITÉ
Laurent Piermont
- SOCIÉTÉ FORESTIÈRE
Gilles Seigle

TOURISM, LEISURE

- COMPAGNIE DES ALPES
Dominique Marcel

STRATEGIC INVESTMENTS

- COMPAGNIE NATIONALE DU RHÔNE
- GROUPE LA POSTE
- SOCIÉTÉ DE FINANCEMENT LOCAL
- RTE - RÉSEAU DE TRANSPORT ET D'ÉLECTRICITÉ

Management Committee of the Caisse des Dépôts Group



PIERRE-RENÉ LEMAS
Chairman and Chief
Executive Officer



CATHERINE MAYENOBE
Group Corporate
Secretary



MARC ABADIE
Regional and Network
Development Director



**VIRGINIE
CHAPRON DU JEU**
Group Finance
Director



GABRIELLE GAUTHEY
Local Development
and Investment
Director



JEAN-MARC MORIN
Deputy Group
Corporate Secretary -
Head of Legal and Tax
department



PAUL PENY
Group Human
Resources Director



SOPHIE QUATREHOMME
Group Corporate
Communications
Director



FRANCK SILVENT
Director of Group
Finance,
Strategy, and Equity
Investments



ÉLISABETH VIOLA
Banking Services
Director



FRÉDÉRIC LAVENIR
Chief Executive Officer,
CNP Assurances



THIERRY MALLET
Chairman and Chief
Executive Officer,
Transdev



DOMINIQUE MARCEL
Chairman and Chief
Executive Officer,
Compagnie des Alpes



LAURENT PIERMONT
Chairman and Chief
Executive Officer,
CDC Biodiversité

(April 2017)



ANNE GAUTIER
Group Risk Management
and Internal Control
Director



NATHALIE GILLY
Director of Group
Internal Audit



ANNE-SOPHIE GRAVE
Pensions and
Solidarity Director



OLIVIER MAREUSE
Savings Funds
Director



**ANDRÉ LAURENT
MICHELSON**
General Cashier,
Director of Back Offices



LAURENT ZYLBERBERG
Director of European,
International and
Institutional Relations



NICOLAS DUFOURCQ
Chief Executive
Officer,
Bpifrance



JEAN EICHENLAUB
Chairman, Qualium
Investissement



NICOLAS JACHIE
Chairman and Chief
Executive Officer,
Egis



STÉPHANE KEITA
Chairman and Chief
Executive Officer,
SCET



GILLES SEIGLE
Chairman and Chief
Executive Officer,
Société Forestière



LAURENT VIGIER
Chairman and Chief
Executive Officer,
CDC International
Capital



OLIVIER WIGNOLLE
Chief Executive
Officer, Icade



ANDRÉ YCHÉ
Chairman of the
Management Board,
SNI

Gender equality in the Group's governance bodies

A commitment to transparency

In an effort to improve transparency, the Caisse des Dépôts Group introduced a composite gender equality index enabling it to monitor its commitments and policies at Group and entity level.

The final score on the gender equality index is calculated based on three equally weighted indicators:

- ◆ the percentage of women on boards of directors/supervisory boards;
- ◆ the percentage of women on management/executive committees; and
- ◆ the percentage of women in corporate officer positions.

The consolidation of each indicator was carried out using a base of 10 defined in the objectives laid down in the agreement signed on 17 October 2013 with the Ministry for Women's Affairs:

- ◆ 40% female representation on the governance bodies of public institutions by 2016 (in line with the Copé-Zimmermann law);
- ◆ 30% female representation on management/executive committees by 2016; and
- ◆ 40% female representation in corporate officer positions by 2016.

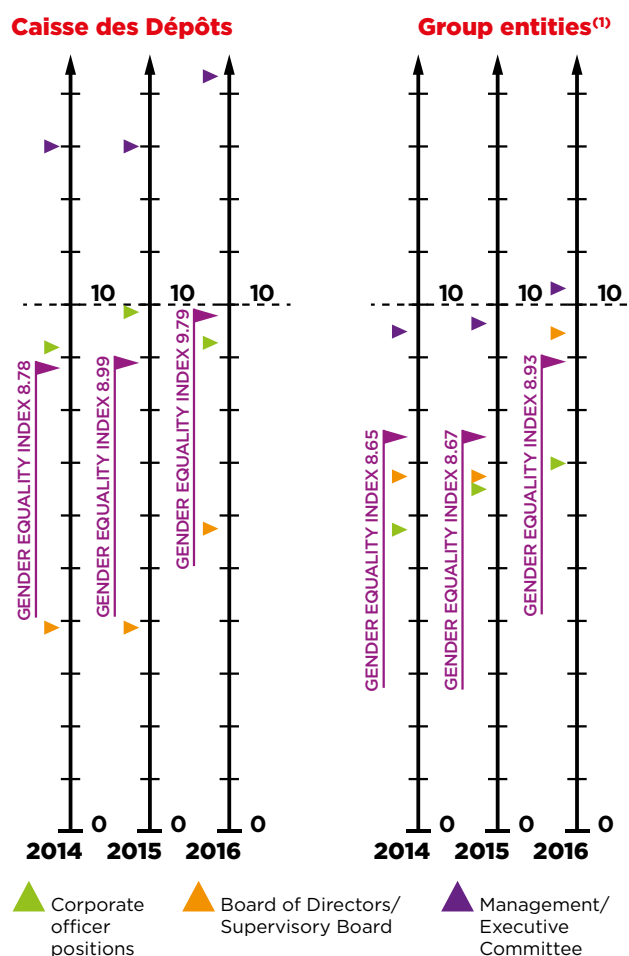
This gender equality index has been calculated based on two distinct reporting structures: that of Caisse des Dépôts and that of the Group. The latter includes Caisse des Dépôts and eight of its subsidiaries⁽¹⁾, representing the majority of the Group's total workforce worldwide.

An increase in female representation on governance bodies

The Group's gender equality index rose by 3% between 2015 and 2016 and is very close to the target that has been set. This is due in large part to an increase in the percentage of women on the management and executive committees of Group entities (31% at end-2016 versus a target of 30%).

Caisse des Dépôts' gender equality index rose by 9% in the same period due to the increase in female representation on governance bodies, including at the Supervisory Board level. At end-2016, six out of the fourteen members of the Caisse des Dépôts' Management Committee were women (43% versus a target of 30%).

Work remains to be done, at both the Caisse des Dépôts and Group levels, to increase female representation on boards of directors and in corporate officer positions.



(1) Caisse des Dépôts, Bpifrance, CNP Assurances, Compagnie des Alpes, Egis, Icade, Informatique CDC, SNI, Transdev.

Gender equality in the Group since 2013



Group corporate social responsibility policy



Governance of the CSR policy

In order to find critical and lasting solutions to France's socio-economic challenges, the Caisse des Dépôts Group has built up its potential to innovate and experiment. Its strategy is based around an integrated approach underpinned by sustainable development and innovation. This approach creates a leverage and accelerator effect to develop ideas with strong social potential and to disseminate innovative models that drive sustainable, responsible growth. It is also apparent in how the Group's corporate social responsibility (CSR) policy is governed.

Governance of the Group's CSR policy comes under the responsibility of the Strategy department. This department is part of the Finance, Strategy, and Equity Investments division, whose director is a member of the Caisse des Dépôts Group's Management Committee.

Strategic management

- ◆ Helping to set the annual objectives of Caisse des Dépôts' business lines and subsidiaries;
- ◆ CSR risk and opportunity assessments of Group investment projects;
- ◆ Oversight and implementation of the Group's extra-financial and strategic reporting activities;
- ◆ Defining and monitoring the Group's impact indicators;
- ◆ Drafting and distributing the Group's Business Review and Sustainable Development report.

Consultancy and change management

- ◆ Coordinating networks of correspondents organised on a cross-disciplinary or theme basis (innovation, responsible investment, the ecological and energy transition, CSR reporting);
- ◆ Joint development of surveys and applications: conducting surveys or rolling out decision-making tools that assess the environmental and HR impacts of investment projects;
- ◆ Industry-specific actions relating to the ecological and energy transition or responsible investment, active support for research or study initiatives.

Internal innovation

- ◆ Overseeing the Group's innovation laboratory (Lab CDC);
- ◆ Holding internal events to promote collective discussion with the aim of developing innovative projects, such as the Innovation Summer School (an annual day of conferences) and the Innovation Awards (in-house ideas competition to develop innovative projects on specific themes).

Monitoring stakeholder relations

- ◆ Overseeing relations with extra-financial rating agencies and statutory auditors;
- ◆ Participating in working groups on corporate social responsibility and extra-financial reporting.

Supporting research for innovation

The Caisse des Dépôts Group is able to draw on three in-house centres of expertise and research: Novethic, I4CE and the Research Unit on Biodiversity Economics. The CDC Research Institute supports research in the Group's areas of interest.



"INNOVATION AND RESEARCH" SUB-CHAPTER

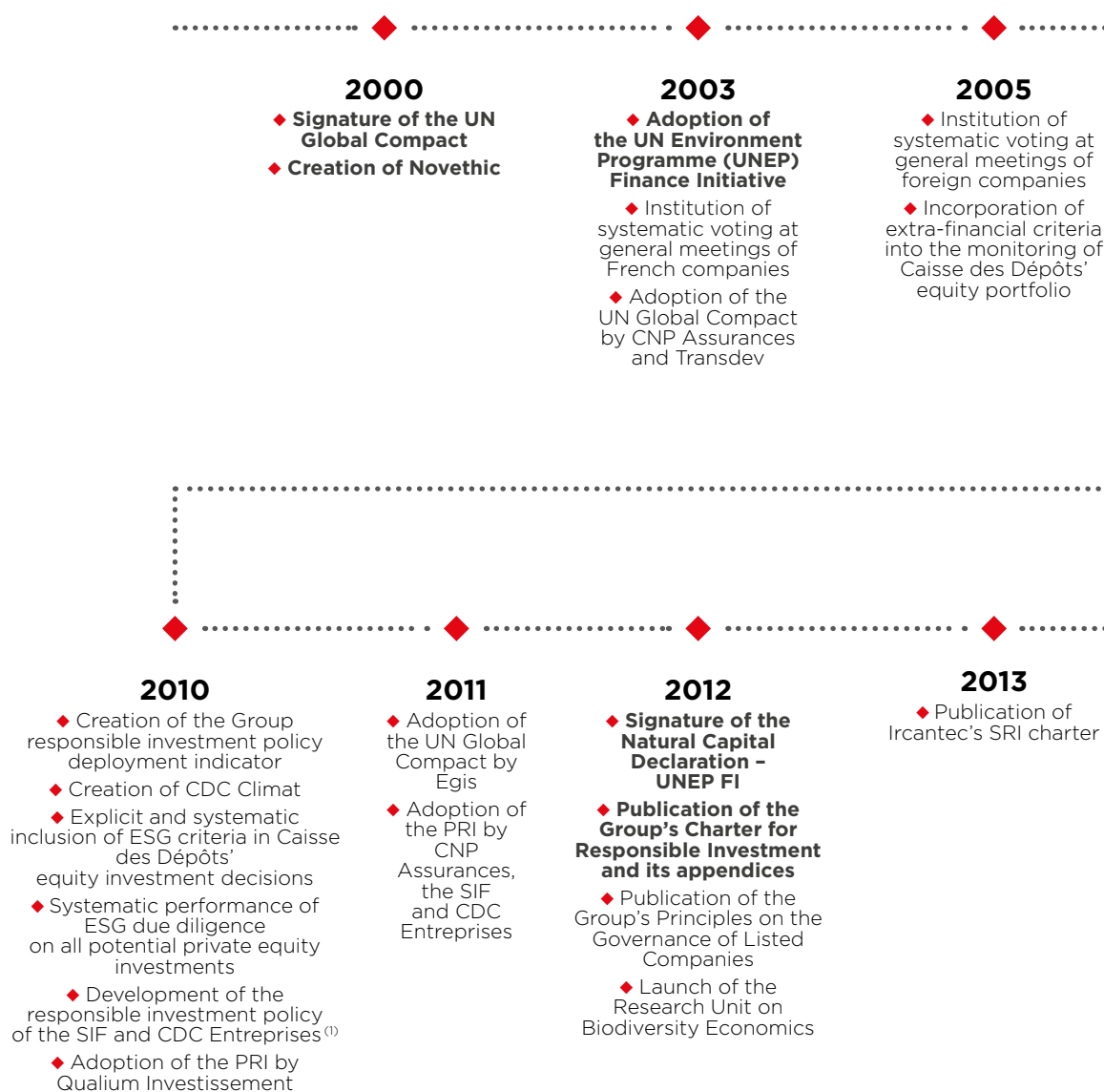
Managing CSR across group entities

Under the supervision of the Group's Strategy department, each subsidiary is responsible for implementing and structuring the Group's CSR policy within its own business lines and internal operations. Caisse des Dépôts also has a CSR department (see "Impacts of the organisation" sub-chapter).



"GROUP CORPORATE SOCIAL RESPONSIBILITY POLICY" APPENDIX

Group commitments in favour of sustainable development



(1) Which merged into Bpifrance in 2013.

2006

- ◆ Signature of the UN Principles for Responsible Investment (PRI)

2007

- ◆ Support for and adoption of the Carbon Disclosure Project (CDP)

2008

- ◆ Creation of CDC Biodiversité

2009

- ◆ Inclusion of ESG opinions in decisions taken by the Group Commitments Committee
 - ◆ Establishment of responsible investment objectives for managers of Caisse des Dépôts' proprietary equity portfolio
 - ◆ Performance of a carbon audit of Caisse des Dépôts' property portfolio

2014

- ◆ Signature of the Global Investor Statement on Climate Change of the Institutional Investors Group on Climate Change (IIGCC)
- ◆ Adoption of the PRI by CDC International Capital

2015

- ◆ Signature of the Montreal Carbon Pledge
 - ◆ Participation in the Portfolio Decarbonization Coalition
 - ◆ Adoption of the Mainstreaming Climate Action Within Financial Institutions initiative
 - ◆ Creation of I4CE
 - ◆ Publication of the carbon footprint for the proprietary listed assets portfolio
- ◆ Publication of the Group's Climate Finance Policy
 - ◆ Adoption of the Montreal Carbon Pledge by Bpifrance, ERAFP, FRR and Ircantec

2016

- ◆ Development of the Group's 2°C roadmap
- ◆ Implementation of the commitments made under COP21

Materiality analysis

In 2015, Caisse des Dépôts conducted its first Group-level materiality analysis in order to identify the most relevant CSR issues for itself and its stakeholders.

This exercise resulted in the creation of a materiality matrix listing the issues deemed to have the biggest impact on the Group's ability to successfully carry out its missions in the long term. These issues are environmental, human resources, social, economic and financial or related to ethics and governance.

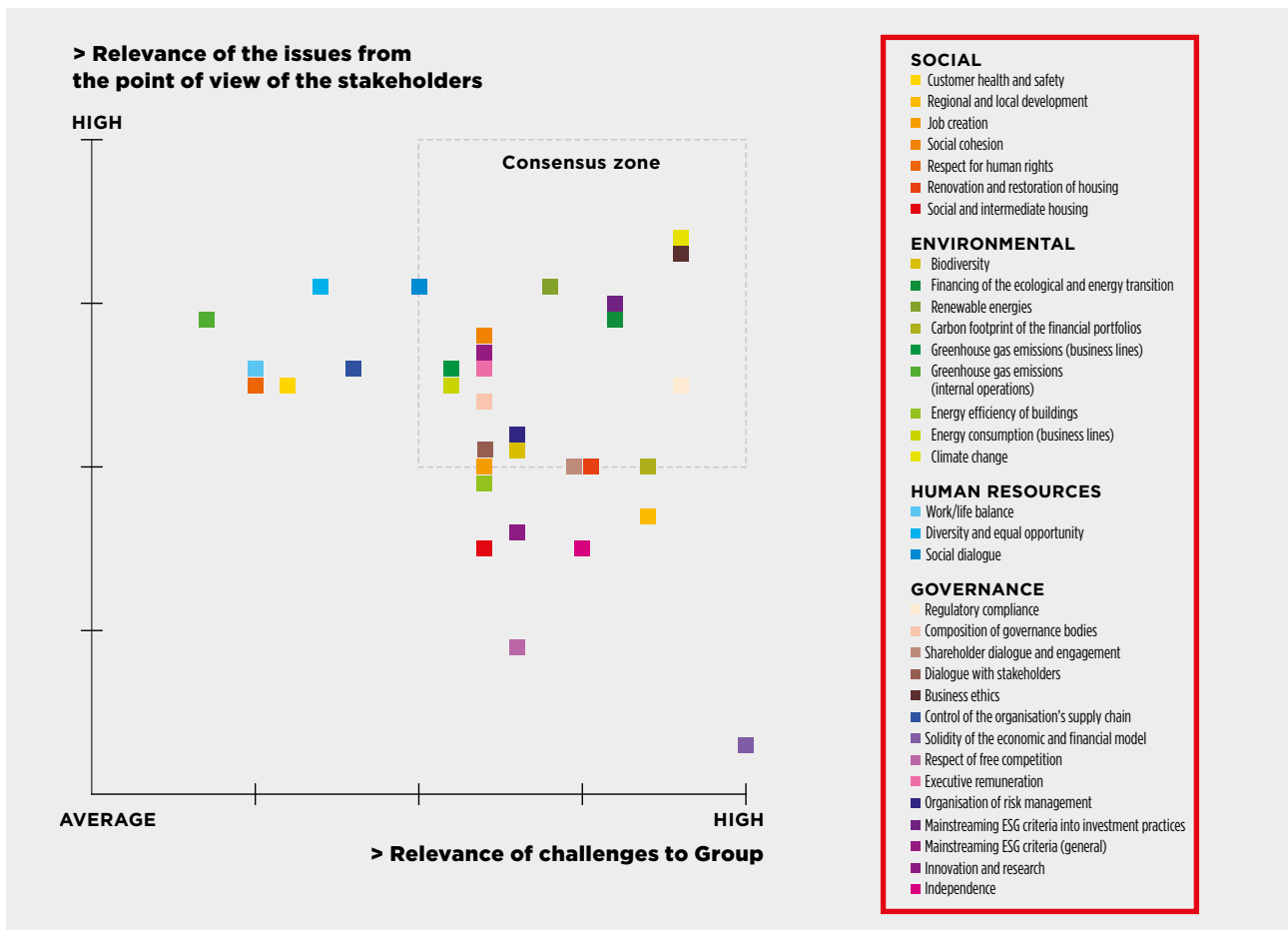
The matrix, which is used as a tool to manage the Group's CSR policy, also outlines the Group's extra-financial reporting strategy and feeds dialogue with stakeholders.

Materiality matrix

The matrix below plots the 33 issues deemed to be most relevant (or material) for the Caisse des Dépôts Group based on an internal analysis and an analysis conducted with stakeholders of a list that contained 83 issues in total.

It makes a distinction between:

1. the most relevant issues from the point of view of the stakeholders (vertical axis);
2. the most relevant issues from the point of view of the Group (horizontal axis);
3. the most relevant issues from both points of view (consensus zone).



Methodology

The methodology used, which was drawn up internally based on methodical work, case studies and feedback given in industry working groups, comprises these four successive stages:

1. Drawing up the list of issues

The Caisse des Dépôts Group's list of CSR issues was drawn up using the Group's different strategic and extra-financial reporting frameworks in order to include its operational strategy in the analysis.

The latest evaluation reports published by the extra-financial rating agencies that regularly rate Caisse des Dépôts (Vigeo, Sustainalytics and Oekom) were also reviewed. This review identified the issues taken into account by the agencies when analysing the business segments that include Caisse des Dépôts.

Lastly, a comparative study of the materiality analyses performed by other large public- and private-sector groups has thrown up issues that are less relevant for the Group at first glance but might be viewed as major issues by the stakeholders.

These three parallel approaches flagged 83 issues, which were then classified by topic and sub-topic.

2. Analysis from the point of view of the stakeholders

The external analysis was based on a document review and a questionnaire sent to the stakeholders.

The document review was based on CSR reporting guidelines developed by international organisations to which Caisse des Dépôts belongs or that are leaders in the field, the regulations to which it is subject, reports by the extra-financial rating agencies that assessed the Group in 2015, articles in the mainstream media and business press, and CSR indicators published by various organisations.

The questionnaire containing 25 broad topics was sent to the Group's internal (employees and employee representatives) and external stakeholders through its various communication channels and networks. Of the 97 people who responded to the questionnaire, 77% were Group employees.

3. Analysis from the point of view of the Group

The internal analysis was based on five criteria: coverage within the Group, management within the Group, strategic importance, reputational risk and financial risk.

Three strategic criteria were evaluated to distinguish between:

- ◆ issues that concern all Group activities and entities and those that concern only a limited part (level of coverage);
- ◆ issues overseen at Group level and those dealt with at subsidiary level (level of oversight);
- ◆ those that are more closely associated with the Group's strategy (strategic relevance). This analysis was performed by teams within the Group's Strategy department.

The analysis of potential reputational risks involved determining the impact of each issue on the Group's image and reputation in the event of controversy caused by, for example, bad practice or an accident. This analysis was also performed by the Group's Strategy department.

Lastly, the analysis of potential financial risks involved determining the financial impact of each issue if the Caisse des Dépôts Group takes no related action over the long term. This analysis was performed by teams in the Group's Risk Management and Internal Control department (DRCI).

4. Selection of the issues

All the issues that achieved a score equal to or greater than the pre-established materiality threshold, following the analysis either from the Group's point of view or that of the stakeholders, were selected to appear on the materiality matrix.

There were 33 issues selected, and a definition of each one is available in the methodological note on the Group's materiality analysis. This definition specifies the scope of the issue, i.e. whether it concerns internal operations or the Group's activities.



- **METHODOLOGICAL NOTE ON THE CAISSE DES DÉPÔTS GROUP'S MATERIALITY ANALYSIS**
- **"CROSS-REFERENCE TABLES" APPENDIX**
- **"EXTERNAL RELATIONS AND STAKEHOLDER DIALOGUE" SUB-CHAPTER**

Group external relations and stakeholder dialogue



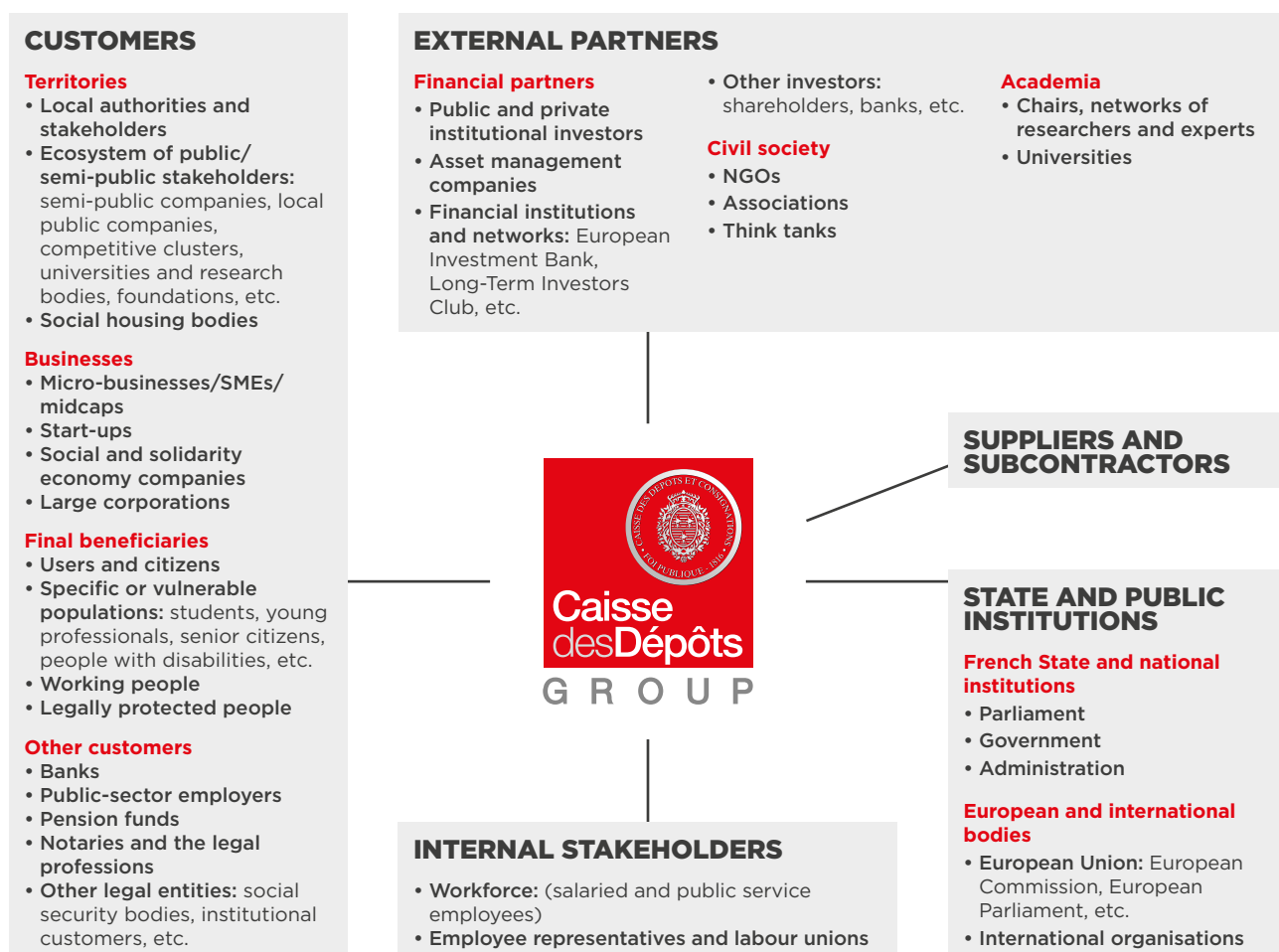
Owing to its public-interest mission, the diversity of its business lines and methods of intervention, and its presence in the French regions, the Caisse des Dépôts Group is on hand to help French people in their everyday life. As a major player in the national economy, it generates numerous expectations among those who take part in, are affected by or have an interest in its activities.

Caisse des Dépôts and its subsidiaries are engaged in dialogue with their stakeholders, in order to fulfil their expectations and make sure they are involved. The nature, methods and content of this dialogue depend on the stakeholder in question.

A Group strategic guidance committee on the ecological and energy transition

The strategic guidance committee on the ecological and energy transition was created in 2016 with the aim of shedding light on the Group's ecological and energy transition strategy and helping to create industry partnerships. Comprising members of the Group's Management Committee and external experts, it met once during the year.

Map of Group stakeholders



"EXTERNAL RELATIONS AND STAKEHOLDER DIALOGUE" APPENDIX

Institutional relations and partnership policy

In view of its status, governance and missions, the Caisse des Dépôts Group maintains close and regular contact with local, national, European and global institutional players. In connection with its activities and as part of its policy of openness to the not-for-profit sector and research, it has also formed a number of partnerships to develop innovative solutions serving the public interest and economic development.

European and national institutional relations

Caisse des Dépôts develops a lobbying strategy aimed at improving awareness of the Group, promoting its model and expertise and getting it more involved in national and EU public policy at the service of the French regions.

In 2013, it set up a European, International and Institutional Relations department (EIIRD) which works to enhance the Group's voice and profile with national and EU decision-makers. It acts on behalf of the Group's subsidiaries or coordinates with them, depending on whether they have their own institutional representation resources.

Contributing to national public policy

In view of its governance, Caisse des Dépôts maintains a regular dialogue with the French Parliament.

It monitors closely any parliamentary affairs that may have an impact on its businesses and brings its expertise in public policy-making to questions formulated by Parliament. The Group's senior managers and experts are regularly consulted as part of parliamentary work on government bills, private members' bills, fact-finding missions or working groups set up by the National Assembly or the Senate.

Caisse des Dépôts also presents its strategies at the request of the Parliament's standing committees that deal with areas falling within the Group's remit.

Contributing to EU policies

Caisse des Dépôts' European lobbying strategy, pursued in cooperation with the European Investment Bank (EIB), has aimed, since 2007, to improve the French economy's access to EU funding.

This strategy is drawn up and implemented by the permanent representation in Brussels, reporting to the EIIRD. It intervenes at institutional level by submitting responses to public consultations or by adopting positions (both available

on request, unless otherwise specified by law) and coordinates these contributions in support of Group entities.

The Caisse des Dépôts Group's lobbying strategy is governed by an EU lobbying charter adopted on 7 July 2013 by the Group's Management Committee. This charter applies to all employees called on to maintain relations with or lobby EU decision-makers and stakeholders. The resources freed up for this activity are also declared on the transparency register, in the section for amounts less than €1 million.

Institutional partnerships

European and international partnerships

Together with the Italian Cassa Depositi e Prestiti, the EIB and the German Kreditanstalt für Wiederaufbau (KfW), Caisse des Dépôts is a founding member of the Long-Term Investors Club (LTIC). It was set up in 2009 and has 18 members, and its primary purpose is to promote long-term investment in the real economy.

In July 2013, the four founding members also set up the European Long-Term Investors Association (ELTI), which Caisse des Dépôts has chaired since mid-2016. Its objective is to promote long-term investment as a vector for European growth.

Caisse des Dépôts is also a member of the World Forum of Caisses des Dépôts, a cooperation-based platform bringing together institutions principally from the EU, North Africa and Sub-Saharan Africa. Its objective is to facilitate the exchange of ideas concerning strategies for investing in business, infrastructure, development and housing.

As part of its EU institutional relations, it also supports the European Parliament's Long-Term Investment and Reindustrialisation intergroup in order to promote sustainable growth.

National partnerships

Caisse des Dépôts' support for local and national public policy requires constant involvement in the networks of local representative associations that underpin ongoing policy debates and policy deployment.

It leverages all of its technical and financial engineering expertise to play a key role in partnering public authorities and their oversight bodies, with which it has forged partnerships. These help Caisse des Dépôts pinpoint local needs and bring all of its expertise to bear on the related ongoing debates.

These relationships are governed by agreements that make provision for annual or multi-year action plans. Caisse des Dépôts is also careful to keep them separate from specific commercial interests so as to avoid potential conflicts of interest.

The Group's subsidiaries and strategic affiliates also liaise with their respective sector-based professional federations at national, EU and international level.

Sustainable development partnerships

Caisse des Dépôts and its subsidiaries participate in platforms and working groups dedicated to implementing sustainable development with a view to shaping a common approach. The objective is to promote their expertise and help develop operational projects and publish reports and memorandums.

Several partnerships have been forged and are now managed at Group level, including those with:

- ◆ Generalist organisations: *La Fabrique Écologique*, Nicolas Hulot Foundation (FNH), *Entreprises pour l'Environnement* (EpE), Institute for Sustainable Development and International Relations (IDDRI), *France Nature Environnement* (FNE), *Comité 21, Orée*, College of Sustainable Development Directors (C3D), Observatory on Corporate Social Responsibility (ORSE), UN Global Compact;
- ◆ Sustainable property: Qualitel, Effinergie, Association HQE, French Association for Low-Carbon Buildings (BBCA);
- ◆ Biodiversity: International Biodiversity and Property Council (CIBI);
- ◆ Energy and climate: The Shift Project, 2° Investing Initiative, French carbon audit association (*Association Bilan Carbone*, ABC);
- ◆ Innovation and outlook: Futuribles, Utopies, Paris Club of Innovation Directors;
- ◆ Sustainable cities and territories: Energy Cities, International Urban Development Association (INTA);
- ◆ Responsible investment: French Responsible Investment Forum (FIR), Principles for Responsible Investment (PRI), United Nations Environment Programme Finance Initiative (UNEP FI), Beyond Ratings, Institutional Investors Group on Climate Change (IIGCC), International Corporate Governance Network (ICGN), ESG groups at the French Association of Institutional Investors (Af2i) and Paris Europlace, Institutional Investors Circle at Novethic, ESG Committee at AFIC, Green Bond Principles (observer status).

Support for and participation in think tanks

At EU level, the Caisse des Dépôts Group gives financial support to Bruegel and the Jacques Delors Institute "Notre Europe". At national level, this support is provided to generalist think tanks such as the Institut Montaigne, Fondapol, Jean Jaurès Foundation, Terra Nova, Institut de l'Entreprise, Institut Paul Delouvrier and Fondafip.

The think tanks supported must be recognised as being of public use and as working on economic and social issues that are directly related to the Group's activities.

Support for political parties

No Group entity gives contributions or donations to political parties, politicians or related bodies in France.



"EXTERNAL RELATIONS AND STAKEHOLDER DIALOGUE" APPENDIX

Customer relations

For the Caisse des Dépôts Group, the notion of customer relations refers to a broad spectrum of customers in very diverse sectors and with very different characteristics (retail, professional and institutional customers, beneficiaries of managed mandates, etc.).

Ombudsman service

The Caisse des Dépôts Group has a Mediator to whom individual or corporate clients can turn. The Mediator's mission, governed by a charter, is to formulate opinions on disagreements brought before him or her and to propose changes to existing rules and procedures. **CNP Assurances** and **Transdev** also have consumer ombudsman bodies through sector-specific mediators with whom they have established agreements.

Customer satisfaction

Group entities in direct contact with their customers have implemented processes for measuring and improving customer satisfaction. These processes are tailored to the specific characteristics of their respective activities.

Providing support for low-income customers

To address its tenants' vulnerabilities, in 2014 **SNI Group** established a programme for preventing arrears and for supporting individuals who have fallen behind in their payments. A number of initiatives have therefore been implemented for employees and tenants (awareness-raising materials, dedicated staff, etc.). **CNP Assurances** has designed products that have affordable minimum payments for low-income households. It has also created innovative cover solutions for problems arising from dependency, unemployment or ageing.



- "DIGITAL TRANSITION" SUB-CHAPTER
- "EXTERNAL RELATIONS AND STAKEHOLDER DIALOGUE" APPENDIX

Increased focus on customers

The Caisse des Dépôts Group intends to further capitalise on the complementarities between its entities to offer comprehensive solutions that better meet the needs of its customers and partners. The smart city initiatives and the launch of Nature 2050 are consistent with this push to develop innovative and attractive solutions, driven by the Group's cross-disciplinary strengths. Caisse des Dépôts' business lines have also initiated a strategic review of their offerings' customer focus, centred on digitalisation and improvements in the quality of the customer relationship (e.g. creation of a website for notaries, launch in early 2017 of the digital platform for the territories called "Territoires Conseils"). Lastly, Caisse des Dépôts plans to continue to develop services platforms for final beneficiaries, building on the Ciclade project and on the personal activity account (CPA).

Customer satisfaction in the Group in 2016

85%
satisfaction rate for
Caisse des Dépôts for
the banking
relationship and
80%
for savings fund
management

~ 76%
satisfaction rate
for the SNI Group
(excluding Adoma)

6.6/10
satisfaction score
on delivery for Icade
(up 3% on 2015) for
the Development unit
(target of 8.5/10
in 2018)

**Between
70% and
80%**
satisfaction for
CNP Assurances for
the three surveys
conducted

Patronage

Cultural and sports patronage

Since Caisse des Dépôts' patronage is based on direct intervention, it does not require a corporate foundation. It has a budget of €3 million earmarked to support new young professional talent in architecture and landscaping, and in classical music and dance. Caisse des Dépôts also owns the Théâtre des Champs-Élysées and subsidises its programme to the tune of €10 million annually.

In 2016, Caisse des Dépôts' regional offices dedicated a total budget of €1.7 million to cultural initiatives and those related to public space planning.

Most subsidiaries and strategic affiliates have also implemented patronage policies and give priority to national or local initiatives with a link to their own activities.

Skills donation

Caisse des Dépôts and its subsidiaries with strategic partners have also set up skills donation programmes. Sixteen Caisse des Dépôts employees benefited from this measure in 2016. As part of the agreement Icade signed with Samu social Paris in 2016, more than 20 days of project management assistance was provided during the year to renovate a shelter and health-care centre in Ivry-sur-Seine (Ile-de-France).

Caisse des Dépôts, **Bpifrance, CNP Assurances, Egis, Icade and the SNI Group** also developed partnerships with the NQT association (formerly "Nos Quartiers ont des Talents"). In 2016, about 100 Group employees helped young graduates from disadvantaged social backgrounds or priority urban areas with their job search.



"EXTERNAL RELATIONS AND STAKEHOLDER DIALOGUE" APPENDIX

The Group in 2016

€12m
patronage
subsidies

7 entities
have partnered with
the NQT association

CDC Développement solidaire

Founded in 1985, the CDC Développement Solidaire association is managed by Group employees on a voluntary basis. It is involved in education, health-care and economic development initiatives in the Global South. CDC Solidaire receives both financial and logistical assistance from Caisse des Dépôts, which matches donations from Group employees. In 2016, the association backed 15 projects in 12 countries, for a total amount of €167,200. It put in place a system for Caisse des Dépôts employees to make micro-donations from their salaries and carried out three reconstruction projects in Nepal after the 2015 earthquake.

www.cdcdeveloppementsolidaire.org



Financing the reconstruction of a school in Nepal



Appendix

Statutory Auditors' report

Statutory Auditors' report on the consolidated, environmental, human resources and social information presented in the Caisse des Dépôts Group's 2016 Business Review and Sustainable Development Report.

Year ended 31 December 2016

In our capacity as Statutory Auditors of Caisse des Dépôts et consignations (hereinafter "Caisse des Dépôts") and in accordance with the request of Caisse des Dépôts, we hereby report to you on the consolidated environmental and social information relating to the year ended 31 December 2016 (hereinafter the "CSR Information") that Caisse des Dépôts has chosen to present in its 2016 Business Review and Sustainable Development Report, pursuant to Article L.225-102-1 of the French Commercial Code.

Responsibility of the Company

The Strategy department of Caisse des Dépôts is responsible for preparing a Corporate Social Responsibility Report. As part of Caisse des Dépôts' proactive approach, this report includes CSR Information required by the provisions of Article R.225-105-1 of the French Commercial Code, prepared in accordance with Caisse des Dépôts' environmental, social and governance reporting guidelines (the "Reporting Guidelines"), which are summarised in the appendix to the Business Review and Sustainable Development Report under "2016 CSR methodology and reporting scope" and are available upon request from the Strategy department of Caisse des Dépôts.

Independence and quality control

Our independence is defined by regulations, the profession's Code of Ethics and the provisions set forth in Article L.822-11-3 of the French Commercial Code. In addition, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with ethical rules and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

It is our responsibility, based on our work:

- ◆ to attest that the CSR Information referred to in Article R.225-105-1 of the French Commercial Code is presented in the 2016 Business Review and Sustainable Development Report or, in the event of non-disclosure, that an appropriate explanation has been provided, in accordance with the third paragraph of R.225-105 of the French Commercial Code (Statement regarding the of completeness of CSR Information);
- ◆ to express a limited assurance conclusion that the CSR Information, overall, is fairly presented, in all material

aspects, in accordance with the Reporting Guidelines (Conclusion of the fairness of CSR Information).

Eight people conducted our work between February and June 2017, taking a total of around eight weeks. We engaged CSR experts to help us with our work.

We conducted the work described below in accordance with the relevant professional doctrine of the French National Auditing Body (CNCC) and, with regard to the Conclusion on the fairness of CSR Information, in accordance with the international standard ISAE 3000⁽¹⁾.

1. Statement regarding the completeness of CSR Information

Nature and scope of our work

We obtained an understanding of the Company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the environmental and human resources impacts of the activities of the Company and its social commitments, as well as, where appropriate, resulting actions or programmes.

We compared the CSR Information presented in Caisse des Dépôts' 2016 Business Review and Sustainable Development Report with the list provided in Article R.225-105-1 of the French Commercial Code.

In the event of non-disclosure of certain consolidated information, we verified that explanations are provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e., the Company and its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, subject to the limits set forth in the methodological note included in the Caisse des Dépôts Group's 2016 Business Review and Sustainable Development Report.

Conclusion

Based on this work, and with due regard to the limitations mentioned above, we attest that in the 2016 Business Review and Sustainable Development Report contains the CSR Information mentioned in Article R.225-105-1 of the French Commercial Code.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around 30 interviews with the people responsible for the preparation of the CSR Information, the people in the entities in charge of data collection processes and, if appropriate, the people responsible for internal control processes and risk management, in order to:

- ◆ assess the appropriateness of the Reporting Guidelines in terms of their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, sector best practices;
- ◆ verify the implementation of a process for collecting, compiling, processing and checking the completeness and consistency of the CSR Information. We familiarised ourselves with the internal control and risk management procedures involved in the preparation of the CSR Information.

We determined the nature and scope of our tests and checks based on the nature and importance of the CSR Information in relation to the characteristics of the Company, its social and environmental issues, its sustainable development strategy and sector best practices.

For the CSR Information that we considered the most important⁽²⁾:

- ◆ at consolidating entity level (Caisse des Dépôts), we consulted documentary sources and conducted interviews to corroborate qualitative information (organisation, policies, actions, etc.), we analysed the quantitative information and used sampling techniques to verify the calculations and the consolidation of the information, and we also verified their coherence and consistency with the other information presented in the management report;

- ◆ at the level of a representative sample of entities that we selected based on their activity⁽³⁾, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures were correctly applied and to identify possible omissions, and we performed detailed sampling tests to check the calculations and reconcile the data with the supporting documentation. The sample selected represented on average 59% of the total workforce considered of Sufficient relevance for human resources reporting purposes, and between 42% and 100% of the environmental data considered of Sufficient relevance for environmental reporting purposes.

For the other consolidated CSR information, we assessed its consistency based on our knowledge of the Company.

Finally, where necessary, we assessed the appropriateness of the explanations relating to the total or partial absence of certain information.

We consider that the sampling techniques and sample sizes that we selected and analysed using our professional judgement allow us to provide limited assurance; a higher level of assurance would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely ruled out.

Conclusion

Based on our work, we have not identified any significant anomaly that causes us to believe that the CSR Information, taken as a whole, has not been fairly presented in compliance with the Reporting Guidelines.

Neuilly-sur-Seine and Courbevoie, 30 June 2017
The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Patrice Morot
Partner

Sylvain Lambert
Partner, Sustainable
Development department

Jean Latorzeff
Partner

Edwige Rey
Head of CSR and
Sustainable Development
department

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

(2) The most important CSR Information is appended to this report.

(3) The following entities were selected for verification: Caisse des Dépôts, Bpifrance, CDC International Capital, CNP Assurances, Compagnie des Alpes, Egis, Icade, Informatique CDC, SNI, Transdev, Qualium.

Appendix: Important CSR Information selected for verification

Quantitative human resources data

- ◆ Average monthly workforce
- ◆ Total workforce broken down by gender, socio-professional category and age
- ◆ Breakdown of new hires and departures by type of departure and by type of employment contract, turnover
- ◆ Gross average annual remuneration by gender and employment category
- ◆ % of women in governance bodies
- ◆ Number of training days for executive and non-executive staff

Quantitative human resources data

- ◆ Anti-discrimination measures
- ◆ Key measures to encourage job creation and the integration of disabled people by type of action

Quantitative environmental data

- ◆ Average energy consumption per employee
- ◆ Weight of waste by type of disposal method
- ◆ GHG emissions caused by internal operations (scopes 1-2-3)
- ◆ Annual energy consumption of the managed/owned portfolio by m²

Social data

- ◆ Measures for vetting, monitoring and supporting suppliers and subcontractors
- ◆ Policies and measures to promote respect for human rights
- ◆ Number of business ethics alerts and incidents during the past year

Responsible investment data

- ◆ Carbon footprint of the securities portfolio
- ◆ Energy consumption of the directly held real-estate portfolio (minority and majority stakes)
- ◆ Assets invested in thematic funds that contribute to the ecological and energy transition
- ◆ Assets invested in financial securities that contribute to the ecological and energy transition
- ◆ Assets invested in infrastructures that contribute to the ecological and energy transition
- ◆ Amount of assets under direct management exposed directly to the thermal coal sector



Detailed information on the Group's corporate social responsibility policy can be found in the appendix to the 2016 Business Review and Sustainable Development Report

(available on the website for the 2016 Annual Report and at www.groupecaissedesdepots.fr/en).

A big thank you to everybody who helped to produce this report:

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G R O U P

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Caisse des Dépôts Group

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