



2018 Business Review and Sustainable Development Report



**Caisse
des Dépôts**
GROUPE

“Ensemble, faisons grandir la France*”

Society is transforming, and so is Caisse des Dépôts. **Our new baseline renews and reasserts our ambition.** Our aim is to improve the daily lives of French people and contribute to sustainable, socially-minded and responsible economic development, in line with our key mission to reduce social inequalities and territorial divisions.

* Making France greater, together.

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SUSTAINABLE DEVELOPMENT GOALS

As part of the 2030 Agenda for Sustainable Development, the United Nations has introduced 17 Sustainable Development Goals (SDGs). The aim of the SDGs is to eradicate extreme poverty, fight against inequalities and injustice, and protect the environment, with a view to ensuring a viable and liveable society by 2030. The content of this report is indexed using pictograms showing how the Group's activities in 2018 contributed to the SDGs. In early 2019, Caisse des Dépôts initiated a project aimed at structuring its sustainable development policy on the basis of the SDGs.

Caisse des Dépôts

Caisse des Dépôts is a public financial institution that fulfils public-interest missions in support of public policies. This mission is entrusted to it by law. As a trusted manager for third parties and a long-term investor and lender, Caisse des Dépôts supports the undertaking of innovative, sustainable and socially responsible projects and contributes to France's economic development.

Caisse des Dépôts is built on:

5 business lines

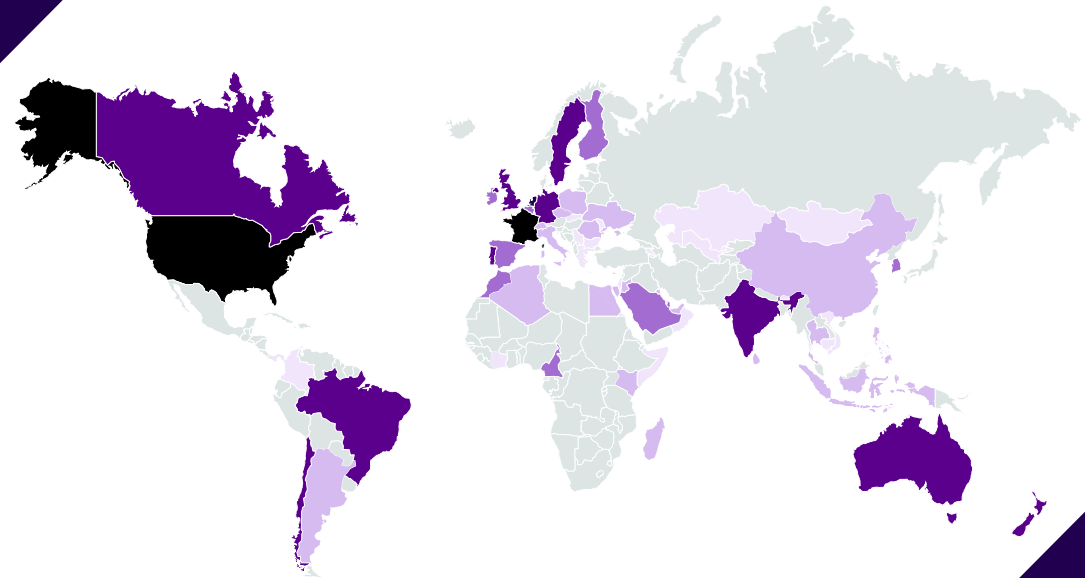
Banque des Territoires: advises, finances and works with local authorities, social housing organisations, local public companies and the legal professions;

Bpifrance: supports companies with financing solutions, from seed capital to stock exchange listings, and from credit to equity;

Pensions and Solidarity: manages public-sector pensions and solidarity funds under mandates, as well as the new "Mon compte formation" (Personal Training Account);

Asset Management: manages the financial assets, mainly bonds and equities, of Caisse des Dépôts, a leading institutional investor with a long-term focus that contributes to the financing of the French economy by taking ever greater account of environmental, social and governance (ESG) criteria;

Strategic Shareholdings Management: manages strategic investments (including Transdev, Egis, Icade, CNP Assurances, Compagnie des Alpes and RTE), the dividends of which help to fund Caisse des Dépôts' public-interest missions.



More than

121,600

employees worldwide and over

7,000

in France at the Public Institution (including the workforce of entities reporting to the Public Institution)

Presence in

65 countries

through subsidiaries and strategic investments, and 35 regional branches in France for Banque des Territoires.

€430 bn

aggregated balance sheet 2018⁽¹⁾

€3.3 bn aggregated profit⁽¹⁾

(1) Central Sector (consolidated financial statements, IFRS) + Savings Funds (French accounting standards).

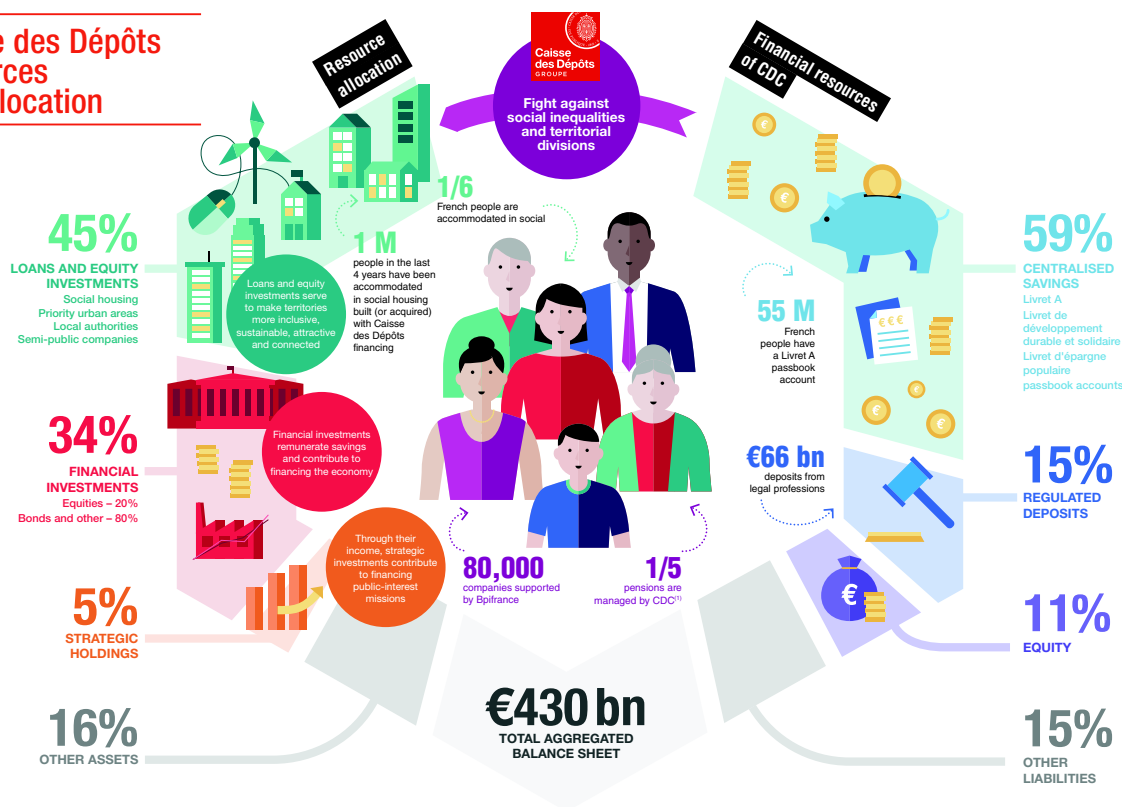
Number of employees by country



A unique model to make France greater

45% of Caisse des Dépôts' resources, which are, stable and independent of French State budget, are used as loans and equity investments to finance public-interest projects across France's territories.

Caisse des Dépôts resources and allocation



(1) The Pensions, Solidarity and Professional Training business line is managed by Caisse des Dépôts on behalf of third parties, and rebilled in euros. As such, it is not included in resources or uses.
The word "French" is used on a generic basis to designate the beneficiaries of Caisse des Dépôts' operations in France.

A model serving the public interest

Caisse des Dépôts, a trusted custodian and manager, manages the public mandates entrusted to it by law or the government, i.e. a portion of regulated savings (Livret A, Livret de Développement Durable et Solidaire and Livret d'Épargne Populaire passbook accounts, funds from legal professions, such as deposits from notaries, public sector pension funds and Mon compte formation [Personal Training Account]).

The Group converts part of these funds into very-long-term debt and equity investments to finance public-interest projects, including social housing, the ecology and energy transition (EET) and other local-authority projects.

The resources not used as loans and investments are invested in financial assets to ensure the security, liquidity and yield of the entrusted funds and generate regular returns.

In 2018, within the Savings Funds balance sheet (distinct from that of the Central Sector of Caisse des Dépôts), €253 billion of the savings centralised at Caisse des Dépôts (plus €22 billion in other liabilities) were converted into €189 billion in loans, the remainder being invested in financial assets. /...

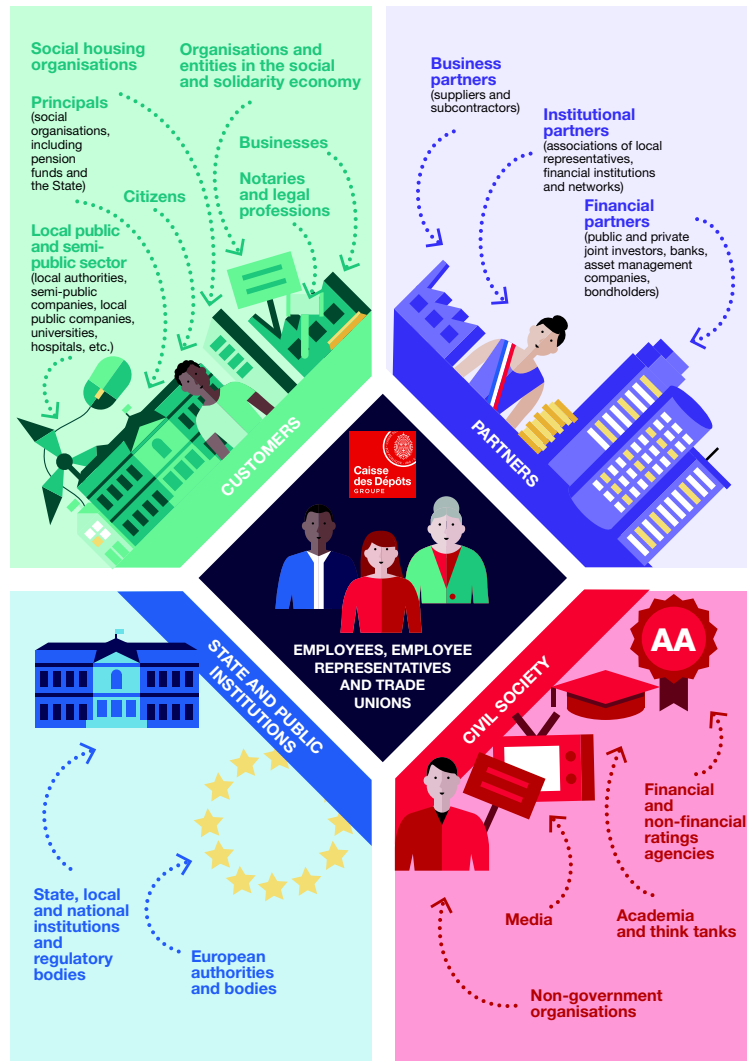
HUMAN AND INTANGIBLE RESOURCES

- 121,669 employees
- Working in 65 countries, with 53% in France
- 35 regional branches (Banque des Territoires)
- Trust capital built up over 200 years
- Long-standing commitment to sustainable development
- Dynamic dialogue with our stakeholders

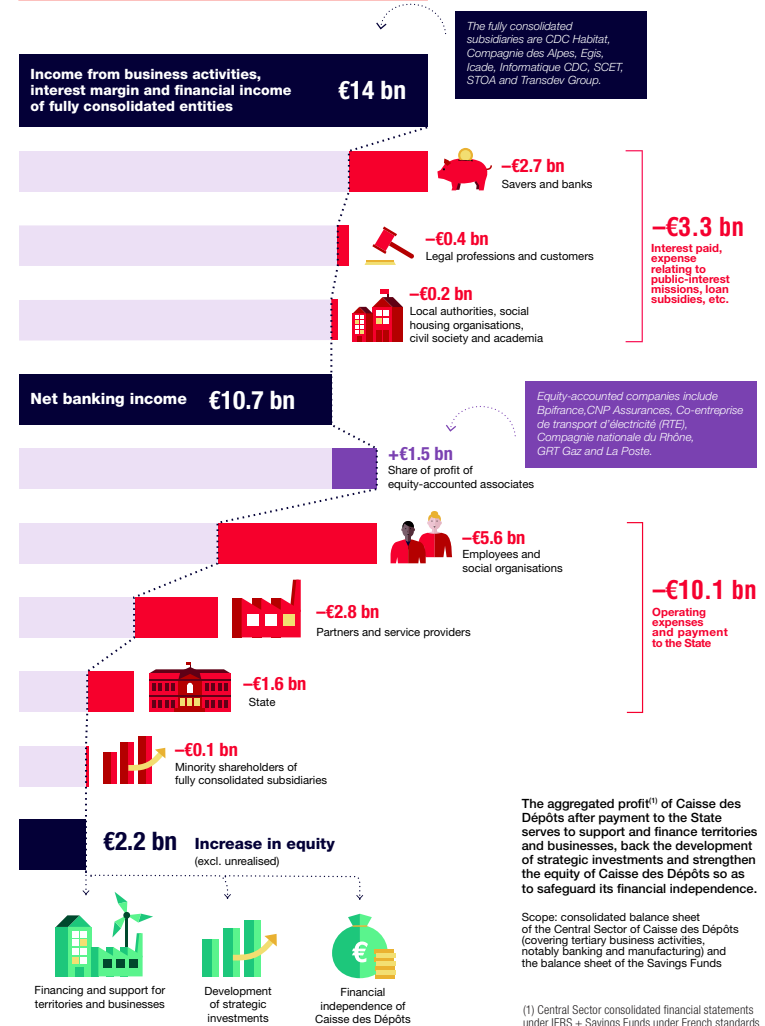
STRATEGIC HOLDINGS

Caisse des Dépôts holds strategic investments in Transdev, Egis, Icade, CNP Assurances, Compagnie des Alpes and RTE, among others. These companies are, in part, business activities that were created by Caisse des Dépôts. They were developed and thereafter became subsidiaries. This is the case for Transdev, Egis, Icade, CNP Assurances and Compagnie des Alpes.

Multiple stakeholders



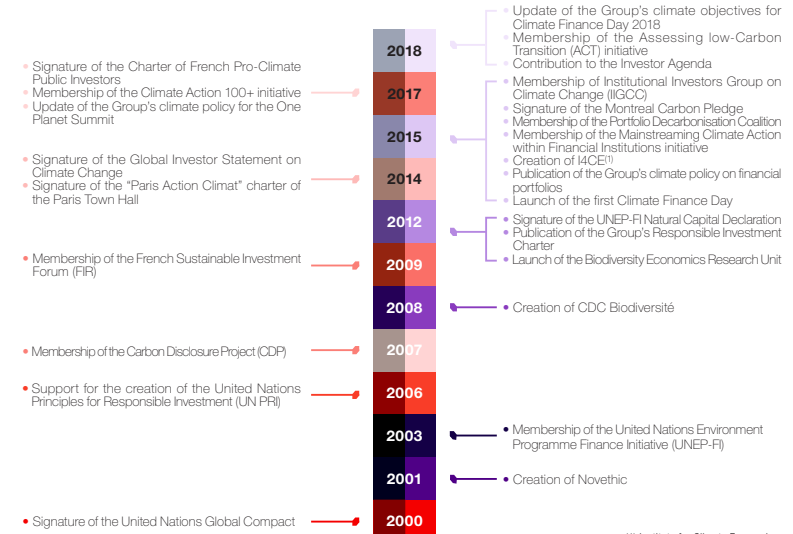
Economic value created for our stakeholders



Our 6 value creators



A group committed to sustainable development



United Nations Global Compact

Launched in 2000, the UN Global Compact brings together companies, associations and non-government organisations around ten universally recognised principles that are essential for the establishment of more sustainable and inclusive societies. Having signed up

to this initiative from the outset, Caisse des Dépôts is committed to ensuring the utmost transparency when declaring the impact of its activities and internal processes on the environment and on society. Three of its subsidiaries and strategic affiliates, CNP Assurances, Transdev and Egis, also support the initiative.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT

Human Rights

- 1 – Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 – Businesses should 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 – Businesses should uphold the elimination of all forms of forced and compulsory labour.
- 5 – Businesses should uphold the effective abolition of child labour.

- 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

- 7 – Businesses should support a precautionary approach to environmental challenges.
- 8 – Businesses should undertake initiatives to promote greater environmental responsibility.
- 9 – Businesses should 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.

Modernised governance

The Group is composed of Caisse des Dépôts, a public institution, and subsidiaries and strategic investments operating in the commercial sphere. The Group's governance system is based on two key principles: the independence of the Supervisory Board and the autonomy of the Chairman and Chief Executive Officer.

Renewed Supervisory Board

"Closely supervised by the French Parliament and the legislative process" under the Law of 1816, Caisse des Dépôts is the only financial institution in Europe that benefits from the protection of the nation.

This special status guarantees its independence. Parliament exercises control over its activities and guarantees its autonomy via a Supervisory Board. Rules of procedure updated in December 2018 set out the rights and duties of this Board and govern its relations with the Group's senior management.

The Supervisory Board's composition and missions are established by the French Economic Modernisation Act of 2008 and amended by France's PACTE law (Action Plan for Business Growth and Transformation) adopted on 11 April 2019 and enacted on 23 May 2019.

The PACTE law notably introduces a renewed and gender-equal composition.

Five specialist committees

- Account Auditing and Risk Assessment Committee;
- Savings Funds Committee;
- Investment Committee;
- Nominations and Remunerations Committee (created in 2018);
- Strategy Committee (created in 2018).

An autonomous Chief Executive Officer

The Chief Executive Officer of Caisse des Dépôts is appointed by decree of the President of the French Republic, after a presentation to the finance committees of the French Parliament. Appointed for a five-year term, the Chief Executive Officer has wide-ranging powers and a large degree of independence from the executive,

which may not forcibly remove him from office. He or she is personally and financially responsible by law for managing the funds entrusted to Caisse des Dépôts.

Caisse des Dépôts governance in figures

3 founding laws

- Law of 1816
- 2008 Economic Modernisation Act
- 2019 PACTE law

4 internal and external control systems

- Supervisory Board
- Internal control
- French prudential supervisory authority (ACPR)
- French prudential financial market authority (AMF)

3 Group-level reference documents

- Capital Adequacy Model
- Responsible Investment Charter
- Code of Ethics

4 systems on the supervision and transparency of remuneration:

- Cap on the remuneration of the Chief Executive Officer by decree
- Voluntary cap on the remuneration of Group Management Committee members
- Supervision and cap on indemnities paid to supervisory committee members
- Details of the Group senior managers' pay published annually

3 formal stakeholder consultation bodies

- Group Information and Consultation Committee (GMIC)
- Group union representatives
- Single Committee of the Public Institution (CUEP)



Further reading:

- Caisse des Dépôts Group Supplement to the 2018 Business Review and Sustainable Development Report;
- Statutory Report to Parliament 2018;
- The Governance page on the Caisse des Dépôts website.



SUPERVISORY BOARD

Under the PACTE law, effective from 1 January 2020, the Supervisory Board must be composed of 16 members, 15 of whom must be independent. The Supervisory Board must be composed at least 40% of each gender.

5 members of Parliament:
3 deputies and 2 senators

5 qualified officials
appointed by the Parliament

1 representative
from the government: the Director of the French Treasury (or the Director's representative)

3 qualified officials
appointed by the government

2 representatives
of the employees of Caisse des Dépôts and its subsidiaries

(1) The Director of the French Treasury (or their representative) is not considered to be a representative of the government.

EXTENDED DUTIES FOR THE SUPERVISORY BOARD

- Continuously oversee the management of Caisse des Dépôts;
- Monitor the medium-term plan, individual transactions and investment and divestment programmes (in accordance with thresholds and procedures set out in its rules of procedure);
- Adopt, on proposal by the Chief Executive Officer, the budget of the Public Institution, which is submitted for the approval of the Minister of the Economy;
- Approve the parent company and consolidated financial statements (and their appendices) previously adopted by the Chief Executive Officer and review the provisional accounts drafted by the latter;
- Review the strategy and risk appetite;

- Rule on risk-adapted equity and liquidity requirements on the basis of a capital adequacy model that it has determined;
- Approve and oversee overall limits of risk exposure (including the approval of the issue of Caisse des Dépôts debt instruments and their annual maximum limit);
- Approve the general organisation and policy directions of Group internal control proposed by the Chief Executive Officer;
- Review Caisse des Dépôts' policy on gender and pay equality for all employees.

Organisation

The Group Executive Committee (photo) assists the Chief Executive Officer in the execution of his strategic project. The role of the Group Management Committee, composed of the directors of the Public Institution and the directors of the subsidiaries and strategic investments, is to enrich the strategic thinking of the Executive Committee and contribute to harmonising initiatives led by the Group.



Left to right and top to bottom

- **Nicolas Dufourcq**, Chief Executive Officer, Bpifrance
- **Paul Peny**, Group Human Resources Director
- **Pauline Cornu-Thenard**, Group Risk Management Director
- **Olivier Sichel**, Deputy Chief Executive Officer, Head of Banque des Territoires
- **Catherine Mayenobe**, Group General Secretary
- **Éric Lombard**, Chief Executive Officer of Caisse des Dépôts
- **Pierre Chevalier**, Head of Group Legal and Tax Department
- **Sophie Quatrehomme**, Group Corporate Communications Director
- **Virginie Chapron-du Jeu**, Group Finance Director
- **Olivier Mareuse**, Chief Investment Officer, Director of Savings Funds
- **Michel Yahiel**, Pensions and Solidarity Director

A transformed Caisse des Dépôts, with a renewed ambition, at the service of the country

It is vital to lend all of its meaning to this institution, which is a true source of wealth for the development of our country.

Sophie Errante,
Chair of the Supervisory Board
Deputy, Loire-Atlantique



Caisse des Dépôts enjoyed a particularly active year in 2018, with the launch of Banque des Territoires and the roll-out of numerous public-action programmes together with the government, such as the Plan logement (Housing Plan) and Territoires d'Industrie (Industry Territories) and Action Cœur de ville (City Centre Action) programmes.

The Pensions and Solidarity business line took a key step forward with the entrusted management of the Mon compte formation (Personal Training Account) law. It was a record year for Bpifrance loans and aid, while the German group Rethmann acquired a stake in the capital of Transdev and new commitments were made in favour of the climate. Lastly, 2018 saw the announcement of a review of an alliance between Caisse des Dépôts and La Poste Group.

The modernisation of the governance model under way will enable the Supervisory Board to play a full role in the oversight of the strategic directions of Caisse des Dépôts. Preserving the singular model of Caisse des Dépôts is fundamental. Its ability to intervene in the service of the economy, both countercyclically and for all territories, must be ensured.

It is also vital that our fellow citizens become more fully aware of Caisse des Dépôts and its work. Caisse des Dépôts is by their side every day throughout their lives. The public action led by Caisse des Dépôts – be it through Banque des Territoires, the missions entrusted to it by the government, or through its subsidiaries – cover the entire country, including mainland France and French overseas territories.

Through the efforts of all the teams in 2018, I believe our fellow citizens and the clients of Caisse des Dépôts now have a firmer grasp of what the Caisse des Dépôts does and how useful it is for everyone. It is important for us to continue these efforts and lend all of its meaning to a 200-year-old resource that, by working every day to reduce inequalities, stands as a true source of wealth for the development of our country.

What do you see as the highlights of 2018?

2018 was a year of transformation for Caisse des Dépôts. In less than a year, the Group organised into five main business lines with a dual objective of clarity and efficiency. Clarity, because a public institution that manages part of the French population's savings, the deposits of the legal professions and one pension in five must be more transparent. And more efficient, too, because this organisation system serves to bring us closer to our clients and stakeholders. It was also an eventful year for all the business lines, with the project to form an alliance with La Poste Group and our new climate commitments.

What were the main financial results?

Amid an uncertain economic and financial environment, aggregated profit⁽¹⁾ was stable at €3.3 billion, even though the Group has opted for new accounting standards (whereby capital gains made on the equity portfolio are no longer recognised in our profit) and 2017 comprised exceptional items. It should be stressed that the Asset Management and Strategic Shareholdings Management business lines account for 65% of this profit. We were able to pay €1.6 billion to the State, which is a major contribution. The consolidated balance sheet⁽¹⁾ came out at €430 billion and illustrates Caisse des Dépôts' commitment to the public interest.

What is the outlook for Caisse des Dépôts?

We are staying our course: to take action to reduce social inequalities and territorial divisions. One of the most important projects for 2019 and the coming years will be the construction of the first public financial division serving all the territories through the alliance with La Poste Group. Above and beyond the objective of creating a "bancassurance" division between La Banque Postale and CNP Assurances, the aim is to better coordinate our work and harness the complementary fit between our two institutions.



Other key challenges include successfully implementing Mon compte formation (Personal Training Account), contributing actively to the universal pension scheme, and stepping up our contribution to territorial development with Banque des Territoires and Bpifrance. For example, we aim to invest €16 billion in projects favouring the EET between now and 2020. This ambition of a sustainable world extends to the decarbonisation of our portfolios of financial assets. Our commitment is not new, as we signed the United Nations Global Compact – to which I reassert my support – back in 2000.

To take action to reduce social inequalities and territorial divisions.

Éric Lombard,
Chief Executive Officer, Caisse des Dépôts

⁽¹⁾ Caisse des Dépôts consolidated financial statements under IFRS and Savings Funds financial statements under French standards.

Watch the video of an interview with Eric Lombard at <https://www.caissedesdepots.fr/rapport-annuel-2018>

2018 in eight key points

2018 was a founding year for Caisse des Dépôts, reviewed here in eight key points.



1. The launch of Banque des Territoires: the public interest chooses its bank

Launched in May 2018, Banque des Territoires aims to fight against social inequalities and territorial divisions. It addresses local authorities, social housing bodies and legal professions across all the territories.



2. Four major plans implemented by Banque des Territoires

In February, the €10 billion Plan logement (Housing Plan) was introduced to support the investments and transformation of social housing. This was followed by the Action Cœur de ville (City Centre Action) programme to regenerate 222 city centres in mid-sized towns and smaller communities. The Territoires d'industrie (Industry Territories) initiative to stimulate industry in 136 territories was launched at the end of the year. The programmes were also completed by the Major Investment Plan (Grand plan d'investissement, PIA).

3. The management of the Personal Training Account and involvement in future pension reform.

In 2018, Caisse des Dépôts was entrusted with the task of developing new apps for users and training bodies; it also contributes actively to discussions on the future universal pension scheme.



4. The reorganisation of asset management

As the leading asset manager with public status and the number four institutional investor with €155 billion in assets under management, Caisse des Dépôts is a benchmark long-term investor on the European financial markets.

5. The planned alliance between Caisse des Dépôts and La Poste Group: building the leading public financial group serving the territories

The structuring project is aimed at forming a top-level bancassurance division through the merger of La Banque Postale and CNP Assurances. The PACTE law, adopted in May 2019, enables Caisse des Dépôts to hold a majority stake in La Poste Group.

6. The project for the German group Rethmann to acquire a stake in Transdev Group and for Euronext to increase its stake

With the acquisition by Rethmann, Transdev Group now has two long-term shareholders, with Caisse des Dépôts confirming its role as majority shareholder. The development is key to Transdev's international expansion.

7. A record year for Bpifrance: contributing to the future of French businesses

Bpifrance mobilised some €19 billion in loans and aid for micro-businesses and SMEs, with a particularly dynamic performance on the financing of industrial equipment for manufacturing, transport, the ecology and energy transition (EET) and cash advances. Support initiatives were ramped up, with over 15,000 training and advisory actions.



8. Climate commitments strengthened

Caisse des Dépôts strengthened its climate commitments, both in terms of financing, with an objective of €16 billion⁽¹⁾ in loans and capital investments in favour of the EET over the 2018-2020 period, and the withdrawal from the coal sector. It also reasserted its commitments regarding the decarbonisation of its asset portfolio as well as shareholder dialogue.



⁽¹⁾ Banque des Territoires and Bpifrance.

2018 Key figures

Financial Rating

AA/Aa2/AA

aligned with that of the French State

Non-financial ratings

71/100

Vigeo Eiris – leader in its sector in 2017

C

Oekom – among the leaders in 2018 (“Prime” status)

A+

UN PRI – maximum performance

in the “Strategy and Governance” category in 2017

Top 7%

AODP (Asset Owner Disclosure Project) – among the leaders in terms of factoring climate risks into investment policies in 2017

Social and societal indicators

90%

of the Caisse des Dépôts workforce attended training in 2018

Over €3 bn

in purchases made from the disabled workers sector in 2018 by the Group (Caisse des Dépôts and subsidiaries) in 2018

Environmental indicators

€5.5 bn

in EET project financing committed in 2018 (34% of the €16 billion objective for 2020)

–45% (equities)⁽¹⁾

–55% (bonds)⁽²⁾

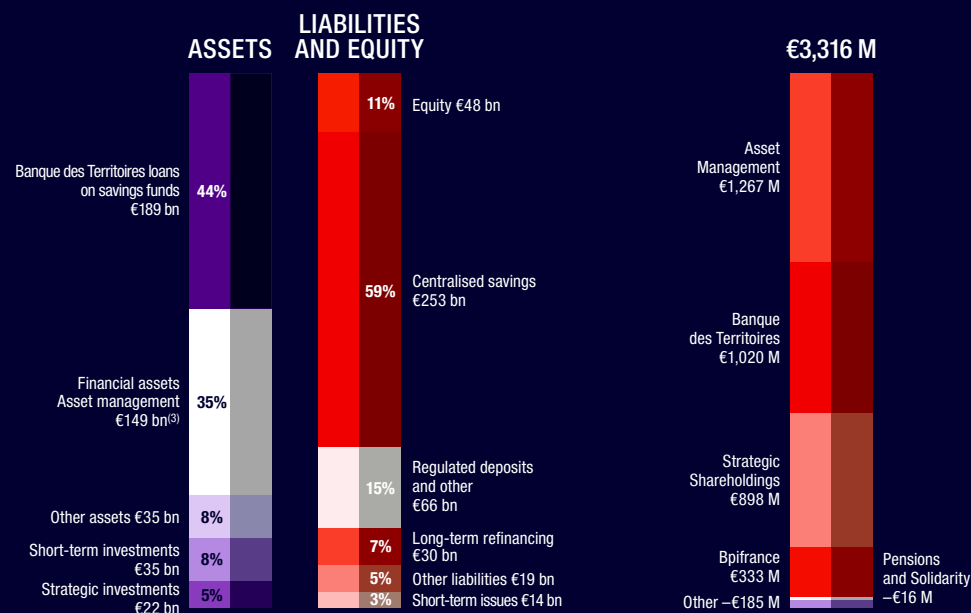
Reduction of the carbon footprint⁽³⁾ of directly owned portfolios between 2014 and 2018 (objective of –20% between 2014 and 2020)

(1) Group scope.
(2) Caisse des Dépôts scope.
(3) Tonnes of CO₂ equivalent emitted per thousand euros invested.

Financial indicators

Aggregated balance⁽²⁾
€430 bn

Contribution to aggregated profit⁽²⁾ of the 5 business lines



(2) Central Sector consolidated financial statements under IFRS + Savings Funds under French standards.
(3) €154.6 billion in market value.

€48 bn

Aggregated equity⁽²⁾ (o/w €12 billion for the Savings Funds and €36 billion in aggregated equity for Caisse des Dépôts)

€3.3 bn

Aggregated profit⁽²⁾ (o/w €1.5 billion in operating profit for the Savings Funds and €1.8 billion in attributable net profit, Group share)

€1.6 bn

Contribution to the State budget (o/w a €543 million payment from the Savings Funds, €914 million in payments in respect of the aggregated profit of Caisse des Dépôts and a €117 million contribution representative of corporation tax)

Business activity

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Banque des Territoires, a key partner of French territories

With the launch of Banque des Territoires, focused on clients, local authorities, social housing bodies and the legal professions, 2018 was also marked by the unprecedented launch of new offerings.

France's territories continued to transform at a brisk pace in 2018. To bring them better support, Caisse des Dépôts launched Banque des Territoires and is rolling out an initial large-scale plan, the Plan logement (Housing Plan).

Banque des Territoires, a key partner of French territories

Banque des Territoires was the major new development in 2018. The new brand was launched officially on 30 May 2018 with the crucial mission of fighting against territorial and social divisions by making territories more inclusive, attractive, sustainable and connected.

Banque des Territoires was created to better respond to client needs with a clearer offering and



The historic centre of Chartres, one of the 222 town centres concerned by the Action Cœur de ville (City Centre Action) programme

local support. Local authorities, social housing bodies, organisations, local public companies and the legal professions now have a single Banque des Territoires contact person at one of 35 sites located across France. Clients in all the country's territories, from rural areas to large cities, have access to a comprehensive and modular offering ranging from advice on financing to real estate management. The offering is available via a unique digital platform launched in November.

Banque des Territoires brings together the general-interest financing activities and the real estate advisory and management activities through two subsidiaries, SCET and CDC Habitat, operating in the competitive sector.

Plan logement (Housing Plan): €10 billion in innovative loans

From February to July 2018, Caisse des Dépôts implemented a €10 billion Plan logement (Housing Plan) within an unprecedented space of time.

The financially innovative and fully digital plan aims to support landlords in their transformation and encourage their investment efforts. The plan provides a debt extension of five to ten years on existing stocks – for a total €2 billion in second-generation equity financing (PHB2.0) – €4 billion in fixed-rate loans, €3 billion in short-term loans and €1 billion in equity for ownership division arrangements.

Continuing through 2020, the plan has been extremely positively received, particularly the debt extension offering, with demand for €16 billion in debt outstanding from 370 landlords (two out of three landlords), and the PHB2.0, the total amount for 2018 having

been entirely utilised. The latter will serve to finance the construction of over 110,000 social housing units.

Action Cœur de ville (City Centre Action) and Territoires d'industrie (Industry Territories)

The year continued with the implementation of the Action Cœur de ville (City Centre Action) programme by the French government for a total €5 billion over five years. City Centre Action aims to regenerate 222 city centres in mid-sized cities and smaller communities. Banque des Territoires is supporting the programme with €1 billion in equity and €700 million in loans and credit. In engineering, at end-2018, 222 agreements had been signed and €10 million in engineering loans and over 50 investment projects had been committed.

Banque des Territoires ended the year with the "Territoires d'industrie" (Industry Territories) programme, with support in engineering and investment for 136 industrial territories in the form of €100 million per year from the French government.

These new programmes supplement the initiatives led in priority urban areas and those carried out as part of the Programme d'investissements d'avenir (Investments for the Future, PIA) programme, with 30 initiatives amounting to over €11 billion for the latter in 2018. /...



PLAN LOGEMENT IN FIGURES

€2 bn in second-generation PHB2.0 equity financing, over a 20-year period and interest-free subsidised by Action Logement

€4 bn in fixed-rate loans: the Booster loan for construction, loans supporting the restructuring of the sector, and a debt rescheduling offer for €2 bn

€3 bn in short-term loans

€1 bn in equity: ownership division arrangements through Tonus Territoires, a new subsidiary of Caisse des Dépôts

The town of Saint-Nazaire implemented a wide-ranging city-centre regeneration plan in 2014 addressing a variety of sectors, including housing, retail, employment, training, facilities and mobility, as well as heritage issues and the role played by culture in public spaces. Through the Action Cœur de ville initiatives of Banque des Territoires, we hope to involve new partners, develop an adapted project methodology and further strengthen our efforts for inhabitants.

Laurianne Deniaux,
Deputy Mayor of Saint-Nazaire

...

A year marked by a wait-and-see environment

In 2018, Banque des Territoires granted €12.8 billion in loans for social housing and local authorities. In a wait-and-see environment, with the draft ELAN law⁽¹⁾, and despite the Plan logement, loan agreements fell 25% on 2017. The social housing and priority urban policy sector continued to dominate, with nearly €12 billion in loans, while local public sector loan agreements amounted to €1.1 billion. In the latter sector, the banking offering remains extensive and interest rates low. In all, outstanding loans increased to €188.5 billion.

Equity investments with local public companies stood at nearly €800 million, mainly concerning commercial real estate programmes, digital infrastructure and the ecology and energy transition (EET). Outstandings rose to €3.9 billion.

In banking business with the legal professions (including notaries, bailiffs and court-appointed administrators and receivers), outstanding deposits increased by €3 billion to €68 billion in 2018. Loans to the legal professions more than doubled, and thanks to Ciclade, the website for locating unclaimed assets (bank accounts, collective retirement savings plans, life insurance policies), some €107 million was returned.

SCET and CDC Habitat: real estate management advice for French territories

Having been long and continuously subject to pressure from solicitations from all types of territories, SCET

has undergone a deep-seated transformation in recent years to become a major contributor to the Advisory division of Banque des Territoires. For example, in 2018 it played a front-line role in the Action Cœur de ville (City Centre Action) programme and the Réinventons nos cœurs de ville (Reinventing City Centres) call for projects, as well as in its support for all the players involved in the development of the emblematic post-Fessenheim project.

The SNI group, now CDC Habitat, continued its activity as a global real estate operator, increasing its managed portfolio to nearly 500,000 housing units. In 2018, CDC Habitat acquired shares in Vesta, a property company, and Maisons & Cités, the number-one low-cost-housing landlord in the Hauts-de-France region. CDC Habitat also completed the first closing of the intermediate housing fund FLI2⁽²⁾, with €900 million. Lastly, CDC Habitat reorganised into a single low-cost-housing company (ESH), CDC Habitat Social, by merging the Group's 13 ESH entities.

Strategy: focus on local presence and sustainable development

With France's territories evolving rapidly, Banque des Territoires is working to bring them even more support with immediate and bespoke solutions.

Banque des Territoires' advisory offering and financing solutions aim to make territories "more inclusive", with social housing, real estate and service offerings enabling seniors to remain at home, and to develop "more sustainable" territories, through renewable energy,

data-enhanced energy efficiency, the circular economy and the food transition. To make territories "more connected", Banque des Territoires finances infrastructure, new-generation data centres and sustainable, mobile and smart transport. And to develop "more attractive" territories, Banque des Territoires finances a top-quality property offering for business, accommodation, facilities and leisure activities that is adapted to new uses.

Banque des Territoires is also strengthening its sustainable development policy, for example by integrating more non-financial criteria in the analysis of the projects to be financed and in the design of its offerings, while also committing to encouraging social responsibility among its clients and partners.

2019: increased resources for social housing bodies and local authorities

In May 2019, Banque des Territoires presented its Plan logement 2 addressing social housing bodies. The objectives of the new plan are to strengthen the equity of social landlords and provide the sector with medium-term visibility. It notably includes €800 million in participating securities intended as a priority for public housing offices (OPH), the reimplementation of first- and second-generation subsidised equity financing (PHBB). To respond to visibility requirements, the plan comprises €4 billion in fixed-rate loans, €50 million in interest rebates per year (2020 to 2022), €4 billion in property loans in marginalised areas for an 80-year period, and an extra €1 billion for the Eco-loan, for a total amount of €4 billion (the borrowing limit having been raised from €16,000 to €22,000 per renovated housing unit). Banque des Territoires also plans to pursue the roll-out of European financing. In the local public sector, new offerings of loans at Livret A passbook rates of 0.75% are planned, including Mobi Prêt (loans for bike paths, multimodal hubs), Edu Prêt (crèches to universities) and the GEMAPI (aquatic environment management and flood prevention) extension to Aqua Prêt.



2018 KEY FIGURES

€12.8 bn loans to social housing and local authorities, of which €12 bn (€11.7 bn) for social housing and priority urban policy and €1.1 bn for the local public sector

€188.5 bn outstanding loans (compared with €185 bn in 2017)

€769 M earmarked: equity investments, of which over 85% in real estate, digital technology and the EET

€68 bn average banking deposit outstandings (up €3 bn compared with 2017)

€29 bn SCET territorial advisory and engineering revenues

Nearly **500,000** housing units managed for CDC Habitat (compared with 425,000 in 2017)



The Fulton building: social housing in Paris

Find out more about financed projects at caissedesdepots.fr/rapport.annuel.2018



(1) ELAN Act: For landlords, this law entails a €1.5 billion reduction in personalised housing aid (APL) and rents per year. Half of the solidarity rent reduction (RLS) will be reflected in a decrease in rents, and the other half in an increase in VAT from 5.5% to 10% for the construction of new housing or thermal renovation. In addition, a cap of 12,000 housing units and/or €40 million in revenues encourages social landlords failing to reach this threshold to group together.

(2) The FLI2 targets a size of €2 billion for total production of some 11,000 housing units, mainly around the Grand Paris Express network and large provincial cities.

Bpifrance: a catalyst for company growth

In 2018, Bpifrance stepped up its action in financing and equity for micro-businesses, SMEs and mid-caps, boosted its assistance for exports, and moved up to a new level in terms of company support programmes.



Bpifrance Inno Génération 2018

Record year for financing the investment and growth of SMEs and mid-caps

With €19 billion in credit and aid rolled out, up 9% on 2017, 2018 was a record year. All types of credit increased, from medium- to long-term credit for investments, up 8%, to short-term credit, up 13%.

The financing of physical investments, including industrial equipment for production, transport and the EET, showed particularly strong momentum. Bpifrance is also confirming its pivotal role in the financing of intangible investments for SMEs and mid-caps, supplementing conventional banks in the financing of intangibles and increasing the working capital requirement for company development projects. The amount of cash advances came out at €8.7 billion, up 14% on 2017, demonstrating the increase in the capital requirements of companies, driven by their growth.

With €1.2 billion in aid and financing granted in 2018, innovation financing with public funds was down

10% but remained at a high level after doubling in size between 2013 and 2016. Seed-funding loans and innovation loans posted extremely strong growth.

€2 billion in equity investments

The equity business mobilised €2 billion in 2018 through direct intervention in the capital of 247 companies (compared with 213 in 2017) and serving 50 partner French investment funds.

Direct investments in innovation capital grew a strong 20%, driven by the increase in large-scale fundraisings by French start-ups.

The growth capital business (SMEs, mid-caps and large-caps) increased substantially in terms of the number of companies invested in, from 126 in 2017 to 143 in 2018. Amounts invested fell from €2,691 million in 2017 to €732 million in 2018, with 2017 having included an exceptional investment of €1.9 billion in the capital of the PSA Group.

The Fund of Funds business once again had an extremely active year, following a record 2017, with a total investment amount of €902 million in 50 partner funds. The business continued to contribute to the ramp-up of French investment funds, both in terms of the number and size of funds raised.

Guarantees, export and support

Bpifrance guaranteed €8.7 billion in loans to French banks, involving over 60,000 companies through their commercial banks. Loan guarantees remain a privileged tool for intervening in favour of micro-businesses, particularly in the sensitive phases of company transmission and creation. Micro-businesses thus account for nearly 90% of the Guarantees business.

In the Export business, the number of SMEs and mid-caps supported increased 10%, marking a turning point in the shift towards more widespread access to public tools for financing exports.

The Support business, now a Bpifrance business line in its own right, continued to expand. Bpifrance extended its business scope with over 3,600 one-off advisory assignments with SMEs and mid-caps, over 10,000 entrepreneurs networked, and 8,000 new people trained via the e-learning platform. Some 640 companies have been accelerated since the launch of the first "Accelerator" programme in 2015. Partnerships with the regions continued, notably through the launches of "Accelerators" in the Grand Est, Hauts-de-France, Centre-Val de Loire and Île-de-France.

A Bpifrance investment is a true partnership. It marks the first key step in the development of our Group, particularly given the huge challenges that electronic equipment recycling and waste poses for our sector, especially in the coming years.

Jérôme Auclair,
CEO of Environnement Recycling



KEY FIGURES

€19 bn in loans and aid for businesses:
+9% vs 2017

€8.7 bn in loans guaranteed

€2 bn in investments in the capital
of 247 companies and 50 funds

80,000 businesses financed
by Bpifrance

+10% in the number of companies
financed and insured for exports

500 companies currently being accelerated
in SME and mid-cap accelerators (+77%)



Strategic Shareholdings Management: a springboard for public interest

The portfolio posted an impressive performance in 2018 in terms of revenues and profits. The Strategic Shareholdings Management business line, one of the strongest profit contributors, serves to finance the public-interest activities of Caisse des Dépôts.

Strategic Shareholdings Management goes well beyond financial management. Caisse des Dépôts sits on the board of directors and monitors the development of companies working in key sectors such as banking and insurance, real estate, infrastructure, mobility and engineering. Adopting a long-term approach, the management of these holdings is based on three criteria specified by CEO Éric Lombard: the financial interest for Caisse des Dépôts, the social interest of these companies, and the public interest. Read on to find out more.

Banking and insurance

The environment was difficult in La Poste Group's various markets. Postal volumes are in decline, interest rates remain at historically low levels and margins are under pressure across Europe. This led to a downturn in results (with net profit down 6.3% and 4.2% on a like-for-like basis). However, thanks to the solidity of its multi-business model, the Group was able to pursue its development in line with its strategic plan.

CNP Assurances had a successful year in terms of reorienting its product mix and embedding its digital transformation. Revenues totalled €32.4 billion, up 0.7% (and 4.1% on a like-for-like basis), driven notably by strong momentum in Europe and Latin America.

Real estate and tourism

Icade grew its results substantially, increasing attributable net profit (Group share) by 19% to €155 million and posting strong growth in net operating cash flow (+9% per share) and adjusted net assets (+6% per share).

These results bear out the relevance of Icade's integrated real estate operator model as a property investment and development company. In 2018, Icade



accelerated the turnover of its office and business-park portfolio, made headway on its projects in commercial property and initiated the diversification of Icade Santé in EHPAD residences for dependent seniors.

Compagnie des Alpes achieved record performances in 2018, both in terms of operations and net profit. Consolidated Group revenues came out at €801.2 million, up 6% on a restated basis (3.1% like-for-like). The performance reflected growth in ski resorts and leisure venues.

Mobility, energy and engineering

In 2018, Transdev Group's ownership structure changed, with the Rethmann group acquiring a stake. Transdev now has two long-term shareholders, Caisse des Dépôts, which confirmed its role as majority shareholder, and the Rethmann group.

RTE (Réseau de Transport d'Electricité, the French transmission system operator) revenues increased 4% to €4.8 billion, a result mainly of the tariff indexing mechanism set out in TURPE 5 (public electricity

network tariff). RTE posted strong performance in EBITDA and net profit in 2018, at €2,059 million and €603 million, respectively.

In 2018, the annual production of Compagnie Nationale du Rhône (CNR) totalled 14.3 TWh, up sharply on 2017. Water conditions were slightly better than the average of the last ten years, by over 0.3 TWh.

In engineering, Egis achieved strong economic performances, with revenues of over €1.1 billion, up by nearly 8%, and profit of €29 million, bolstered by robust momentum in motorway concessions and construction engineering.

Thanks to Citiway, Transdev and mobility partners, we have developed two innovative projects: a smartphone for travelling across the entire Mulhouse conurbation by bus, tram and bike, and Chrono Pro, which enables users in certain regions to select the bus stops serviced by their bus and take them to the exact stop of their choice.

Denis Rambaud,
Vice Chairman of the Mulhouse Alsace conurbation,
Head of Urban Mobility



LA POSTE: A STRATEGIC ALLIANCE PROJECT

The flagship project in 2019 was the formation of a large-scale public financial unit within the Caisse des Dépôts Group. The new entity will comprise a leading bancassurance division, following the merger of La Banque Postale and CNP Assurances, and will be backed by Caisse des Dépôts. Under the PACTE Act, adopted in May 2019, Caisse des Dépôts is authorised to hold a majority stake in La Poste Group.

This is the initial key step in a project that will prove of central importance in 2019 and culminate in a public financial unit with total assets of over €1 trillion.



Caisse des Dépôts: a leading asset manager with public status

A public institutional investor, Caisse des Dépôts is a central player in a range of market initiatives. A pioneer in sustainable finance, it operates across all asset classes with a view to developing a competitive low-carbon economy.

Asset Management: a strategic business line

As a core Public Institution player, Asset Management is one of the five business lines of Caisse des Dépôts. Caisse des Dépôts is an institutional investor which stands apart through its long-term policy, emphasis on direct management and investments made in France and Europe, and commitment as a responsible investor in all asset classes. The Asset Management business line, created in 2018, manages all the financial investments of Caisse des Dépôts made with the assets of the Savings Funds, an entity focused on the resources and use of regulated savings centralised at Caisse des Dépôts, and the assets of the Central Sector, i.e. Caisse des Dépôts and its subsidiaries.

With €155 billion in financial assets under management (market value), Caisse des Dépôts is the number-one asset manager with public status and the number-four institutional investor. Its objectives are to generate regular results, make a substantial contribution to the assets/liabilities of the two balance sheets, have the ability to free up liquidity resources where necessary, and make a significant contribution to the financing of the French economy.

Positive results in a difficult environment

Assets are composed 72% of fixed-income securities, 22% of equities, 4% of forest assets and 3% of unlisted funds. Asset Management comprises three subsidiaries: CDC Croissance, for the listed shares of small- and mid-caps, CDC Investissement Immobilier and Société Forestière.

The economic environment was difficult in 2018, with the initial signs of a slowdown in growth worldwide

and in France. Money-market and sovereign rates remained very low, resulting in a decline in the yields of bond portfolios. Equity markets fell, with the CAC 40 blue-chip index down 11%.

Despite this environment, outstanding investments managed continued to rise, by €4 billion. Financial income totalled €4.3 billion, mainly generated by financial income on equities stemming from capital gains and increased dividends.

A responsible investor committed to sustainable finance

For Climate Finance Day in November 2018, Caisse des Dépôts announced new commitments in favour of the climate.

Caisse des Dépôts continues to decarbonise its portfolios. Since 2014, the carbon footprints of its directly held listed equity and corporate bond portfolios have been reduced by 37% and 55%, respectively. Half of the objective to reduce the energy consumption of property investments by 38% by 2030 has already

Our stock selection is based on fund manager analysis of company outlooks, including strategic and non-financial prospects as well as financial prospects. We are driven by the conviction that the development of these securities must be predicated on a framework of best practices in environmental, social and governance terms.

Gilles Hayem,
Head of Equity Management, Asset Management, Caisse des Dépôts

been met. Caisse des Dépôts is also in the process of completely withdrawing its investments from thermal coal, and from 2019 it will no longer invest directly or via funds in companies whose coal-related business exposure is equal to over 10% of revenues.

Caisse des Dépôts is working to strengthen its shareholder dialogue and in 2019 launched a new climate survey with companies in which it holds shares, particularly those working in sectors relating to the substantial production or consumption of fossil fuels.

The commitments announced by Caisse des Dépôts on Climate Finance Day go above and beyond financial assets, with €16 billion financing the ecology and energy transition (EET) planned between now and 2020. Taking the form of loans and equity investments, this financing will be implemented by Banque des Territoires and Bpifrance to support projects with a positive climate impact. At end-2018, 34% of the objective had been met, with €5.5 billion in funds committed.



KEY FIGURES

€155 bn assets under management, o/w 22% equities and 72% fixed-income instruments

€2.2 bn in small- and mid-cap assets CDC Croissance

€6 bn in real estate assets CDC Investissement Immobilier

300,000 hectares under management for a value of €2 bn Société Forestière



Pensions and Solidarity: a public institution central to innovative projects

The reforms made to the universal pension system and the creation of Mon compte formation (Personal Training Account) position Caisse des Dépôts as a key player in France's transformation towards greater social cohesion.

An expert in social protection

Serving 70 funds and plans, the Pensions and Solidarity business line of Caisse des Dépôts supports French people throughout their lives. Pensions and Solidarity boasts in-depth and wide-ranging expertise in social policies, acquired through its long-standing role as a manager of public pension plans and social protection funds.

The business line contributes to future-looking thinking on pension and solidarity issues. It has launched its own simulation model, Canopée, to make long-term projections in line with current regulations and future reform scenarios. In 2018, it published studies on survivors' pension benefits, motivations for retirement, a typology of career profiles at Ircantec, and trends in civil servant pensions over the generations for the three public sectors.

In October 2018, the business line organised a major forum on public pensions. It renewed the management and targets-based agreement binding it to the French pension fund for local and regional authority employees (CNRACL) for a further five years. The

PENSION REFORM: THE PENSIONS AND SOLIDARITY BUSINESS LINE CONTRIBUTES ITS EXPERTISE TO THE DEBATE

The Pensions and Solidarity business line is contributing alongside the public authorities to the debate on pension plan reform. On 15 October 2018, it organised a pension forum entitled "Which public pensions and which universal scheme?" with the participation of all the stakeholders and notably attended by Jean-Paul Delevoye, High Commissioner for Reform, and Pierre-Louis Bras, Chairman of the Pens Policy Committee.

business line has signed new partnerships with several Union Retraite member schemes.

A pivotal player in occupational training

Under the Act of 5 September 2018, Caisse des Dépôts was entrusted with the development of new apps for users and training organisations. On 11 January 2019, the Labour Ministry and Caisse des Dépôts signed an agreement enabling Caisse des Dépôts to initiate the implementation of the new Mon compte formation (Personal Training Account).

As part of this agreement, the French government has delegated a substantial part of its occupational training policy to Caisse des Dépôts, including the individualised course plan, the rights and supply of personal accounts, and the management of the funds of mandatory and voluntary contributions.

I met with extremely motivated Caisse des Dépôts teams. They fully embraced the ambition of the project, in terms of both the technological aspects, which are highly innovative, and the ergonomics, which are highly intuitive for users. This is a world first. France is the only country to provide a smartphone app for choosing a training course, signing up and paying for it!

Muriel Pénicaud,
Labour Minister



Labour Minister Muriel Pénicaud meets with the Caisse des Dépôts teams in charge of the smartphone app and the future Personal Training Account site.

Find out more at <https://retraitesolidarite.caissedesdepots.fr/>

Caisse des Dépôts will also be responsible for the remuneration of training organisations and for monitoring training and organising promotional activities with the public authorities.

The project team has made considerable headway, launching a dedicated website in November 2018 and creating a newsletter for the training organisations. Starting in late-November 2019, with the Mon compte formation (Personal Training Account) mobile app, users will be able to benefit from an individualised course plan, directly access the training catalogue, and sign up to the course they have chosen to help them achieve their professional goal.

New activities under development

The Pensions and Solidarity business line harnesses its expertise to support other public policies, including on disabilities and ageing, as well as other Caisse des Dépôts business lines, including Banque des Territoires, with, for example, the Ciclade project on unclaimed assets, and the management of some of the projects in the Programme d'investissements d'avenir (Investments for the Future) and Plan d'investissement dans les compétences (Investments in Skills) programmes.

KEY FIGURES

Pensions managed by Caisse des Dépôts in 2018:

3.9 M pensioners (1 out of 5 in France), of whom 645,000 new pensions paid and 7.6 million contributors to one or several schemes

Occupational training:

7.1 M Personal Training Accounts activated and 28 million Personal Training Accounts updated on the basis of declarations by 2 million private-sector employers

Financial management:

€63.3 bn in financing received and €59.4 bn in benefits paid

€13.3 bn in assets under management



Responsibilities

Identity | 01

Business activity | 20

Responsibilities | 34

- 36 | Sustainable policy
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- 48 | Responsible investment
- 54 | Fair practices and transparency
- 56 | Impacts of business activities and internal operations
- 58 | Recognised global performance

Sustainable policy: four key issues

For Caisse des Dépôts, social responsibility is a strategic and cross-cutting ambition to which each of its five business lines contributes. This ambition is part of the Group's sustainable policy alongside three additional responsibility focus areas.

Managing global performance

Caisse des Dépôts' sustainable policy aims to mainstream sustainable development issues into all the business activities of Caisse des Dépôts as well as into its strategic holdings.

This includes developing product and service offers with a positive social and/or environmental impact in each sector of activity. These offers are designed to respond to real customer needs.

Rolling out sustainable financial practices constitutes a major priority. As such, the Group's investment practices operate under a responsible investment policy aimed, notably at integrating climate issues in business activities.

Caisse des Dépôts' sustainable policy is also focused on internal operations. This part of the policy notably comprises the "Écotidien, ensemble tous responsables" programme on the responsibility of all employees addressing three key operating issues: reducing greenhouse gas emissions, offsetting a part of these emissions, and implementing responsible operations (including responsible purchasing and the responsible use of resources).

Internal CSR management is rounded out by policies led on ethics, the fight against corruption, anti-money laundering and the counter-financing of terrorism, and socially responsible human resources management.

Since the start of 2019, the Finance Department has coordinated this sustainable policy at Group level. The new organisation approach marks a further step towards the integrated management of financial and sustainability performance.

Strengthening sustainability management

Caisse des Dépôts has initiated several major projects since spring 2018.

The first of these focuses on the implementation of a sustainability risk management approach and its integration in the Group's global risk management process. This initiative is part of Caisse des Dépôts' determination to voluntarily apply the provisions of Order no. 2017-1180 as part of the European framework on sustainability reporting. Work on the project has thus far served to identify the most significant sustainability risks. The corresponding management systems are currently being identified or specified (see the following article on the management of non-financial risks).

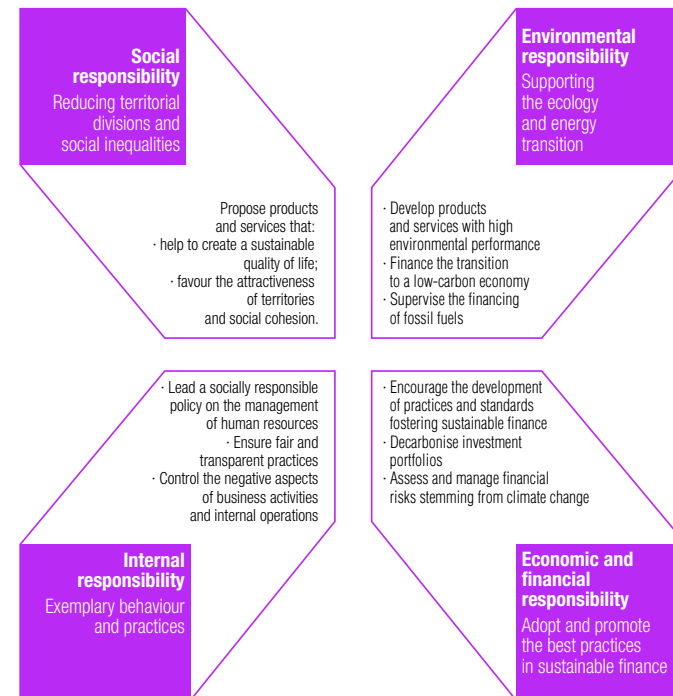
The second project consists in structuring the sustainable policy of Caisse des Dépôts on the basis of the guidelines of the United National Sustainable Development Goals (SDGs). A cross-functional working group mandated by the Group Executive Committee was implemented in early 2019. The working group is tasked with introducing a process based on two objectives: optimising Caisse des Dépôts' contribution to the SDGs and systematically integrating them in the management of its business activities. The group will notably be able to draw on the "pilot" work completed as part of the "Écotidien" approach.



Today more than ever, Caisse des Dépôts is duty-bound to support the major sustainable transition afoot in the country. This support must reach the broadest population and all the territories. Our aim quite simply is to reduce territorial divisions and social inequalities.

Éric Lombard,
Chief Executive Officer, Caisse des Dépôts

A balanced approach to value creation



Caisse des Dépôts' sustainable policy comprises four commitments, each one encompassing several policies and systems.

Non-financial risks: towards a management approach

Caisse des Dépôts leads an exemplary approach. For approximately ten years it has published information on its non-financial performance on a voluntary basis in accordance with French regulations. To adapt to regulatory changes, in 2018 it began work to identify the main non-financial risks of the entire Group, including the Public Institution, its subsidiaries and strategic investments.

The work was carried out in three phases: the identification of the main non-financial risks in respect of the business model of Caisse des Dépôts (see p. 4-7); the constitution of the corresponding risk management measures; and the definition of appropriate key performance indicators. For some risks (see "business line" non-financial risks on p. 42-45), additional work will be led in second-half 2019 for publication in 2020.

At Group level⁽¹⁾, seven significant risks were identified. These risks are cross-functional, applying to governance, ethics and human resources. The risk management systems in force at Caisse des Dépôts and/or Group level are summarised below.

(1) The scope of this work relies on that of non-financial reporting, comprising Caisse des Dépôts, Bpifrance, CDC Biodiversité, CDC Habitat, CDC International Capital, CNP Assurances, Compagnie des Alpes, Egis, Icade, Informatique CDC, SCET, Société Forestière and Transdev. The methods used to establish this scope are specified in the "Note on Methodology" section in the supplement to this report.

STATEMENT OF NON-FINANCIAL PERFORMANCE

On 19 July 2017, the publication of Order no. 2017-1180 initiated the transposition into French law of Directive 2014/95/EU on the publication of non-financial information by companies. The corresponding Decree no. 2017-1265 introduces, in addition to the Grenelle laws, the requirement for companies to publish, in respect of financial years begun from 1 September 2018 onwards, a "statement of non-financial performance" in their management report. As Caisse des Dépôts corresponds to none of the legal forms concerned, it applies these provisions on a voluntary basis. This report and its supplement thus constitute the Group's first "statement of non-financial performance".

Group non-financial risks

| Family of risks and associated risks | Main impacts | Risk management system | | Key performance indicators | | | |
|--|--------------|---|---|---|--|---------------------|--------------------|
| | | Group | Caisse des Dépôts | Details and additional information | Title | Data | |
| | | | | | | 2018 | 2017/2018 |
| Business ethics – Unethical practices and breaches of ethical principles – Illegal bargaining ⁽¹⁾ | | – Code of ethics – Systems for anti-money laundering and the counter-financing of terrorism (AML/CFT) and anti-corruption – Internal control policy – Global risk mapping – Internal audit policy – Responsible investment charter | – Code of ethics – AML/CFT, anti-corruption and anti-fraud systems – Global risk mapping and classification of AML/CFT risk exposure – Training systems – Tax status – Purchasing policy | Business Review and Sustainable Development Report: p. 48-50 / 54-55 Supplement: sections 2.2-5 | Ethics alerts (number) ⁽²⁾ (excl. CDC Biodiversité) | 31 ⁽³⁾ | +22 ⁽⁴⁾ |
| Stakeholder satisfaction Inability to satisfy stakeholders | | – Interventions in favour of the reduction of social inequalities and territorial divisions – Sustainable policy and responsible investment charter – Ethics policy (see above) – HR policy (see below) – Institutional relations and partnership policy (notably regarding sustainable development and innovation) – Mediator and mediation charter – Non-financial ratings by specific agencies | – Ethics policy (see above) – Institutional relations and partnership policy (notably regarding sustainable development) – Customer relations management systems – Responsible purchasing policy – Sponsorship policies | Business Review and Sustainable Development Report: p. 4-5 / 8 / 22-33 / 36-37 / 58 Supplement: sections 1.3 / 2.1-5 | Grievances and complaints filed against the entity relative to its impacts on the environment, society or human rights (number) ⁽²⁾ (excl. Bpifrance and SCET) | 2 ⁽⁴⁾⁽⁵⁾ | +1 |
| Data security and the protection of privacy Failures in data protection and the integrity of information systems | | – General Data Protection Regulation (GDPR) Officer role held by the Group Corporate Secretary (member of the Group Management Committee) – GDPR Steering Committee – Information systems security policy | – Personal data protection system – GDPR Steering Committee – IS safety system – Training and awareness-raising programme for each system | Business Review and Sustainable Development Report: p. 54-55 Supplement: section 2.2.6 | Complaints received relative to personal data protection (via CNIL) and processed (number) ⁽²⁾ (excl. Bpifrance, CDC Biodiversité, CDC International Capital, Egis, SCET, Société Forestière) | 5 | +5 |

Environmental Financial Reputational Legal Human







The risk management systems used by Caisse des Dépôts and/or the Group are specified in the specific sections of this report and its supplement. The supplement also addresses:

- the policies and measures implemented by the subsidiaries and strategic shareholdings;
- data on strategic holdings where a key performance indicator cannot be consolidated at Group level (specified where the case);
- the methodology for identifying and classifying the Group's non-financial risks.

(1) Illegal bargaining consists in the use of labour provided by a third party with a view notably to generating a financial gain. It is characterised by three criteria: the transfer of the subordination relationship, the lucrative aim of the operation, and the violation of employee rights.
 (2) Data not subject to external verification.
 (3) Data unavailable for Bpifrance and CDC Habitat.
 (4) The increase can be attributed notably to the introduction in 2018 of whistleblowing systems in accordance with the Sapin 2 Act and the corresponding disclosures.
 (5) Data unavailable for Compagnie des Alpes.

Group non-financial risks

| Family of risks and associated risks | Main impacts | Risk management system | | Key performance indicators | | | |
|---|---|--|---|--|--|--|-----------|
| | | Group | Caisse des Dépôts | Details and additional information | Title | Data | |
| | | | | | | 2018 | 2018/2017 |
| Human capital - Failures in the development of human capital - Difficulties in attracting and keeping talent |  | - Policy on employee transfers within the Group - "Group Prospect" talent pools (for high-potential individuals) and "Managerial Resources" (for future senior executives) - Senior executive unit and corresponding service offer - "Manager" system (under redevelopment) - CDC University (including the Management University) | - Career support systems - Policy on internal staff transfers - Policy on strategic workforce planning - Annual training plan - Policies on remuneration, profit-sharing and employee savings plans - Policy on quality of work life - Recruiting and retaining apprentices - Equal opportunities policy | Business Review and Sustainable Development Report: p. 46-47 Supplement: sections 2.1.2-4 | Employee access to training (as a %) ⁽¹⁾⁽²⁾ Training time per intern (average number of hours) Satisfaction of interns (score out of 4) ⁽²⁾ Staff turnover (as a %) ⁽¹⁾⁽²⁾ Job position filling time (average number of days): - internally ⁽²⁾ - externally ⁽²⁾ | 89.8% +8.7 pts 12.7 -2.7% 3.7 - 7.7% -3.2 pts 83.0 - 93.1 - | |
| Social dialogue Poor-quality social dialogue |  | - Information and Consultation Committee (CMIC) - Group union representatives - Group-level agreements on gender equality, mobility and the forward-looking management of jobs and skills | Single Committee of the Public Institution (CUEP) | Business Review and Sustainable Development Report: p. 46-47 Supplement: section 2.1.1 | Agreements signed (number) | 914 stable | |
| Diversity and equal opportunity Employee discrimination |  | Policy on gender equality | - Global policy on diversity and equal opportunities (gender, disabilities and age) - Policy on gender equality - Policy on disabilities - Inter-generational policy | Business Review and Sustainable Development Report: p. 46-47 Supplement: section 2.1.2 | Proportion of women (as a %): - in recruitment ⁽¹⁾⁽³⁾ - on the Executive Committee ⁽²⁾ Proportion of employees with disabilities (as a %): - direct ⁽¹⁾⁽²⁾ - legal ⁽¹⁾⁽²⁾ Proportion in recruitment (as a %): - of under-30s ⁽¹⁾⁽²⁾ - of over-55s ⁽¹⁾⁽²⁾ | 38.6% - 36.4% - 6.0% stable 7.4% stable 24.7% - 5.7% - | |
| Quality of working life Poor quality of life at work |  | Workforce survey (every three years) | - HR policy (see "Human capital") - Policy on quality of work life | Business Review and Sustainable Development Report: p. 46-47 Supplement: section 2.1.4 | Absenteeism rate due to illness (as a %) ⁽¹⁾⁽⁵⁾ Proportion of employees satisfied with their occupational situation (as a %) ⁽¹⁾⁽⁴⁾ | 5.2% - 76% - | |

i The risk management systems used by Caisse des Dépôts and/or the Group are specified in the specific sections of this report and its supplement. The supplement also addresses:
 - the policies and measures implemented by the subsidiaries and strategic shareholdings;
 - data on strategic holdings where a key performance indicator cannot be consolidated at Group level (specified where the case);
 - the methodology for identifying and classifying the Group's non-financial risks.

 Environmental
  Financial
  Reputational
  Legal
  Human

(1) Data not subject to external verification.
 (2) For Caisse des Dépôts only.
 (3) Scope: private-law permanent contracts, private-law fixed-term contracts, and public-law fixed-term contracts.
 (4) Proportion of employees who said they were mostly satisfied or very satisfied with their occupational situation among the employees who took part in the Group's 2018 workforce survey.
 (5) For the workforce in France.

Fifteen significant "business line" non-financial risks have been identified regarding the respective activities of Caisse des Dépôts' business lines, as well as those of its subsidiaries and strategic investments. The systems employed to control these risks are currently being identified and formally established, and this work will continue in 2019. This reporting nevertheless serves to assess the performance of the various business lines relative to their respective risks.

"Business line" non-financial risks

| Family of risks and associated risks | Banque des Territoires | | Bpifrance | Pensions and Solidarity | Asset Management | | Strategic Shareholdings Management | | Details and additional information | Key performance indicators | | |
|--|------------------------|---|--------------|-------------------------|------------------|---|------------------------------------|-------|--|---|--------------------|-----------------------|
| | Main impacts | Scope | Main impacts | Main impacts | Main impacts | Scope | Main impacts | Scope | | Title | Data | |
| | | | | | | | | | | | 2018 | 2018/2017 |
| Management of subsidiaries and investments Insufficient control of the operations of the subsidiaries and strategic investments | | | | | | | | | Caisse des Dépôts Business Review and Sustainable Development Report: p. 42-45 Supplement: section 1.1.7 | Participation rate of Caisse des Dépôts representatives in the board meetings of listed strategic investments and subsidiaries (as a %) ⁽¹⁾ | 86% | - |
| Biodiversity Artificialisation of soil and destruction of biodiversity | | CDC Habitat | | | | Société Forestière | | | lcade CDC Biodiversité Supplement: sections 1.3.4 / 2.3.5 / 2.4.3 | (Not available for this financial year) | - | - |
| Sustainable design Insufficient integration of the environmental impact of buildings/facilities in their design | | | | | | | | | Compagnie des Alpes Egis Supplement: sections 1.3.4 / 2.3 | (Not available for this financial year) | - | - |
| Waste and pollution Pollution and/or ill-adapted waste management | | | | | | | | | Compagnie des Alpes Transdev Supplement: sections 2.3,2-4-10 | (Not available for this financial year) | - | - |
| Sustainable operations Insufficient integration of the environmental impact of buildings/facilities in their design | | CDC Habitat | | | | | | | Compagnie des Alpes Egis lcade Supplement: sections 1.3.4 / 2.3 | (Not available for this financial year) | - | - |
| Shareholder engagement Failure to use the status of shareholder to support the companies in major transformation issues | | Banque des Territoires (excl. CDC Habitat and SCET) | | | | Asset Management (excl. Société Forestière) | | | Business Review and Sustainable Development Report: p. 48-53 Responsible Investment Report: section 1.3 | Implementation of RI Charter on "The quality of ESG monitoring of the portfolio by the investors in the financial year" (as a %) ⁽¹⁾ Share of companies held in the portfolio subject to shareholder dialogue on energy and/or climate issues (as a %) ⁽¹⁾ Share of annual general meetings of the listed large caps held by Caisse des Dépôts during which it exercised its voting rights (as a %) | 56% 37% 100% | stable - stable |
| Financial inclusion The financial conditions set do not serve to strike a balance between public-interest support and profitability | | Banque des Territoires (excl. CDC Habitat and SCET) | | | | | | | Business Review and Sustainable Development Report: p. 22-25 Supplement: sections 1.2.1 / 1.3.9 | (Not available for this financial year) | - | - |
| ESG integration Failure to integrate ESG criteria in deciding on and monitoring investments, in granting and monitoring loans, and in choosing customers | | Banque des Territoires (excl. CDC Habitat and SCET) | | | | Asset Management (incl. Société Forestière) | | | CNP Assurances Business Review and Sustainable Development Report: p. 48-53 Responsible Investment Report: sections 1.1 / 3.1-5 | Implementation of RI Charter on items (as a %): - Quantity and quality of ESG information collection and analysis ⁽¹⁾ - Documented integration of ESG data in investment decisions ⁽¹⁾ | 65% 61% | +6 pts +5 pts |
| Social cohesion - Failure to provide services and/or solutions and/or financing contributing to the strengthening of social cohesion and the reduction of social inequalities - Insufficient protection for vulnerable customers - Functional diversity and geographical accessibility insufficiently taken into account | | Banque des Territoires (incl. CDC Habitat) | | | | | | | Business Review and Sustainable Development Report: p. 22-25 / 32-33 Supplement: sections 1.3.4-9-10 | (Not available for this financial year) | - | - |

Environmental Financial Reputational Legal Human

(1) Data not subject to external verification.

“Business line” non-financial risks

| | Banque des Territoires | | Bpifrance | Pensions and Solidarity | Asset Management | | Strategic Shareholdings Management | | Details and additional information | Key performance indicators | Data | | |
|--|------------------------|---|--------------|-------------------------|------------------|---|------------------------------------|---|---|--|----------------|--------|-----------|
| | Main impacts | Scope | Main impacts | Main impacts | Main impacts | Scope | Main impacts | Scope | | | Title | 2018 | 2018/2017 |
| | | | | | | | | | | | | | |
| Family of risks and associated risks | | | | | | | | | | | | | |
| Economic development of territories Failure to provide services, solutions and financing contributing to the development of territories and the reduction of territorial divisions | | Banque des Territoires (incl. CDC Habitat and SCET) | | | | | | lcade | Business Review and Sustainable Development Report: p. 22-27 Supplement: sections 1.3.4-9-10 | (Not available for this financial year) | - | - | |
| Digital transformation - Failure to provide services, solutions and financing contributing to the digital transformation - Lack of integration of digital technologies in the offers and services proposed - Failure to seize opportunities relating to product-service systems | | | | | | | | Egis CNP Assurances Transdev | Business Review and Sustainable Development Report: p. 22-25 / 28-29 Supplement: sections 1.2.1 / 1.3.7-9 | (Not available for this financial year) | - | - | |
| Ecology and energy transition - Failure to provide services, solutions and financing contributing to the ecology and energy transition (EET) - Lack of innovation and sustainability in the services and solutions proposed - Lack of support for territories in their own transition - Failure to anticipate the physical and financial impacts of climate change and the EET | | Banque des Territoires (incl. CDC Habitat and SCET) | | | | Société Forestière | | CNP Assurances Informatique CDC Transdev lcade Egis | Business Review and Sustainable Development Report: p. 17 / 24-26 / 31 / 50-51 Supplement: sections 1.3.4 / 2.3 Responsible Investment Report: sections 2.1-2 | Overall success rate in meeting the EET financing objective (as a %) (reminder: €16 bn between 2018 and 2020) (Not available for this financial year) | 34% | - | |
| Quality of the offer and customer satisfaction - Inability to satisfy customers (or principals) and/or shortcomings in the ability to play the role of trusted third party - Shortcomings in the ability to play the role of partner to customers in the long term - Lack of diversity and reliability in service offers - Opaque practices in communication, marketing and sales - Shortcomings in the security of facilities/infrastructure and in the security of people - Lack of physical, geographical and price-related accessibility of infrastructure and housing - Shortcomings in the protection of customer data | | Banque des Territoires (incl. CDC Habitat and SCET) | | | | Société Forestière | | Compagnie des Alpes CNP Assurances Informatique CDC Transdev | Supplement: sections 1.3.7-8-12 / 2.2.6 | (Not available for this financial year) | - | - | |
| Security of funds Poor protection of funds against fraud | | | | | | | | | Business Review and Sustainable Development Report: p. 54-55 Supplement: section 2.2.1 | (Not available for this financial year) | - | - | |
| Long-term management Implementation of a short-term policy on asset management | | | | | | Asset Management (excl. Société Forestière) | | | Business Review and Sustainable Development Report: p. 48-53 Responsible Investment Report: section 1.1 | Portfolio turnover rate (as a %) - Global - Discretionary equities Proportion of investments made in (as a %) - hedge funds - derivatives (for ends other than hedging) | 5.40% 5.99% | - - | |

i Further reading:
- Supplement to the 2018 Business Review and Sustainable Development Report;
- the respective non-financial performance statements of the subsidiaries and strategic shareholdings:
• **Bpifrance (2018 Bpifrance SA Annual Report)**
• CDC Habitat (not published at time of writing)
• **CNP Assurances (2018 CSR Report)**
• **Compagnie des Alpes (2018 Registration Document)**
• **Egis (2018 Non-Financial Performance Statement)**
• **lcade (2018 Registration Document)**
• **Transdev (2018 Non-Financial Performance Statement)**

Human Resources: employees central to the transformation

To respond to the transformation challenges of the Public Institution, the Human Resources Department has initiated work on three major projects: the renovation of the HR function, the redefinition of its employment and professional recognition policy, and the renewal of its social dialogue bodies. The department is also reasserting its firm commitment in terms of social responsibility.

HR vital to support for employees and managers

The transformation objectives of the HR function are to strengthen advice and support, reduce decision-making times, simplify processes and clarify the HR service offer. The programme, developed on the basis of a participative approach initiated in late 2018, relies on all the discussions led at HR and on feedback from employees, managers and operational business lines.

Employees have been provided with a training plan addressing priority challenges and future professions. The main themes are digital technology, renewable energies, the territorial transition and new management methods. Over 2,700 participants have benefited from CDC University training programmes, 1,700 of whom on the development of managerial skills.

RESTRUCTURING THE SOCIAL DIALOGUE FRAMEWORK

The social dialogue framework was extensively restructured in 2018, both at Group and Public Institution level, through three main legislative changes under Act no. 2018-217 of 29 March 2018 and Decree no. 2018-449 of 5 June 2018: the clarification of the representativeness criteria of trade unions at Group level; the introduction of a single employee representation body; the authorisation granted to Caisse des Dépôts to form collective agreements applying both to civil servants and employees so as to ensure the consistency of the HR rules applying to personnel.

Structuring social dialogue

A number of structuring agreements were signed in 2018. A new framework agreement for 2019 to 2021 that sets out the HR roadmap in favour of three main policy directions:

- a well-balanced employment policy focused on strengthening skills;
- a dynamic policy on professional recognition;
- a socially responsible policy.

A new profit-sharing agreement was signed for the 2018-2020 period. The agreement places particular emphasis on the collective commitment of employees and the proportion of women in senior-executive appointments.

A socially responsible employer

Convinced that a socially responsible HR policy is vital to labour performance, Caisse des Dépôts is committed to a policy of "working better together".

Promoting gender equality: Caisse des Dépôts is pursuing its initiatives in favour of equal pay by remedying any observed pay gaps between men and women (new system implemented in 2017), balancing appointments of senior executives (52% women appointed) and rolling out awareness-raising actions (prevention of sexism, better sharing of parental responsibilities).

Boosting employment opportunities for disabled people: in 2018, the Public Institution achieved a direct employment rate of 6.01% and a legal rate of 7.42%. In addition, the priority on compensating situations of disability was pursued with the imperative of digital accessibility to be taken into account in new apps and internal tools.

Helping young people from priority urban areas join the labour market: as part of its policy to promote equal opportunities, HR implemented concrete actions in 2018 addressing young people from priority urban areas. These actions are led with partner organisations, including Nos Quartiers ont du Talent, Mozaïk RH, and Les Entretiens de l'Excellence.

Continue embedding the quality of life at work approach: the 2016-2019 agreement on the quality of life at work lends concrete form to the transformation of Caisse des Dépôts through the introduction of fundamental measures on management and the development of employees and through experimental measures on organisation and work time, as well as work-life balance.

The fifth employee survey served to pinpoint the main trends, including: pride in belonging to the Group (93%), the satisfaction of employees with their professional situation (74% of the Public Institution), and the feeling of being focused on the satisfaction of external customers (73% of employees).



Find out more in the Supplement to the 2018 Business Review and Sustainable Development Report.

KEY DATA

134,879 hours of training at Caisse des Dépôts

914 collective agreements signed at the Group

7.42% legal rate of employment of workers with disabilities at Caisse des Dépôts, and a direct employment rate of 6.01%

52% of the senior executives appointed at Caisse des Dépôts in 2018 were women

115 apprentices recruited at Caisse des Dépôts

613 remote workers at Caisse des Dépôts, up 33.8% on 2017

Over 121,600 employees at the Group 47% based internationally and over 7,000 for Caisse des Dépôts and its affiliated entities

Group data: Caisse des Dépôts and subsidiaries.



Fostering responsible investment

The Caisse des Dépôts Group seeks to achieve financial performance and a positive impact on society. It is committed alongside its partners to promoting more sustainable finance and redirecting capital towards a low-carbon economy.

As a long-term investor, Caisse des Dépôts integrates environmental, economic, social and governance factors into its investment policy with a view to contributing to the viable development of the economy and society. It is committed over the long term to promoting responsible investment practices both in its own and its partners' businesses to reconcile the long-term interests of investors with those of all aspects of society.

A cross-cutting policy

The Group has introduced a Responsible Investment Charter setting out the major principles that guide it in the management of financial portfolios and capital investments. The Charter specifies three complementary principles to convert the Group's vision into concrete actions in the investment process:

- the analysis and integration of environmental, social and governance criteria (ESG) into investment and management decisions;
- the committed monitoring of investments, notably

EXCLUSION POLICY

Norm-based exclusions

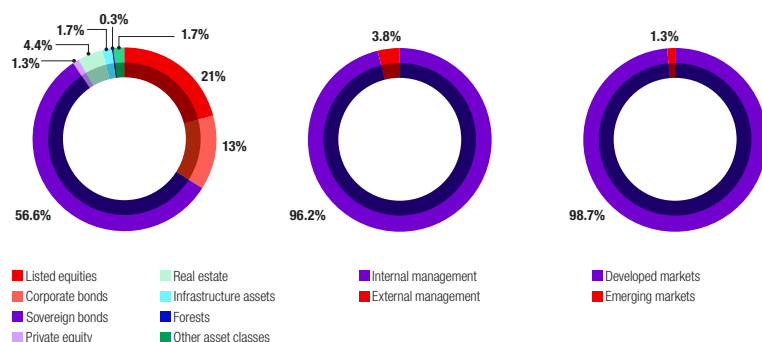
- States and territories deemed as non-cooperative jurisdictions for tax enforcement
- Jurisdictions at high risk of money laundering and terrorism financing

Sector-based exclusions

- Anti-personnel mines and cluster bombs
- Tobacco (Caisse des Dépôts and Bpifrance)
- Thermal coal

Caisse des Dépôts investments

Caisse des Dépôts invests in a diverse range of assets, most of them in developed markets.



These assets include the Asset Management and Banque des Territoires investment business lines. They do not include the outstanding investments managed by Strategic Shareholdings Management (excluding STOA) or the loans of Banque des Territoires. Figures correct as at 31/12/2018.



through permanent dialogue with the management teams of companies and annual general meeting votes on these issues;

- the exclusion from portfolios of assets whose business activities or management fail to comply with the fundamental principles contained in the treaties and agreements ratified by France.

In addition, some priority issues for all the portfolios have been reviewed in greater depth, reflected in theme-based policies: general principles on the governance of listed companies, exclusion principles for investments in countries and territories contributing to financial fraud, and a Group climate policy. These principles, together with the Investment Charter, constitute Caisse des Dépôts' responsible investor policy. Regularly updated by the Group Management Committee, this policy applies to all of the Group's investment business lines.

Implementation via the financial business lines

Each Group financial business line and subsidiary implements this responsible investor policy in line with its corporate purpose, the way in which it manages its portfolios, and the different asset classes that it manages.

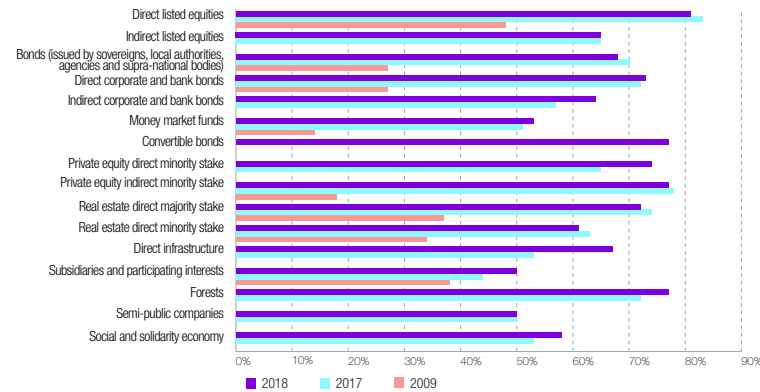
Supplementing the Business Review and Sustainable Development Report, the Group's 2018 Responsible Investment Report responds to the requirements on transparency specified by French law relative to the energy transition for green growth (TECV Act)⁽¹⁾ and details this implementation.

i For more information, read the 2018 Responsible Investment Report.



⁽¹⁾ For institutional investors, the Energy Transition for Green Growth Act established reporting requirements on their management of climate-related risks and, more broadly, on the integration of environmental and social criteria in their investment policy.

Group Responsible Investment Charter indicator, 2009-2018



Monitored implementation

The Group assesses the implementation of its responsible investment policy on a yearly basis using an indicator that monitors the implementation by its teams of the constituent operational processes. These include the collection of information and ESG analysis, the integration of this analysis in management decisions, shareholder monitoring and engagement on identified ESG weaknesses, the training of teams on these issues, and the integration of responsible investment criteria in the calculation of the variable remuneration of the teams.

In 2018, Banque des Territoires updated its ESG criteria integration tool, notably by developing sustainability rating grids designed to help decision-making on new investments, contributing to the progress observed on the private equity direct minority stake and infrastructure asset classes. The other evolutions are due to the organisation or non-organisation of training courses during the year and the extension of the calculation scope of the indicator with the addition of the subsidiaries STOA and CDC Croissance.

Group climate commitments strengthened in 2018

Climate Finance Day, held on 26-28 November 2018, brought together the key players in finance committed to the fight against global warming and its consequences. At the fourth edition of Climate Finance Day, Caisse des Dépôts, a partner of the event since its creation in 2015,

presented a review of its climate policy along with new commitments on limiting global warming to 2°C and, if possible, 1.5°C, in accordance with the provisions of the Paris Agreement.

Financing the ecology and energy transition

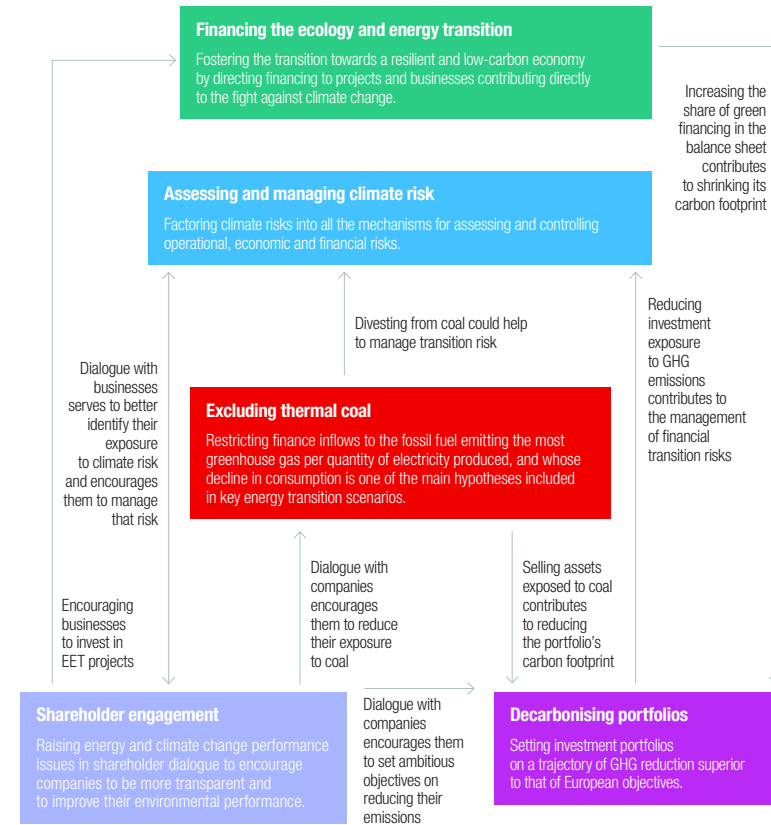
After exceeding the initial objective on financing the EET by earmarking €18 billion between 2014 and 2017 (compared with the €15 billion to which Caisse des Dépôts, Bpifrance and CNP Assurances initially committed), Banque des Territoires and Bpifrance are now targeting €16 billion in financing between 2018 and 2020, for a "green share" of over 20% of their projected consolidated loans for the period. At end-2018, €5.5 billion had already been committed.

Most of this funding corresponds to loans financing green infrastructure, the thermal renovation of real estate assets and the development of France's environmental technology sector.

...

i Find out more at: <https://www.banquedesterritoires.fr>

The Group's five climate action areas



In June 2019, the institution issued a sustainable bond, financing assets with a social contribution and a strong climate performance.

Assessing and managing climate risk

By factoring explicit climate-related criteria into its investment process, the Group is able to better assess and manage the transition risks stemming from climate change.

Caisse des Dépôts has implemented or is currently rolling out four projects integrating climate risk:

- the incorporation, in 2018, of climate change into the Group's risk management policy;
- the integration, in 2018 and 2019, of climate risks into internal ratings attributed by the Risk Management Department;
- the construction of a climate risk mapping of the balance sheet;
- an assessment of the financial impact of climate scenarios.

The first project was carried out in 2018; the three others are under way.

Decarbonisation of portfolios

Caisse des Dépôts has committed to reducing the carbon footprint of its listed-equity and corporate-bond portfolios and improving the energy performance of its real estate investment portfolio.

In 2018, Caisse des Dépôts also joined the IC20 initiative, a collective commitment initiated by the French private equity industry in support of the responsible and transparent management of investee company greenhouse gas emissions.

Shareholder dialogue in favour of the climate

Caisse des Dépôts engages in dialogue with companies on their long-term strategy, particularly in sectors for which the transition is a vital challenge to sustainability. The results of these discussions inform portfolio management decisions and carbon management. In all, the Group interacted with over 500 listed and unlisted businesses in 2018 on their climate strategy. The Group also systematically exercises its voting rights at the annual general meetings of companies held in the portfolio. In 2018, Caisse des Dépôts voted in favour of 22 external resolutions on environmental issues. In 2019, an extensive survey will be launched with the companies with the greatest potential exposure to climate risks to assess their perception of these risks and encourage them to implement a relevant management system. The answers will serve to further shareholder dialogue.

"COLLABORATIVE" SHAREHOLDER DIALOGUE

Since the end of 2017, Caisse des Dépôts has been a member of the Climate Action 100+ coalition, an international group of over 300 investors representing over \$33 trillion that calls on the companies with the highest emissions or substantial exposure to take environmental action. In 2018, the coalition addressed an agri-food business, sending a collective letter signed by the investors to the company chairman asking him about the company's environmental and social commitments, and organising a meeting with the ESG heads.

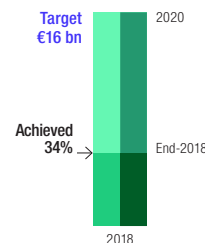
RENEWABLE ENERGY: THE WORLD'S FIRST TURBINE POWERED BY LOCAL BIOETHANOL IN LA REUNION

Albioma is an energy production company committed to transition its business model away from fossil fuel and currently the leading producer of solar power in French overseas departments. In 2018, Albioma commissioned a 100% biomass and bagasse power plant, tripling renewable energy production in Martinique. In Saint-Pierre in La Réunion, the world's first turbine powered by local bioethanol was commissioned in early 2019.

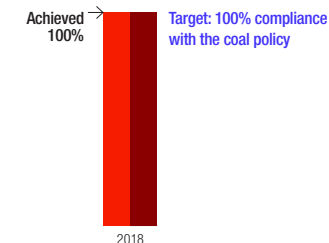
Thermal coal exclusion policy

From 2019 onwards, Caisse des Dépôts will no longer invest, directly or via the funds, in companies whose exposure to thermal coal exceeds 10% of revenues, the previous cap being 20%. In 2018, the Group complied with its policy and did not own any shares or bonds linked to coal beyond the set thresholds, with the exception of a stake in Albioma, which the Group is helping to implement its low carbon transition plan.

Financing projects in favour of the EET

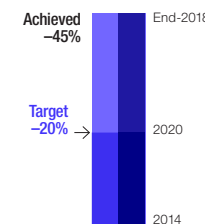


Exclusion of thermal coal

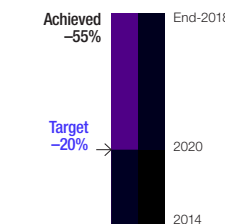


Objective in 2018: to divest, both directly and via the funds, from companies whose business exposure to coal exceeds 20% of revenues.

Carbon footprint of securities portfolios

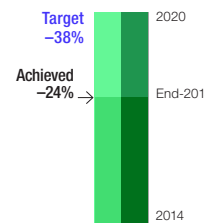


A 45% reduction in the carbon footprint of the Group's listed share portfolios between 2014 and 2018.



A 55% reduction in the carbon footprint of Caisse des Dépôts' corporate bond portfolio between 2014 and 2018.

Energy consumption of the real estate investment portfolio



A 24% reduction in the energy consumption of Caisse des Dépôts' real estate investment portfolio.

Fair practices and transparency

Caisse des Dépôts' unique status imposes a duty of neutrality, but at the same time it must remain attentive to the policy directions of local and national authorities. The Group is also duty bound to transparency and the implementation of the best practices in terms of conduct, supervision and risk control, as well as the protection of personal data.

Reorganisation of the permanent control, compliance and risk management functions

Since autumn 2018, a dedicated department reporting to the Chief Executive Officer has been responsible for permanent control and compliance at Caisse des Dépôts and, more broadly, the Group. With cross-functional responsibilities, the Permanent Control and Compliance Department manages the control system for operational risks and compliance, as set out in the banking and financial regulations applying to Caisse des Dépôts.

In parallel, the new Risk Management Department – also reporting to the Chief Executive Officer and with cross-functional responsibilities – manages the

Group's risk management system, ensuring its consistency and effectiveness. Tasked with running, managing and supervising the Group's risk management activities, this department notably monitors risks in line with the economic, financial and regulatory environment.

Entry into force of the new ethics system

Caisse des Dépôts implemented its new Code of Ethics in 2018 as part of the overhaul of the ethics system initiated in 2017. The Code of Ethics sets out ten ethical principles vital to the proper conduct of Caisse des Dépôts business.

The new version of the Code of Ethics was disseminated to all employees via an automatic connection when they first connected to their workstations after publication. This dissemination method is used for each new arrival. The Code of Ethics can also be accessed from the internal collaborative platform of Caisse des Dépôts.

Implementation of a whistleblowing system

Caisse des Dépôts introduced a whistleblowing system on 1 January 2018 in compliance with the regulatory provisions of the Sapin 2 Act. A special procedure, accessible via the internal collaborative platform, is used by employees to issue an alert and informs them of how their alert is processed by the ethics officer. This procedure ensures the confidentiality and protection of the whistleblower. The systems implemented by other Group entities are governed by a new Code of Ethics. After Bpifrance in 2017, CNR Assurances, Compagnie des Alpes, Egis and Icade have updated their own systems as part of the introduction of a global anti-corruption plan in compliance with the Sapin 2 Act. The Code of Conduct of Informatique CDC entered into force in 2018, while that of CDC Habitat will be introduced in 2019.



Strengthening personal data protection

In first-half 2018, Caisse des Dépôts formed a GDPR Steering Committee⁽¹⁾, chaired by the Group's Corporate Secretary, and appointed a Data Protection Officer. Over the course of the year, each Caisse des Dépôts department also designated a Head of Personal Data to ensure effective and operational governance in this respect. Lastly, an e-learning course, one of the criteria of the Public Institution's 2018 profit-sharing agreement, has been mandatory for all new recruits since the end of May 2019.

The subsidiaries and strategic shareholdings of Caisse des Dépôts have also introduced whistleblowing systems, in accordance with the Sapin 2 Act for those concerned⁽²⁾. Most of these systems, created on a case-by-case basis or by enhancing existing systems, entered into force in 2018, with that of CDC Habitat to be implemented in 2019.

i Find out more in the Supplement to the 2018 Business Review and Sustainable Development Report.

COMPLIANCE NOTICES FOR COMMITMENTS COMMITTEES

In September 2018, Caisse des Dépôts launched a department tasked with issuing compliance notices. These prior written notices are now required for Commitment Committees when launching new products and services and outsourcing essential services.

KEY FIGURES

12 of the 13 Group entities⁽³⁾ had a charter or a Code of Ethics by the end of 2018

5 complaints received relative to personal data protection (via CNIL) and processed by Group entities in 2018

(1) General Data Protection Regulation.
(2) Excluding Transdev, whose whistleblowing system is scheduled to come into compliance in 2019.
(3) For the 2018 non-financial reporting scope including Caisse des Dépôts, 11 subsidiaries and investments and the economic interest group Informatique CDC.

THE 10 PRINCIPLES OF THE CODE OF ETHICS OF CAISSE DES DÉPÔTS:

1. Fully respect legal and regulatory requirements
2. Respect the duty of reserve as well as requirements on professional discretion and probity
3. Guarantee confidentiality
4. Prevent and manage conflicts of interest
5. Ensure that the independence of officers cannot be called into question in relations with third parties
6. Ensure the primacy of customer interests
7. Apply the rules of financial ethics
8. Apply the rules to be respected by corporate officers
9. Act in a loyal manner
10. Protect heritage

i For more information, read the summary of the Code of Ethics on the Caisse des Dépôts website



Impacts of business activities and internal operations

Caisse des Dépôts has a daily impact on the territories in which it has a presence, as well as their residents and the environment. It endeavours to control that impact through special action plans relating to its business activities and internal operations. The same applies to its subsidiaries and strategic investments.

Controlling environmental impacts

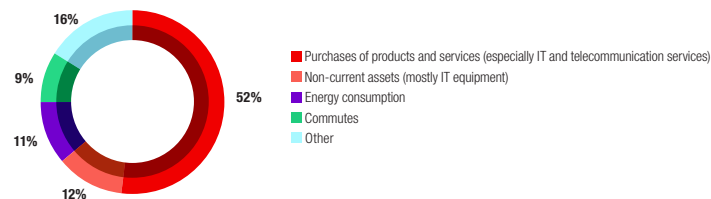
The reduction of the greenhouse gas emissions (GHGs) generated by business activities and internal processes is a key issue for the Group's entities. The contribution of the different sources of GHGs to the overall carbon footprint varies according to the entity and its business activities. Consequently, Caisse des Dépôts, its subsidiaries and strategic investments implement action plans based on various levers, including the energy efficiency of buildings and their uses, energy policy, employee travel, and purchasing policies. For some entities, the roll-out of these plans is part of their certification policy. In addition, numerous initiatives are carried out to involve employees in these procedures and ensure their success. At Caisse des Dépôts level, the "Écotidien, ensemble tous responsables" programme addresses three key issues: reducing the Public Institution's GHG emissions, offsetting a part of these emissions, and adopting responsible practices in internal operations.

The action plans led as part of this programme concern the implementation of a responsible purchasing plan, the improvement of the energy efficiency of buildings, the controlled consumption of resources and consumables, the optimisation of employee travel, waste sorting and recovery, and the development of responsible staff catering.

Encouraging responsible purchasing

Caisse des Dépôts complies with the public procurement code, applying its principles in terms of the freedom of access and equal treatment of applicants and the transparency of procedures. It has also produced a responsible purchasing policy that promotes responsible consumption, the control of the social and environmental impact of its purchases, transparency (especially in respect of progress made as part of the Sustainable Purchasing Scheme, currently being updated), and awareness-raising and training for buyers and influencers.

Breakdown by item of the 51,124 t CO₂ eq. (scopes 1 to 3) emitted by Caisse des Dépôts in 2017



Excluding emissions relating to asset portfolios, which are covered specified in the "Responsible Investment" article. Data for 2018 will be available in second-half 2019.

Group entities working in property development and operation generate large volumes of equipment purchases, involving issues of the traceability of the equipment used and waste generated. These entities have been focusing on how to factor CSR requirements into their relationships with suppliers and sub-contractors (e.g. by signing binding charters, incorporating special requirements into contracts, monitoring business dependency, and mapping micro-businesses and SMEs⁽²⁾) and taking steps to vet, monitor and support them (CSR assessment of main suppliers by EcoVadis).

Respect for human rights

As a signatory of the United Nations Global Compact, Caisse des Dépôts ensures strict compliance with human rights and the freedom of association. Along with its subsidiaries and strategic investments, it applies French labour laws and abides by all the major international declarations and conventions in this area. No Group entity uses forced or child labour.

The main challenges facing the Group's entities are how to combat discrimination and ensure good working conditions, within both their own workforce and their supply chain. The most at-risk subsidiaries and strategic affiliates are those involved in property development, construction and operation, especially outside France. In addition to the anti-discrimination policies included in their respective HR policies, they take human rights into account in their responsible purchasing policies (including the fight against illegal labour and the organisation of labour audits at plants).

Some business activities of Caisse des Dépôts, its subsidiaries and strategic investments contribute to the daily improvement of the working conditions of individuals and their access to essential services.

i For more information on the action plans of the subsidiaries and strategic affiliates, read the Supplement to the 2018 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, the conventions and declarations of the International Labour Organization (ILO), and the UN Global Compact, to which Caisse des Dépôts is a signatory".

KEY FIGURES

-5% GHG emissions in scopes 1 and 2: objective for 2016-2019 (emissions stable between 2016 and 2017)

72% of total energy consumed produced using renewable sources in 2018 (up 2 points on 2017⁽¹⁾)
(1) Data for 2017 has been corrected; the percentage is 70%.

100% of the general, real estate and "business line" purchasing of Caisse des Dépôts made using responsible purchasing criteria in 2018

3.6 in purchases made from the disabled workers sector in 2018

300,000 social housing units built or acquired in 2016-2018 using Savings Funds loans

407,000 social housing or first-level social housing units managed by CDC Habitat in 2018



(2) Small- and medium-sized enterprises

Recognised global performance

As a committed and demanding long-term investor, Caisse des Dépôts aims to lead by example. Its most recent ratings, both financial and non-financial, attest to its global performance and reflect the continuous efforts made towards increased transparency.

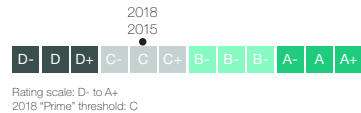
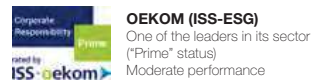
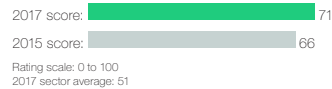
Financial performance

The ratings agencies classify Caisse des Dépôts as a government agency, and so its financial rating is aligned with that of the French Government:

| Ratings | Standard & Poor's | Moody's | Fitch |
|-------------------------------------|--------------------|----------------------|-------------------|
| Caisse des Dépôts | AA/ Stable/A-1+ | Aa2/ Positive/P-1 | AA/Stable/ F1+ |
| NEU CP ⁽¹⁾ Programme | A-1+ | P-1 | F1+ |
| EMTN ⁽²⁾ Programme | AA | Aa2 | AA |
| NEU MTN ⁽³⁾ Programme | AA | Aa2 | AA |
| Global Commercial Paper Programme | A-1+ | P-1 | F1+ |

Non-financial performance

Caisse des Dépôts is assessed around every two years by three non-financial ratings agencies: Vigeo Eiris, Oekom (ISS-ESG) and Sustainalytics (rating unavailable). As a signatory of the UN PRI⁽⁴⁾, it also produces an annual report for the PRI Association, which assesses its activities as a responsible investor. When requested, it also responds to the questionnaire of the non-government organisation AODP⁽⁵⁾ on how it factors climate change risks into its investment policy.



(1) Negotiable European Commercial Paper.
(2) Euro Medium Term Note.
(3) Negotiable European Medium Term Note.
(4) United Nations Principles for Responsible Investment.
(5) Asset Owners Disclosure Project.

HARNESSING RESEARCH TO BOOST SUSTAINABLE DEVELOPMENT

To work towards a more sustainable world, the Group harnesses the expertise and research work of the Caisse des Dépôts Research Institute, its subsidiaries Novethic and CDC Biodiversité, and its think tank I4CE. Caisse des Dépôts also supports research in architecture and landscaping through sponsorship initiatives.



Institut pour la recherche

Research serving a long-term strategy.
<https://www.caissedesdepots.fr/en/institut-cdc-pour-la-recherche>



Accelerating sustainable transformation
<https://www.novethic.com>



Climate-friendly economics
<https://www.i4ce.org/>



Fostering biodiversity by identifying and developing economic resources
<https://www.cdc-biodiversite.fr>



Mécénat

2018 ANNUAL REPORTS



Supplement to the 2018 Business Review and Sustainable Development Report



2018 Financial Report



2018 Savings Funds Report



2018 Responsible Investment report

Caisse des Dépôts' Business Review and Sustainable Development Report, its Supplement, the Financial Report, the Savings Funds Annual Report, and the Responsible Investment Report are available on the website: www.caissedesdepots.fr/rapport-annuel-2018.

This page of the website also includes essentials such as a video interview with Éric Lombard, a highlights video, an animated computer graphic on the Caisse des Dépôts business model, examples of financed projects, and a broadcast of the results press conference.

Thanks to everyone who contributed to this report

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Ensemble, faisons grandir la France