

IMPACT REPORT ECHIQUIER HEALTH IMPACT FOR ALL



2023



intentionality



Methodology

1 proprietary methodology to identify companies contributing to the 4 challenges of access to healthcare:

Availability

Accessibility

Affordability

Acceptability



Governance

4 specialists in access to healthcare on the **expert committee**.

80% of the **directors** on the Board of Directors of the Echiquier Impact are **independent**.



Objectives

2 **ex ante impact targets**¹, used in the determination of a part of the **managers' variable compensation**.

Share value

€60,000 to **nonprofit**"Les P'tits Doudous" in 2023.

Rethink
access to
healthcare

The Echiquier Health Impact for All impact philosophy is based on three pillars central to the life of the Fund

additionality



Engagement

3 portfolio companies have been **committed on access to healthcare** in 2023.



Singularity

20% of the portfolio is invested in companies with a market capitalization of less than **€10 billion**.



Sector contribution

2 **working groups** on impact investment on listed markets in which we participated in 2023.

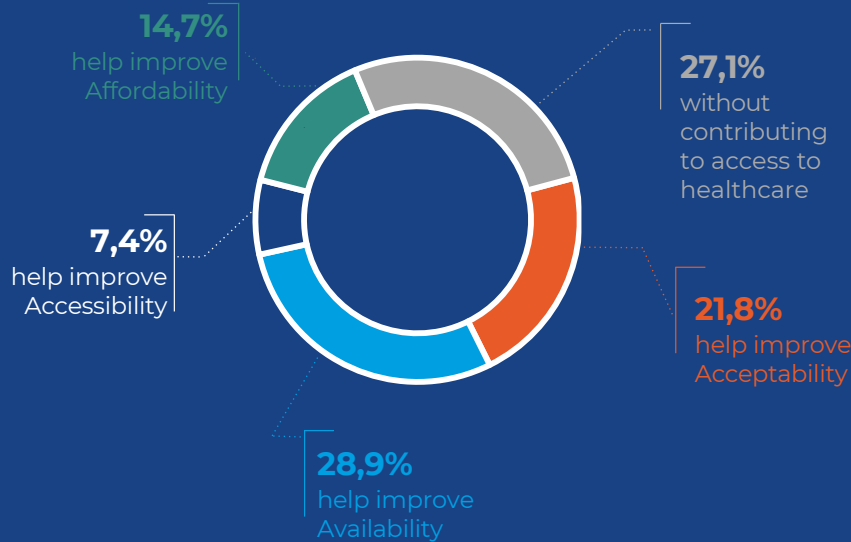
Investors' attention is drawn to the fact that an investment in the sub-fund will not have a direct impact on the environment or society. However, the sub-fund seeks to select and invest in companies meeting the precisely defined criteria set out in the sub-fund's management strategy.

1. Defined upstream of the investment to align the desired impact objectives with the mutual fund's impact thesis.

measurability

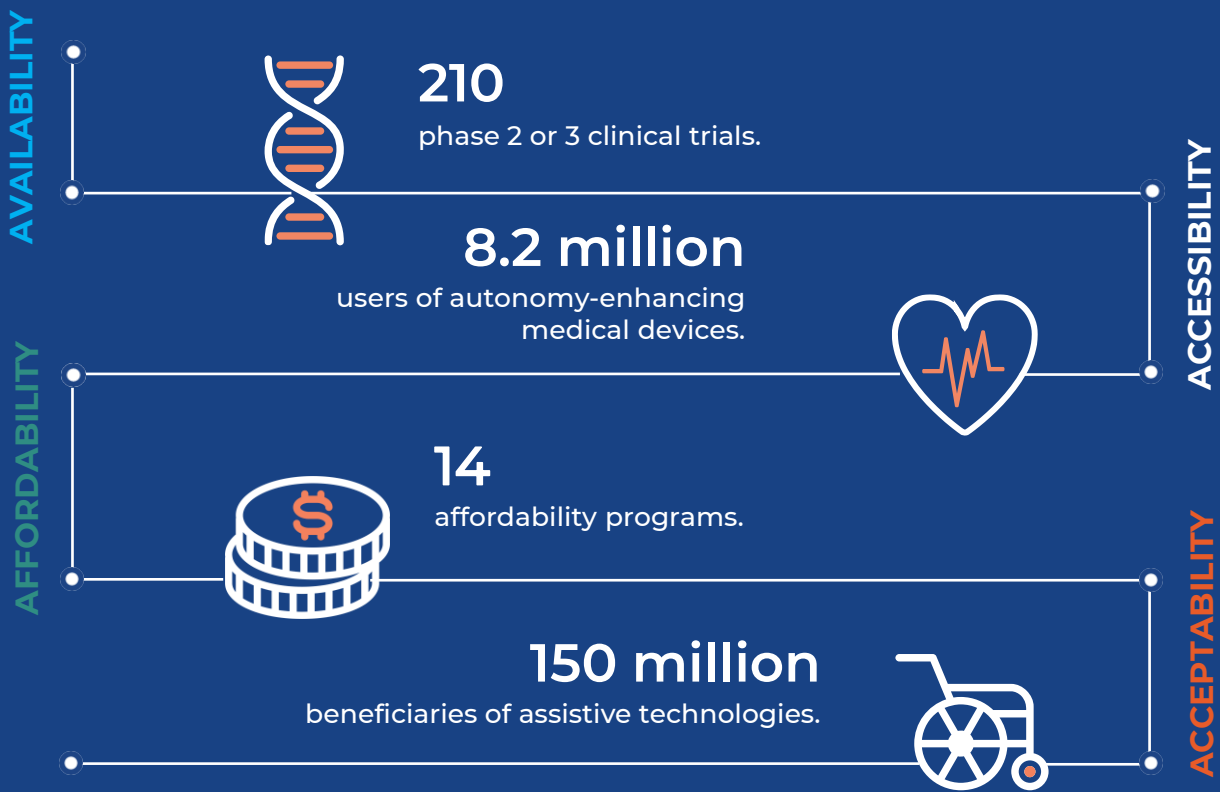
Impact assessment of the companies at portfolio level

On average, 72.9% of the revenues of our portfolio companies are generated by products and services that improve access to healthcare by contributing to the four dimensions of access to healthcare inspired by the work of the WHO* :



Measuring the impact of portfolio companies

In 2023, the companies in the portfolio contributed to the four dimensions of access to healthcare, through their activities and their products and services, via:



The aggregate figures presented above are based on information provided by companies, either in their sustainability reports or in discussions with LFDE teams. Details of these data and the calculation methods used are given in Appendix 7.

* LFDE's AAAA segmentation is inspired by the AAAQ framework defined by WHO and UN PRI.

SUMMARY

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In this report, the abbreviation EHIFA refers to the Echiquier Health Impact For All fund. From a methodological point of view, the term "impact" used in this report does not refer to a scientific definition that would make it possible to attribute the cause of a change to the Fund's financing actions or to the actions of the portfolio companies.

The purpose of this report is to give an account of the resources committed by the Fund and to estimate their impact on the investments made. It also aims to give an account of the portfolio companies' contributions to access to healthcare, based on content and data disclosed publicly by companies as at 31/12/2023.



For more information on Better Way's independent verification of this report, please refer to Appendix 8.



Access to healthcare, a priority

The World Health Organization's (WHO) 2023 report offers many grounds for hope, including the innovation that is driving the sector and solving many of its challenges. The report also warns of the increase in non-communicable diseases. While some risk factors are declining, new ones are emerging, such as obesity. Previously confined to wealthy countries, obesity is becoming a pandemic whose cost is expected to approach 2.9% of global GDP by 2025. LFDE, a pioneer in impact investing in France, is mobilizing to meet the converging challenges, particularly in terms of access to healthcare.

The dilemma between pharmaceutical industry innovation and treatment affordability was particularly acute in 2023. Initially designed to treat type 2 diabetes, GLP-1 analogues have proved particularly effective for weight loss, and have propelled the meteoric rise of the pharmaceutical giants at the head of their marketing. Witness the stock market value of Danish laboratory Novo Nordisk, which in 2023 exceeded that of Denmark's GDP. The explosion in demand is creating major shortages, and scarcity is driving up prices massively. Faced with this runaway demand, which could lead to a major crisis, in autumn 2023 LFDE, alongside LBP AM, embarked on a preventive approach to the risks and impacts of Human Rights with the two market leaders, Novo Nordisk and Eli Lilly. As a forerunner, our aim is to change practices in favor of the right to health and information.

Affordability is crucial. In 2023, as part of the Inflation Reduction Act (IRA), whose ambition is to reduce inequalities in access to healthcare in the United States, 27 drugs whose price increases exceeded inflation were singled out.

The availability, acceptability, geographical and financial accessibility of treatments are the pillars of our impact strategy dedicated to access to healthcare, Echiquier Health Impact For All. The innovative methodology of this fund, co-constructed with Better Way, covers these four dimensions of access to healthcare, inspired by the work of the WHO. A vast field of investment opportunities that will enable us to create financial performance for unitholders.

This second annual impact report from Echiquier Health Impact For All, rated Article 9 by SFDR, looks at the resources deployed in support of the fund's impact thesis, as well as the impact of the companies in its portfolio. An essential exercise in transparency.

We are convinced that innovation supported by impact investors will be key in the ever-changing healthcare sector.

¹ Ripple Effects study, Morgan Stanley, 2024

Impact of the Fund



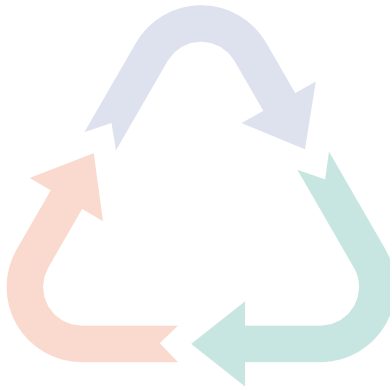
Listed impact investing

Impact investing on listed markets is the new frontier of responsible finance. To differentiate itself from approaches that invest primarily in companies with the best environmental, social and governance practices, this form of investing must be able to go further and demonstrate its positive impact over time.

To achieve this, listed impact investing is dynamically structured around three characteristics: Intentionality, Additionality and Measurability.

measurability

Measuring the positive and negative impact of the Fund and the portfolio companies enables us to assess the quality of the mechanism as a whole and to report on the Fund's performance in a transparent way. To ensure the quality and reliability of this measurement, it is carried out annually in partnership with independent experts. The results of this measurement have an impact on investment decisions.



intentionality

The intention to generate a positive environmental and/or social impact is the starting point for any impact investing approach. Several components of intentionality are essential: the definition of ex-ante impact objectives and indicators, robust governance, dedicated internal resources, etc.

additionality

As a responsible investor, a fund must bring real, unique and differentiating added value to the companies it invests in. This is what we call additionality. Active, long-term engagement with companies should enable them to improve or increase their net impact, their environmental and social performance, and their governance.

» For an impact fund, the annual publication of its impact measurement is an opportunity to refine the impact strategy, its specific objectives and its engagement with companies.

This continuous process of improvement enhances the intentionality and additionality of our impact funds.

The four dimensions of access to healthcare: a proprietary methodology

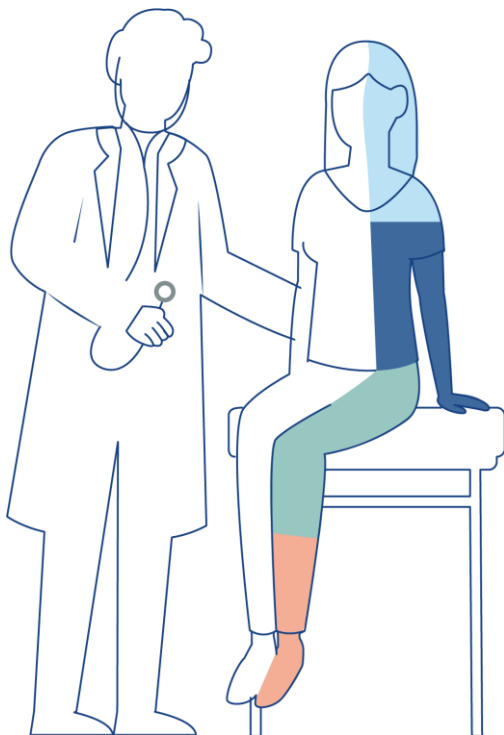
Among the social challenges identified by the United Nations in its 2030 roadmap, we decided to take on the theme of health, as we believe that enabling everyone to live in good health and promoting well-being at all ages are essential to sustainable development.

However, investment in the healthcare sector does not de facto imply investment in virtuous or impactful companies. Our analysis of the targets of SDG 3, the treatment of health in the preliminary work on social taxonomy, and our involvement with *the Access to Medicine Foundation* have led us to approach this theme from the angle of **access to health**.

An approach built on stakeholder involvement

Echiquier Health Impact for All was born, the fruit of the expertise of LFDE's teams and the advice provided by Better Way, with the aim of investing in listed companies around the world whose **innovations improve access to healthcare**.

To build our model, we **consulted several experts in the sector** to understand the challenges of access to healthcare, which are multiple and subject to a variety of obstacles. The Echiquier Health Impact for All fund is based on the **four dimensions of access to health, as defined by the WHO*** :



Availability

Improved availability of caregivers, healthcare infrastructure and treatment for diseases with low coverage.

Accessibility

Improved geographical access to healthcare and healthcare solutions (geographical coverage and patient autonomy).

Affordability

Improving the financial capacity of patients and healthcare systems to access quality medical services.

Acceptability

Improved patient confidence thanks to less restrictive, less invasive treatments.

* LFDE's AAAA segmentation is inspired by the AAAQ framework defined by WHO and UN PRI.

An impact filter maximizing positive impacts and minimizing negative externalities on access to healthcare

Companies selected by Echiquier Health Impact for All will have to propose innovative solutions that make a significant contribution to at least one of the four dimensions of access to health, without significantly harming these same issues (*Do No Significant Harm - DNSH* approach).

Our methodology is based on the European regulatory framework (taxonomy, SFDR, etc.) and incorporates the **principles of substantial contribution** and **DNSH**.

In all, companies are assessed on the basis of some twenty criteria defined according to the four dimensions of access to healthcare.

3-LEVEL
DNSH
FILTER



"GO": The company has implemented good practices in the area analyzed.

« **ENGAGEMENT** » : The company's practices on the issue analyzed are insufficient, but it has room for maneuver to mitigate negative effects.

"NO GO": The company's activities, or its inability to control the risks associated with the issue analyzed, are having a negative impact on access to healthcare.



Example of the DNSH criterion "Reliability and Quality of Treatments" in the **ACCEPTABILITY** dimension:

GO

No product recalls or quality issues and/or one or more quality certifications.

ENGAGEMENT

Controversies rated moderate by MSCI ESG Research on *Product Safety & Quality* criteria or history of minor product recalls.

NO GO

Controversies rated as severe by MSCI ESG Research on the *Product Safety & Quality* criterion or history of critical product recalls.

A limited investment universe

To ensure that all our investments support our impact thesis, we focus on activities eligible for the Fund, targeting companies that contribute directly to improving people's access to healthcare. The **five main eligible activities** are :

ELIGIBLE ACTIVITIES



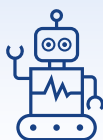
Diagnostics



Biotechnologies



Niche industries



Medical Technologies



Healthcare software

NON-ELIGIBLE ACTIVITIES



Sport



Wellness and nutrition



Water & Sanitation

2 Our investment approach under the microscope

IMPACT THESIS >> Supporting international companies offering innovative solutions to improve access to healthcare.

This impact thesis is applied throughout the **Echiquier Health Impact For All** investment process, **which is structured in five stages**. Impact research is fundamental: ex ante, pro-active and systematic.

1 IDENTIFICATION OF COMPANIES CONTRIBUTING TO OUR IMPACT THESIS

Impact is the starting point for all investments. The Fund seeks to identify international companies whose products and services contribute to our impact thesis.

2 EXCLUSION FILTER

The exclusion filter is the safeguard to avoid contributors that generate the most negative externalities. It excludes companies active in **14 activities and sectors** considered harmful and with the most controversial practices, including:



United Nations
Global Compact



Issuers involved in very serious controversies, including violation of one or more of the ten principles of the **United Nations Global Compact**, the **OECD Guidelines for Multinational Enterprises** and the **UN Guiding Principles on Business and Human Rights**.



To find out more about exclusion criteria and thresholds, please refer to our [exclusion policy](#) available on the La Financière de l'Échiquier website.

3 ESG FILTER

This filter assesses the ESG performance of companies, focusing on the materiality* of specific issues. A 100% internal analysis is carried out, combined with a systematic interview with management on sustainability issues. Particular emphasis is placed on analyzing corporate governance. Our ESG requirements enable us to select *best-effort* and *best-in-universe* companies.

6,0/10
Minimum ESG score including:

62,5%
the governance score.

Including negative externalities in ESG score



PROCESS

Case-by-case analysis of controversies** and focus on their materiality to the company under review.



CONTROVERSY PENALTY

ESG score penalized by up to 2 points (grade out of 10).



ENGAGEMENT

EHIFA is committed to achieving a higher weighted average ESG** controversy score than its benchmark.

*Materiality assesses which specific issues are most relevant and likely to have a substantial influence on the company's sustainability and results.

**Source: MSCI ESG Research, with scores ranging from 0 to 10 (0 being the lowest).

4 IMPACT FILTER

Companies that have passed these three stages are analyzed according to our **AAAA methodology**. To be eligible, a company must pass the following two filters:

- 1 **DNSH filter:** not to contribute negatively, through its activities and practices, to one of the 4 challenges of access to healthcare. This approach is key to ensuring the **net positive impact** of our investments.
- 2 **SUBSTANTIAL CONTRIBUTION filter:** making a positive contribution, through its products and services, to at least one of the four dimensions of access to health.

Availability **Accessibility** **Affordability** **Acceptability**

1

DNSH FILTER
All companies are assessed on **DNSH criteria on these four dimensions.**

GO

ENGAGEMENT

NO GO

The company's performance in terms of DNSH criteria will be the subject of an ongoing engagement and will be monitored over time.

If one of the DNSH criteria is met, the company becomes non-investable.

2

FILTER SUBSTANTIAL CONTRIBUTION
A minimum of **20% of revenues** must be contributed to at least **one of these four dimensions.**

AAAA SCORE $\geq 20\%$

AAAA SCORE $< 20\%$

AAAA SCORE = 0%

 Investable company

Non-Investable Company

5 FUNDAMENTAL FINANCIAL ANALYSIS FILTER

- ◆ Meetings with management teams
- ◆ Investment cases: valuation, strategic analysis and buying and selling objectives

3 Governance Serving impact

Since the creation of our first impact fund, Echiquier Positive Impact Europe, in 2017, we have been committed to providing our impact funds with their own governance, capable of supporting this innovative listed impact investing project over time. This governance is essential to ensure the intentionality of our impact funds and the sustainable implementation of their strategy.

Continuous improvement in the quality of our impact funds' governance is one of our key concerns.

Increasingly dedicated resources and mobilized teams to deploy this strategy.

.....

The Management Team

Composed of three managers and analysts who combine solid financial and extra-financial skills with a strong conviction in impact.



Louis Porrini
Portfolio Manager
9 years' experience
5 years @LFDE



Emilie Deslogis
Financial analyst
9 years experience
5 years @ LFDE



Thomas Certeux
SRI analyst
1 year experience
1 year @ LFDE

In-house

.....

Responsible Investment Research Team

Comprising four people independent of the management team, it provides support for the management of impact funds. It is the guarantor of proprietary methodologies and their implementation. It challenges the management team and generates ideas for impact investment.



Coline Pavot
Head of Research IR
9 years experience
6 years @ LFDE



Valentin Vigier
SRI analyst
7 years experience
3 years @ LFDE



Fanny Herbaut
SRI analyst
3 years experience
3 years @ LFDE








Thomas Certeux
SRI analyst
1 year experience
1 year @ LFDE

Board of Directors

Composed of five experienced professionals, most of them independent.

Their complementary profiles provide the management team with cutting-edge expertise on the environmental and social impact of investments. Their role is to advise and challenge the work of the IR management and research team.

 Thibault Couturier Independent Director ○ Habitat et Humanisme, FAIR △ CSR, SRI, Philanthropy □ Private Banking	 Sophie L'Helias Independent Director △ Governance, CSR, Legal, Diversity, Climate, UN Global Compact	 Faty Dembele Independent director* △ Impact investing, SRI □ Private Equity, Asset Management
 Bertrand Merveille Chairman of the Board of Directors Non-independent* ○ LFDE, AMF △ Internal Control, Philanthropy □ Asset Management	 Antoine de Salins Independent director* △ Climate, Institutional Investors □ Impact Investing Financial Sector	

○ Organizations □ Sectors △ Areas of expertise

***In accordance with best governance practices:**

Faty Dembele has been considered independent since June 2020, five years after leaving her position as SRI analyst at LFDE. She stepped down as director on April 25, 2024. The search for a new director is underway.

Bertrand Merveille is considered as non-independent due to his status as an LFDE executive. Following his departure from LFDE at the end of 2023, he was replaced on 14/02/2024 by **Caroline Farrugia**, Director of Business & Regulatory Solutions and member of the LFDE Executive Committee.

Antoine de Salins is executive advisor to the I Care consulting firm, which supported LFDE's teams from 2019 to 2021, notably in the deployment of its climate and biodiversity strategy. Given the insignificant amounts involved, the one-off nature of these services and after validation by our RCCI, we have decided to maintain his independent status.

Better Way consulting firm

In addition to the work of our Board, we benefit from an external view of our approach during our annual impact monitoring and reporting exercise. **Better Way**, a consultancy specializing in impact, has been working with us for the past five years. Its expertise constantly stimulates our vision of impact on listed markets.



In 2023

4 MEETINGS OF THE SICAV ECHIQUIER IMPACT



- ◆ Analysis and monitoring of engagements taken into account in the ex-ante impact objectives of the variable compensation policy for the managers of our impact mutual funds.
- ◆ Challenge on the evolution of impact methodologies
- ◆ Discussions on the impact of various investments
- ◆ Discussions on sustainable finance regulations
- ◆ Exchange on the use of stem cells in the search for new treatments,
- ◆ Reflection on the place of ethics in healthcare investment.

3 Governance for impact

For this impact-driven Fund, we wanted to surround ourselves with professionals from the healthcare sector. That's why we set up a **four member, 100% independent** committee of experts **with complementary, international profiles**. They provide the management team with specific knowledge of treatments, technologies, companies and trends in the sector, as well as **the scientific knowledge** needed to better understand healthcare issues. The committee members' appetite for impact enables them to take a critical look at investments made, methodologies and impact measurements in relation to the fund's impact thesis. Discussions between the management team and the experts take place at committee meetings at least four times a year. In addition, on a more informal basis, exchanges may also take place bilaterally.



Yvonne Mburu, PhD, Independent Expert, Kenya

- Nexakili, Presidential Council for Africa
- △ Immunology, Oncology, Healthcare policy
- University Research, Consulting

#Affordability
#Accessibility



Damiano de Felice, PhD, Independent Expert, Italy

- CARB-X, Access To Medicine Foundation, SASB
- △ Antimicrobial Resistance, CSR, Human Rights
- NGO, Private Equity

#Availability
#Affordability



Dr Madeleine Cavet, Independent Expert, France

- Angels Santé, CTM Groupe, Mcavet Conseil
- △ Radiology, Telemedicine, Interoperability, Digital
- Hospitals, Consulting, Private Equity

#Acceptability
#Availability



Thomas Pellerin, Independent Expert, France

- IFC (International Finance Corporation)
- △ Impact investing, Investing in health
- Private Equity, Consulting

#Accessibility
#Acceptability

○ Organizations □ Sectors △ Areas of expertise

3 The number of committees held in 2023. The initial discussions provided an opportunity to go back over the stock selection methodology, expectations and committee operations in detail. The topics of ethics in healthcare, anti-obesity treatments, the accessibility of immunotherapy, AI in healthcare and the financing of small biotech companies were particularly addressed.

Echiquier Health Impact for All – Impact Report

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4 Sharing the value



EHIFA has a dual purpose: to generate positive impacts through its investments, and to share the value created in favor of positive-impact projects, supporting the Fund's impact thesis. This sharing of value is achieved **by redistributing part of the management fees**.

In 2023, we wanted to renew our support for the **Les P'tits Doudous** association, founded in 2011 with the aim of improving the welcome and well-being of children undergoing surgery in hospital. Founded at the Centre Hospitalier Universitaire (CHU) in Rennes, the association has since grown into a national association, which heads up a network of over 130 local associations in CHUs, hospitals and clinics, mainly in France. Through its actions, it makes a particular contribution to the **acceptability of** access to healthcare.

The many schemes and initiatives implemented by Les P'tits Doudous generate **positive impacts for many stakeholders**:

CHILDREN

Initially through the distribution of cuddly toys, then through the introduction of digital tools such as the game "Le Héros c'est toi!" or "Oculus GO", the positive impact of the association's work on the **acceptability of children's operations and hospital stays** is tangible: reduced anxiety, premedication and post-operative disorders.

The association also works in schools to promote prevention and explain the medical world.

80% reduction in premedication*.

PARENTS

A child's hospitalization can be a traumatic experience for parents. With this in mind, Les P'tits Doudous has developed the "Keep Contact" mobile application to **improve communication between parents and carers during the child's care**, particularly during surgery.

122 parents benefit from this application.

CAREGIVERS

One of the association's other missions is to **improve working conditions for nursing staff**. In particular, reducing stress among children improves the working environment for caregivers. The involvement of volunteer caregivers in local associations is also a source of pride and a factor of intrapreneurship within hospitals.

1,739 committed caregivers

ENVIRONMENT

The financing model of each local association is based on a highly innovative **circular economy approach**. Copper, stainless steel and aluminum from single-use electric scalpels and other metal waste from operating theatres are decontaminated and then **recycled**. Each local association is thus financially autonomous to develop its activities.

294 tonnes of hospital waste were recycled in 2023, generating **€353 601** for local associations.

CONTRIBUTIONS 2023

Two LFDE employees carried out a **skills sponsorship** in favor of the association Les P'tits doudous. They helped translate the "Keep Contact" application into Arabic.

A **bin for recycling** old electrical cables on behalf of the Association Nationale des P'tits Doudous has been installed on LFDE's premises.

EHIFA has redistributed **€60,000** for the year 2023 to the national association Les P'tits Doudous. The aim of this grant is to continue supporting the development of the network of local associations in Europe. It will also enable the association to design new tools to improve the lives of children, carers and parents in hospital.



Speech by Nolwenn Febvre, President of the association, and Armel Tripon, Skipper of the Imoca Les P'tits Doudous, at the LFDE Summer University, June 30, 2023.

* Source: Study by the Faculty of Medicine and the University of Psychology in Rennes. Documentation "Les P'tits Doudous".



A unique approach to healthcare investment

Echiquier Health Impact For All stands out from other health funds thanks to its impact approach, which is based on the...

... favors innovative small and medium-sized businesses over large pharmaceutical companies ...

The Fund has chosen to have a company size bias in favor of small and mid-cap companies, for whom this capital can play a decisive role in their development. This choice sets us apart from other funds and indices specializing in healthcare, which traditionally concentrate the majority of their investments in large pharmaceutical companies, which are less sensitive to long-term investments and whose models are more financial.



20.0% of the portfolio is made up of small- and mid-cap companies* vs. **3.6%** for large-cap companies the benchmark.

↳ **24.1%** are SMEs/ETIs** vs. **4.7%** for the benchmark.

↳ On average, small and medium-sized companies in the sector invest **19.1%** of their revenues in research, compared with **10.1%** for large companies***.

... promotes best practices in the industry ...

We quickly realized that innovation could be at the expense of access to healthcare. In the course of our research into the development of the DNSH criteria, we defined our doctrine on access to healthcare. We identified the best practices towards which we wanted to steer the sector, as well as those that could be detrimental to access to healthcare, which we wished to exclude.

Example:



... and targets solutions to improve access to healthcare.

Companies in the healthcare sector have a considerable positive impact on our living conditions. However, when we launched EHIFA, we wanted to go further than a simple sector-based approach. We wanted to create a mutual fund that invests in companies whose products and services improve access to healthcare. Through research and consultation with experts, we have defined a list of activities that contribute to this. This leads us to be particularly demanding in our choice of investments within the health theme, and not to invest in companies that do not correspond precisely to our **impact thesis**. For example:



*The capitalization criterion used is less than €10 billion for small- and mid-cap companies and more than €10 billion for large-cap companies.
 ** Sales < €1.5 billion and 5,000 employees / *** Data: Capital IQ

2 An investor committed to supporting businesses

Shareholder engagement is at the heart of the relationship we build with companies. This engagement, which takes a variety of forms, drives our dialogue with them. We are fully aware that we are not solely responsible for the progress made by the companies in which we invest. However, we do everything in our power to provide them with the support they need, and to play a decisive role in accompanying them in their continuous improvement process. Various opportunities for dialogue arise throughout the year on various aspects of sustainability, including impact.

Engagement in 2023:

Annual General Meeting (AGM)

We are committed to voting at 100% of AGMs. Particular attention is paid to environmental and social resolutions, with pre-GM discussions to clarify certain resolutions, and post-GM discussions to inform them of our objections and help them move forward.

- ◆ 1 pre-AG engagement
- ◆ 5 post-AG engagements
- ◆ 22.2% voted against
- ◆ 8 corporate resolutions passed and supported at the AGM



An example of a social resolution we could support:

At Regeneron's 2023 AGM, Boston Common Asset Management and several co-applicants submitted a resolution calling for the **creation of a report on the impact of patent extensions on patient access to treatments**, in order to take this impact into account before applying for secondary or tertiary patents*.

REGENERON



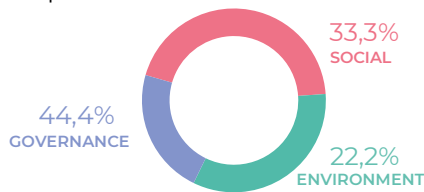
*These additional patents can extend the period during which a drug is protected from competition, even after the initial patent has expired, by preventing other companies from producing generic versions of the drug and thus reducing its price.

ESG and Impact analysis

During our analysis, we engage in a systematic dialogue with the companies we invest in, sharing a number of specific areas for progress. These form our sustainability objectives, which we monitor on an ongoing basis. They may relate to:

1 The environmental, social and governance dimensions identified in our ESG analysis.

27 areas for improvement passed on to 4 companies:



2 Access to healthcare, as part of our impact analysis, in particular the DNSH filter.

7 areas for improvement passed on to 3 companies:

INCLUDING
→



As the Fund has been transformed into an impact Fund in 2022, we will communicate the achievement of the progress areas transmitted from 2024, in the 2025 impact report, to give companies time to get moving.

Collaborative engagement

Joining forces with other investors on specific themes sends an even stronger signal to company managers.

This year, there were no collaborative engagements specific to the healthcare sector, but we did participate in **6** of collaborative engagements on climate and biodiversity, targeting **1** portfolio company, in order to improve their transparency on environmental issues.

- ◆ **CDP's Non-Disclosure campaign**, to encourage companies to be more transparent about their environmental impact. We made a Lead Investor engagement with Nexus AG. This engagement was not met. The company did not respond to the CDP questionnaire on climate change.

Other opportunities

We engage with companies on an ongoing basis and in a variety of ways throughout the year, to support their drive towards greater responsibility and impact.

- ◆ We are continuing our engagement to companies divested in the wake of controversy.
- ◆ We organize an annual multi-stakeholder engagement seminar on climate and biodiversity, bringing together companies, investors and experts.
- ◆ We respond to companies' requests to draw up their materiality matrix, for example.

2 A committed investor alongside the company



bioMérieux is a French company specializing in the field of *in vitro* diagnostics. 85% of its revenues come from equipment and reagents for the diagnosis of infectious diseases. Interactions with the company have been numerous in recent years, and have been strengthened by our approach to analyzing the impact on access to healthcare.

LFDE, permanent member of bioMérieux's Stakeholder Committee

At the end of January 2024, we had the opportunity to take part in the **second edition of bioMérieux's Stakeholder Committee**, as a representative of the "shareholder" stakeholder. The aim of this edition was to present the work accomplished by bioMérieux on **the implementation of CSRDs** and their **double materiality analysis**, while gathering feedback from their stakeholders on these topics. This initiative follows on from the first edition, held in autumn 2022 and focusing on eco-design, in which we also participated.

For this edition, the stakeholder panel was enriched with the addition of new figures, such as the CSR Director of Thermador Groupe and a health expert from the Shift Project. bioMérieux, which was supported by Mazars in its CSRD work, identified the most important material issues for the Group, with a high level of involvement of its COMEX, which testifies to management's increased awareness of these issues. The Group also consulted its stakeholders, a notable exercise in transparency, although not required by the CSRD.

In addition, bioMérieux has set a key objective: to cover 80% of antibiotics with its AST* solutions. The aim of this 80% threshold is to ensure that the antibiotics we cover are sufficiently widespread and accessible, and to avoid focusing solely on rare or country-specific antibiotics. This objective reflects a questioning of the company's contribution to the accessibility of treatments, an issue that features among the eight main social challenges identified by bioMérieux in its dual materiality analysis.

This day gave us a better understanding of the complexity of identifying material issues for a company. These exchanges reinforced our conviction that bioMérieux is seriously integrating ESG issues into its strategy, with a strong engagement from the Executive Committee.

ESG and Impact engagements

In 2022, we provided the company with areas for improvement which we will continue to monitor and which will be assessed, at the very least, when the analysis is updated in 2024. As a reminder, the areas for progress are as follows:

Impact






Affordability

Greater transparency on product price trends.

Accessibility

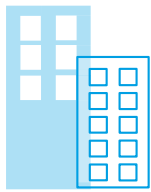
Demonstrate greater transparency regarding patient data storage.

-  Improve CDP rating on the Climate Change pillar.
-  Publish the results of employee satisfaction surveys.
-  Appoint more directors with international profiles (USA and Asia).

*AST (Antibiotic Susceptibility Testing) is a laboratory test that determines the susceptibility of bacteria to antibiotics, to guide the choice of the most effective treatment.

3 A patient investor

As an impact investor, EHIFA's vocation is to be a patient shareholder by **acquiring long-term stakes in the capital of companies**. It is important for us to offer a certain capital stability to the companies in which we invest, enabling them to deploy their sustainable strategy more serenely, by taking a long-term view of their actions and decision-making. This long-term holding gives us the opportunity to accompany them in their development, for example by supporting various capital-intensive operations, and to establish a relationship of trust with the management teams, an important condition for a constructive shareholder dialogue over the long term, particularly on issues of access to healthcare.



23

Companies present in the Fund at the end of 2023 were already present when our impact methodology was implemented in 2022, **i.e. 84.7% of companies in the portfolio**.



15%

of the **portfolio were renewed** in 2023*.

Impact investing does not mean passive investing. The management team may decide to disinvest from a company for financial reasons, but also in the event of controversy or insufficient impact.

A look back at a case of divestment that marked the year 2023:



◆ Inadequacy with our Financial Accessibility Criteria!

We have decided to divest from the Swiss company Straumann. Although a significant proportion of its products are sold at affordable prices (over 20% of revenues), these cheaper products are also of inferior quality. The majority of the Group's products are "premium" products, sold at high prices and therefore reserved for a more affluent population. As investors concerned with the affordability of healthcare, we chose to divest from this company because its profile was not in line with our impact thesis, and in particular with the Affordability dimension of our methodology. Our ambition is to support companies that make high-quality dental care accessible to as many people as possible, regardless of their economic situation.

*Calculation formula = (number of securities entering in 2023 + number of securities leaving in 2023)/(2*average number of securities in the portfolio in 2023)
Source: LFDE - Data at 12/31/2023

4 Impact and Healthcare : active participation in these issues

LFDE's pioneering approach often leads us to break new ground in less mature investment themes. This is the case for impact investing, to which we have been committed since 2017, but also for access to healthcare. The deployment of impact investing must be part of a demanding framework that enables these investments to develop with full credibility. It will thus encourage the redirection of financial flows towards companies generating a positive impact on society. Our teams are actively involved in contributing to discussions and work in the marketplace to promote best practices in listed impact investment. Through our work, we also aim to promote investment in social impact themes, which are often under-represented on the market.

In 2023, we participated in 12 working groups, including :

Access to health

Access to Medicine Foundation

LFDE has been a signatory of the *Access to Medicine Foundation* since 2019. This initiative aims to advance pharmaceutical companies' practices in favor of access to healthcare in low- and middle-income countries. No collaborative commitments were made in 2023 through this initiative.

Impact

A common definition of impact by the Institut de la Finance Durable (IFD)

Since 2020, we have been contributing to the Institut de la Finance Durable's work on impact finance, in several sub-groups. In 2023, we contributed to work on measuring impact at the level of investors and companies, as well as to work on adapting the grid for measuring impact potential for listed shares.

Education and outreach

We have a role to play in raising our customers' awareness of impact investing. To this end, we have developed an educational approach based on transparency.



SRI & du Climat School by LFDE

These two programs are designed to raise our customers' awareness of responsible finance and the climate.

> 282 people were trained at the Ecole de l'ISR in 2023, and more than 2,349 since its creation in 2019!

Since its creation in 2022, the Climate School has trained 132 people*.



Sharing methodologies on our website

The creation of EHIFA has necessitated in-depth research into issues relating to access to healthcare: animal testing, stem cells, patient data management... The results of this work are summarized in our "[Manifest](#)", available on our website for anyone wishing to delve deeper into the subject.



Media talk about it

71 press coverage in 2023, as well as several events dedicated to EHIFA and impact. A high profile that underlines the growing importance of these issues.

Public: Customers, Sales representatives, Companies, Students, Employees...
Source: LFDE. Data to 12/31/2023



Overview of the portfolio's contribution to access to healthcare

AAAA score - Access to health

DNSH filter

1

Portfolio performance - DNSH

Across the portfolio, **72.1%** of DNSH criteria have achieved the level **GO** and **27.9%** the **ENGAGEMENT** level



Novo Nordisk

is the portfolio company that has validated the most DNSH criteria with the **GO** level: **16 out of 17 criteria**



Lonza

is the portfolio company that has validated the fewest DNSH criteria with the **GO** level: **3 out of 9 criteria**

The three main criteria that the 28 companies in the portfolio must improve are :

- 1 **Responsible tax practices**
18 still lack transparency in their tax practices.
- 2 **Data sovereignty**
14 house their healthcare data on non-sovereign hosting systems.
- 3 **Transparency and responsible animal testing conditions**
10 still lack transparency or sufficiently responsible animal testing practices.



Focus on the improvement trajectory for data sovereignty practices:

ENGAGEMENT

- Companies keep their data on non-sovereign hosting, often in the *cloud*, or sometimes fail to communicate precisely where they are located.

...

- Awareness of the subject,
- Analysis of data hosting sovereignty,
- Analysis of possible alternatives for improving data sovereignty.

GO

- Companies can choose to host their data on a sovereign basis or on their own premises.



AAAA score - Access to health

Contribution filter
Substantial

2

If Echiquier Health Impact For All were a company, **71.9%** of its revenues would contribute positively to the four dimensions of access to health:



This percentage corresponds to the average proportion of the revenues of companies in the portfolio that does not contribute to one of the four access to healthcare challenges. Note: all portfolio companies contribute at least 20% of their revenues to at least one of the four dimensions of access to healthcare.

Methodology: For a company that contributes to several dimensions of access to healthcare, the share of revenues generated is multiplied by its weight in the portfolio. Contributions are then aggregated by dimension.

Key figures:

10
companies have more than **90%** of their revenues contributing to access to healthcare, representing **35.7%** of the portfolio.

4
companies contribute less than **30%** of their revenues to healthcare, representing **14.3%** of the portfolio.

50%
of companies contribute at least **84.5%** of their revenues to one of the four challenges of access to healthcare.

2 Climate commitments

To respond to the climate emergency and the decline in biodiversity, LFDE has devised an ambitious and pragmatic [strategy](#) for 2021, in partnership with I Care. It sets the course for transforming our responsible investment approach to align it with a low-carbon economy. Faced with the climate emergency that is becoming clearer every year, LFDE is committed to placing climate issues at the heart of its corporate approach and its investments. The commitments set out in our Climate and Biodiversity strategy cover all aspects of our activities, to ensure a global and coherent approach to meeting the climate challenge. They are broken down into four pillars:



For Echiquier Health Impact for All

	Weighted average carbon intensity (in teqCO ₂ /M€)	Weighted average intensity of emissions saved (in teqCO ₂ /M€)	% with a climate roadmap validated or in the process of being validated by SBTi*	Climate trajectory
Portfolio	15,3 ★	0,0	46,5%	3,1°C
Benchmark	41,3	0,2 ★	76,0% ★	2,7°C ★

Source: Carbon4 Finance - Data at 12/31/2023 with a coverage rate of between 98% and 99% - See methodology in Appendix 6

★ = best performance

* Near Term" climate roadmap, validated "Targets Sets" or Committe.d



Carbon intensity

EHIFA is committed to a weighted average carbon intensity based on the WACI method (*Weighted Average Carbon Intensity*) below that of its benchmark.

3 Impact an remuneration

We have integrated **ex-ante impact objectives into the variable compensation policy for the managers of our impact funds**. These objectives will be measured over a three year period. This approach is designed to reinforce intentionality and align our interests with those of our clients in terms of the fund's impact thesis. The **two impact objectives are equally weighted**.

Over 3 years (2023/25) the objectives are :

- 1 10 pts
increase of the portfolio's weighted average AAAA score
- 2 10 case
successful engagement

The portion concerned is indexed to ex-ante impact targets, and operates on a **progressive and linear** basis, **with a minimum threshold** at which the manager begins to receive part of this variable compensation.

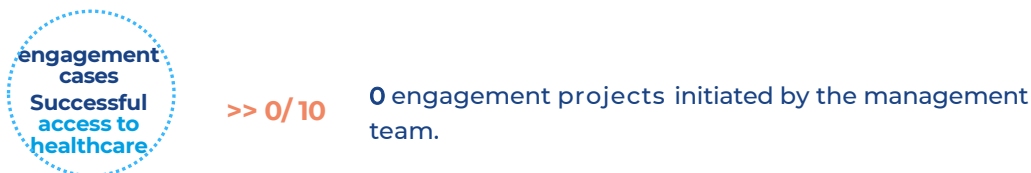
For example, if the AAAA score is increased by 5 to 6 points, the employee will receive half of the envelope linked to this objective. He will receive nothing below this level.

The aim of this approach is to encourage managers to improve the contribution score of the companies in their portfolios, by committing them to their practices in terms of access to healthcare. Each year, the progress made in achieving these objectives will be communicated in this impact report. As the measurement of these objectives was initiated on 12/31/2022, this year's report will be the **starting point for this follow-up**.

1 EHIFA AAAA score



2 EHIFA engagements at 12/31/2023



A successful engagement must enable the company to make progress on one of the **four dimensions of access to healthcare**. LFDE's contribution to the success of the engagement must be demonstrated, in particular through the transcription of exchanges between the company and the team, as well as their recurrence. Achievement of this objective **will be independently analyzed and monitored** by the SICAV's Board of Directors and LFDE's IR Research team.



Impact of investee companies

We have decided to illustrate the impact of the investee companies through a series of focuses presenting each of the four dimensions of access addressed by the EHIFA portfolio, namely Availability, Accessibility, Affordability and Acceptability. They aim to highlight the contribution of portfolio companies at 12/31/2023, to the dimensions of access to healthcare, reflected in the contribution and DNSH scores.

Each focus has two parts. The first assesses the positive contribution of portfolio companies to access to healthcare, using aggregate impact indicators. The second looks at the specific case of a company and illustrates its contributions to the specific challenge to which it contributes most.

The information presented is taken from the latest company publications or from analysis and dialogue between LFDE's teams and the companies concerned. Unless otherwise indicated, the percentages shown are weighted by the weight of each company in the portfolio or within each dimension of access to healthcare. The data used refer to the 2023 financial year, unless otherwise stated. The data may vary over time.

ESG ratings and AAAA scores are the latest available, bearing in mind that analyses are updated every two years. Given the periodicity of the analyses, the oldest underlying data relate to the 2021 financial year.

Investors should note that their investment in the sub-fund does not generate a direct impact on the environment or society, but that the sub-fund seeks to select and invest in companies that meet the specific criteria set out in the management strategy.

Availability dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that contribute to improving the availability of caregivers, healthcare infrastructures, diagnostics and treatments for rare or poorly covered diseases.

→ **17** portfolio companies contribute to the **Availability** dimension.

For each issue, we have formalized our theory of change:



Sources :
 *WHO, 2020
 **European Journal of Human Genetics, 2019



Zoom

A flagship company in the Availability bucket

Overview



Biotechnologies
Rare diseases

Vertex specializes in the research, development and marketing of micromolecular drugs for the treatment of cancers, viral, inflammatory and autoimmune diseases.

Impact measurements in 2023 :



DNSH -



Examples of criteria validated at GO level

Acceptability - Reliability and quality of treatment solutions: To our knowledge, the company has not experienced any product recalls for quality defects in recent years.

Availability - Helping to disseminate our products to all the countries in the world that need them: The company is very proactive in obtaining worldwide reimbursement for its treatments.



Example of a criterion validated at the « ENGAGEMENT" level

Affordability - Responsible tax practices: There is no controversy regarding the company's tax practices. However, we feel that the company could be more transparent in this area. We have therefore invited the company to be more transparent about its tax practices.

Substantial contribution - 100/100



Other contributions
0/100

With its software, Vertex contributes to improving the availability of healthcare solutions for **100% of its revenues:**

- **Innovative treatments for cystic fibrosis:** Vertex's 4 treatments cover 90% of people with cystic fibrosis.
- **Rare or poorly covered diseases:** The company works on several rare or poorly covered diseases, such as sickle cell anemia, type 1 diabetes, myotonic dystrophy type 1...

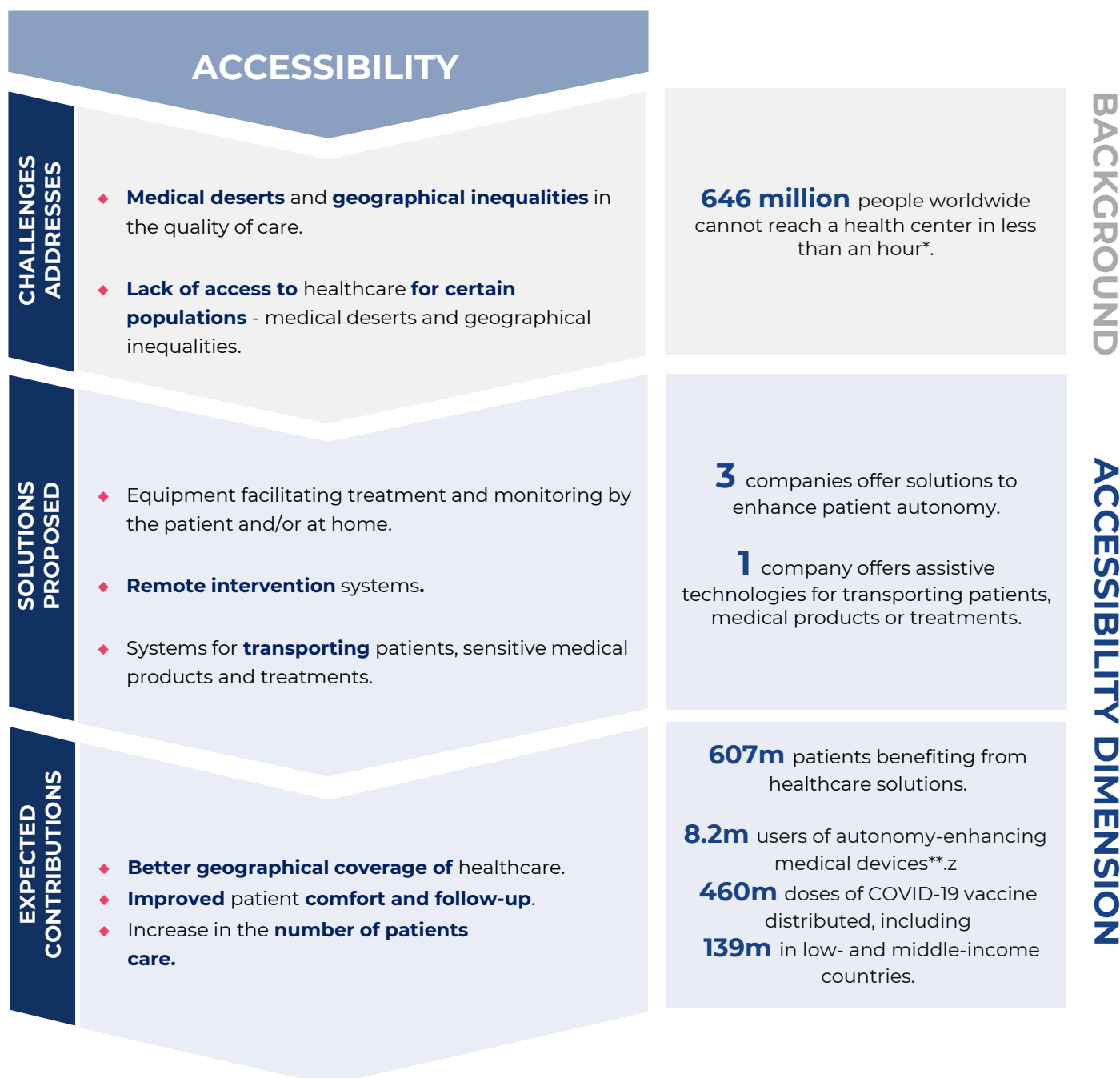
According to our methodology, we do not include contributions to other health access issues.

Accessibility dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that contribute to improving the geographical coverage of healthcare and patient autonomy in their treatment.

↳ **4** portfolio companies contribute to the **Accessibility** dimension.

For each issue, we have formalized our theory of change:



*Source: 2020 Global maps of travel time to healthcare facilities D. J. Weiss, A. Nelson, [...]P. W. Gething
 ** We will be working with our investee companies to make this indicator more transparent.



Zoom

An emblematic company in the Accessibility bucket

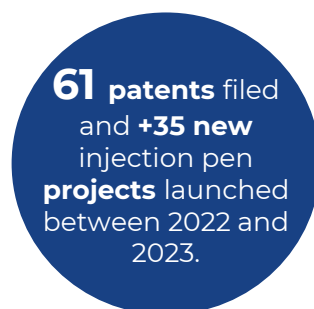
Overview



Niche technology
Self-administration

Ypsomed is a Swiss company that develops and manufactures injection systems (pens, autoinjectors, insulin pumps, etc.) for the self-administration of treatments in various therapeutic fields: diabetes, growth disorders, infertility, etc.

Impact measurements in 2023 :



DNSH -



+ Examples of criteria validated at GO level

Acceptability - Combating counterfeit drugs: The company's exposure to the risk of counterfeiting is very low, thanks to the regulations specific to its activity, the serial numbers present on its products and the preparation processes for its medical devices.

Availability - Pooling R&D with the medical ecosystem: The company collaborates with various private players to strengthen its capacity for innovation and the performance of its medical and digital solutions.

! Example of a criterion validated as "ENGAGEMENT" level

Acceptability - Transparency and responsible animal testing conditions: The company carries out occasional tests on animals to assess the biocompatibility of its products. We believe, however, that the company could be more transparent about its practices. This is why we will continue to work with the company to help it improve.

Substantial contribution - 100/100



Ypsomed contributes **100% of its revenues** to the accessibility of healthcare solutions:

- **Self-administration:** Ypsomed helps patients become autonomous in the management of their chronic diseases with intuitive, easy-to-use, connected medical devices (pens, auto-injectors and insulin pumps).
- **Customized solutions:** The company is able to supply customized solutions (patches, large-capacity auto-injectors, etc.) that enable self-administration of treatments hitherto only delivered in hospital by doctors.

According to our methodology, we do not include contributions to other health access issues.

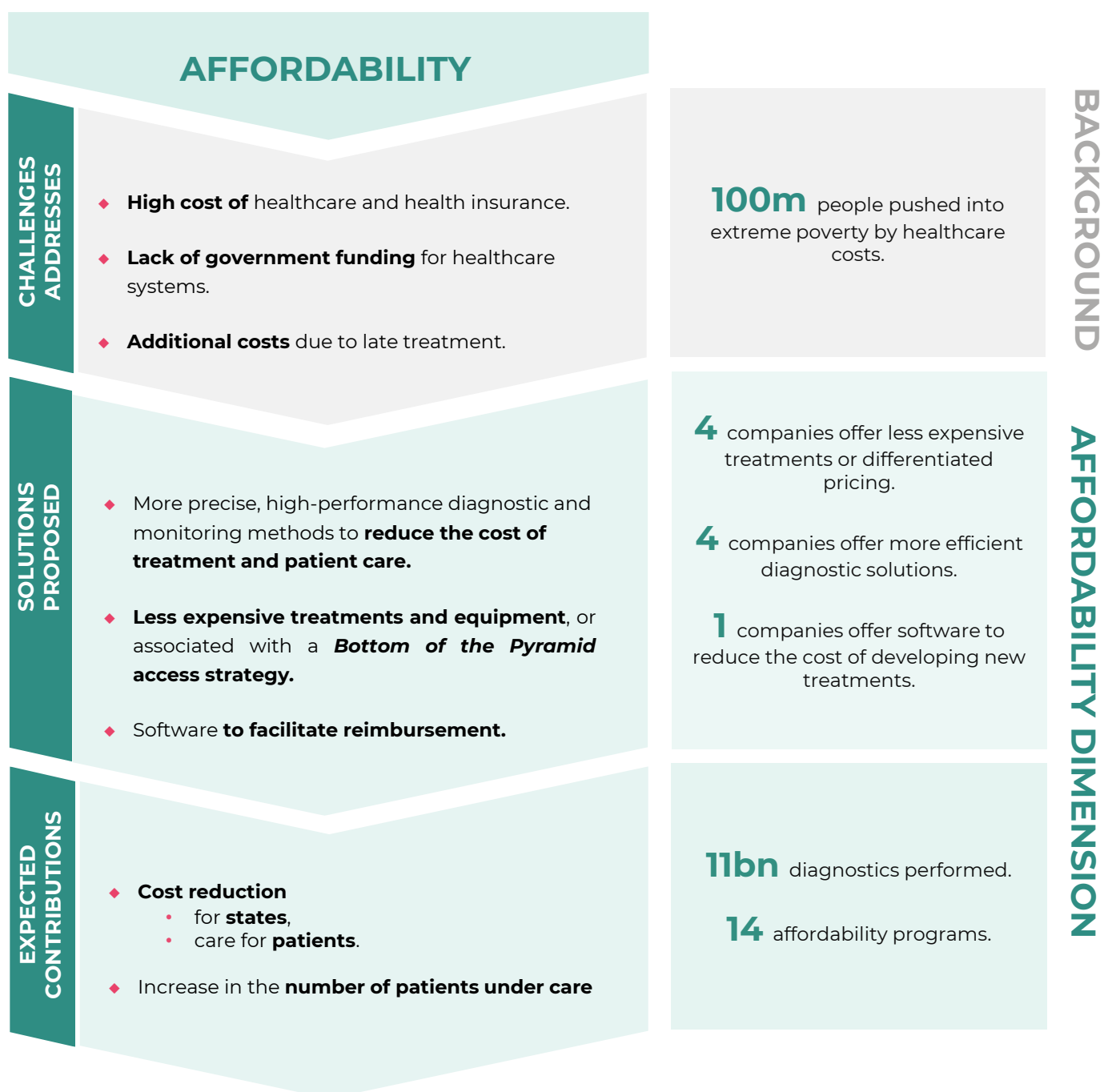
Other contributions
0/100

Affordability Dimension

In addressing this challenge, the portfolio directs part of its investments into companies offering solutions that help improve the financial capacity of patients to access quality medical services, and that of national healthcare systems.

→ **9** portfolio companies contribute to the **Affordability** dimension.

For each issue, we have formalized our theory of change:



Source: WHO, 2017



Zoom

An emblematic company in the Affordability bucket

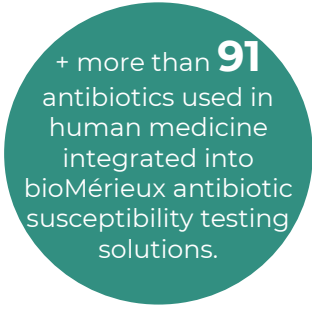
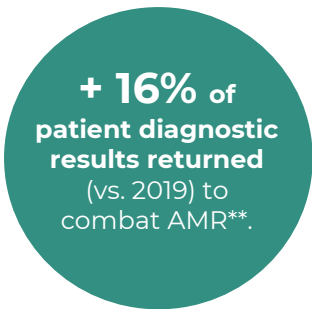
Overview



Diagnosis
Infectious diseases

bioMérieux is a French company which develops, manufactures and markets *in vitro* diagnostic systems for infectious diseases (HIV, tuberculosis, respiratory infections, etc.).

Impact measurements in 2023 :



DNSH -



⊕ Examples of criteria validated at GO level

Accessibility - Transparency on testing and development conditions for diagnostic solutions: The company demonstrates total transparency regarding clinical trials by communicating its results on dedicated websites.

Availability - Keeping diagnostic methods on the market regardless of profitability: To date, the company has not withdrawn any utility diagnostics from the market for profitability reasons.



⚠ Examples of criteria validated at the "ENGAGEMENT" level

Affordability - Transparent pricing and increase practices: The company has no specific policy to ensure fair pricing and increases in line with local contexts. We would therefore like to engage the company in this area in order to encourage it to adopt a progressive approach.

Substantial contribution - 85/100



Other contributions
0/100

bioMérieux contributes **85% of its revenues** to financial accessibility through :

- **Savings generated by its solutions:** Diagnostics help reduce over-prescription of treatments, and shorten patient treatment and hospitalization times.
- **Combating microbial resistance/antibiotic resistance (AMR):** 82% of bioMérieux's clinical revenues are generated by products that contribute directly or indirectly to the fight against bacterial resistance.

According to our methodology, we do not include contributions to other health access issues.

*Enabling same-day treatment decisions for patients with bacteremic sepsis.

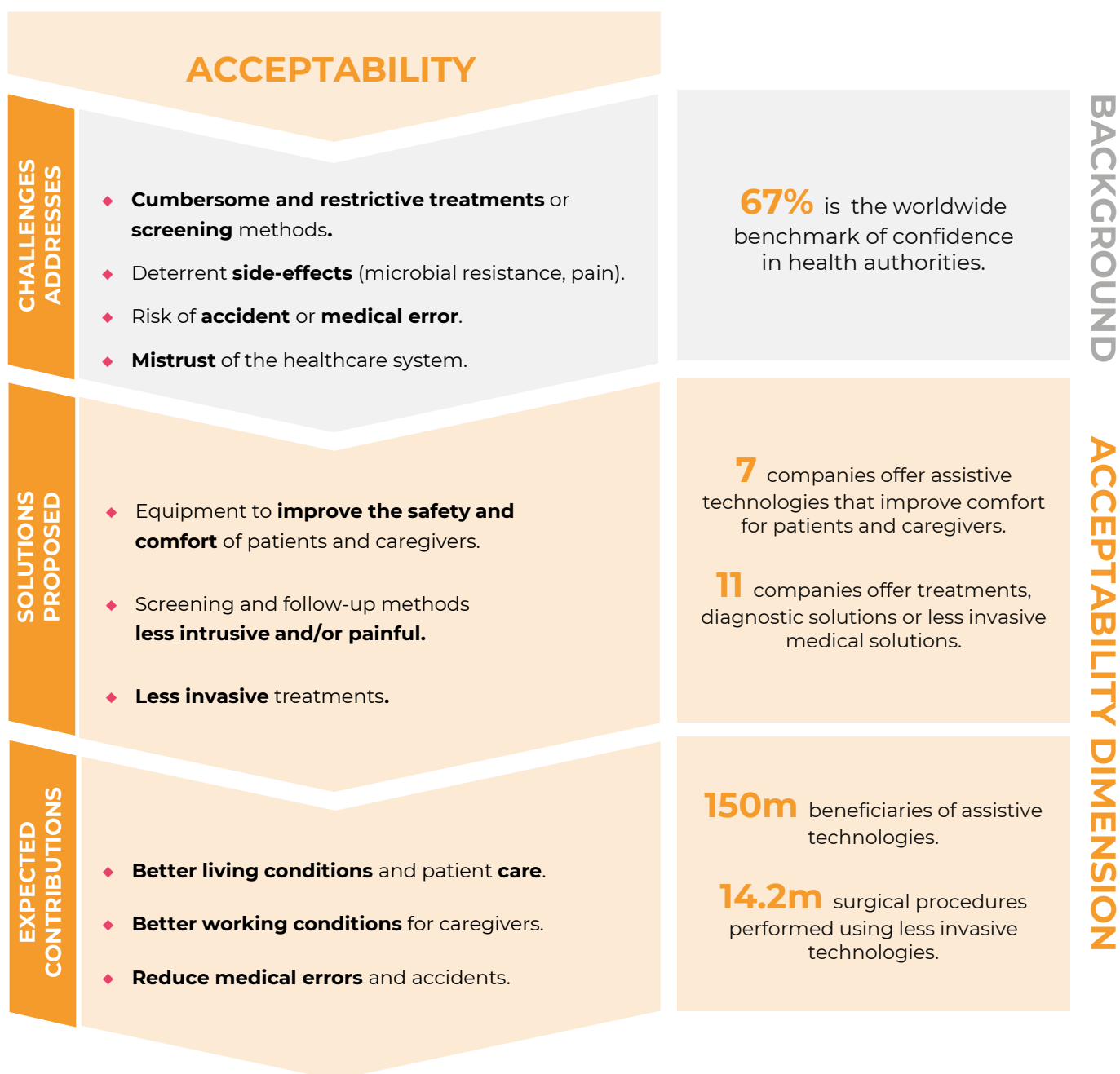
**AntiMicrobial Resistance (AMR)

Acceptability Dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that help improve patient confidence in the healthcare system, through treatments that are less invasive or less restrictive for patients.

→ **14** portfolio companies contribute to the **Acceptability** dimension.

For each issue, we have formalized our theory of change:



Source: 2022 Edelman Trust Barometer.



Zoom

A company emblematic of Acceptability bucket

Overview

tobii dynavox



Assistive technologies
Communication & education

Tobii Dynavox develops and markets assistive communication technologies for people with disabilities, such as eye-movement controlled solutions, touch screens, as well as communication and special education software solutions.

Impact measurements in 2023 :



DNSH -



Examples of criteria validated at GO level

Acceptability - Quality approach: The company regularly organizes working groups to improve the quality of its solutions, with users, experts, associations...

Availability - Skills transfer and training: The company organizes face-to-face and remote training sessions for its users, as well as for medical staff and teachers.



Examples of criteria validated at the "ENGAGEMENT" level

Acceptability - Data sovereignty : The level of maturity on data security issues seems insufficient. We have invited the company to make progress in this area.

Substantial contribution - 100/100



Other contributions
0/100

Tobii Dynavox contributes to Acceptability in several ways, accounting for **100% of its revenues**:

- **Development of easy-to-install solutions:** wheelchair-mountable tablets, software available on all types of tablet...
- **Intelligent, easy-to-use solutions:** *eye-tracking* systems, communication tools based on the communication habits of each country...
- **Improved reimbursements** via a dedicated team of over 70 employees to help patients obtain financial assistance.

According to our methodology, we do not include contributions to other health access issues.

*The Net Promoter Score, or "NPS", measures customer satisfaction. It submits a simple survey to customers, then incorporates the responses obtained into a formula capable of generating a single figure for benchmarking purposes. The average for the healthcare sector is 38. The scale ranges from -100 to +100.



Appendices

Appendix 1 - Theory of Change

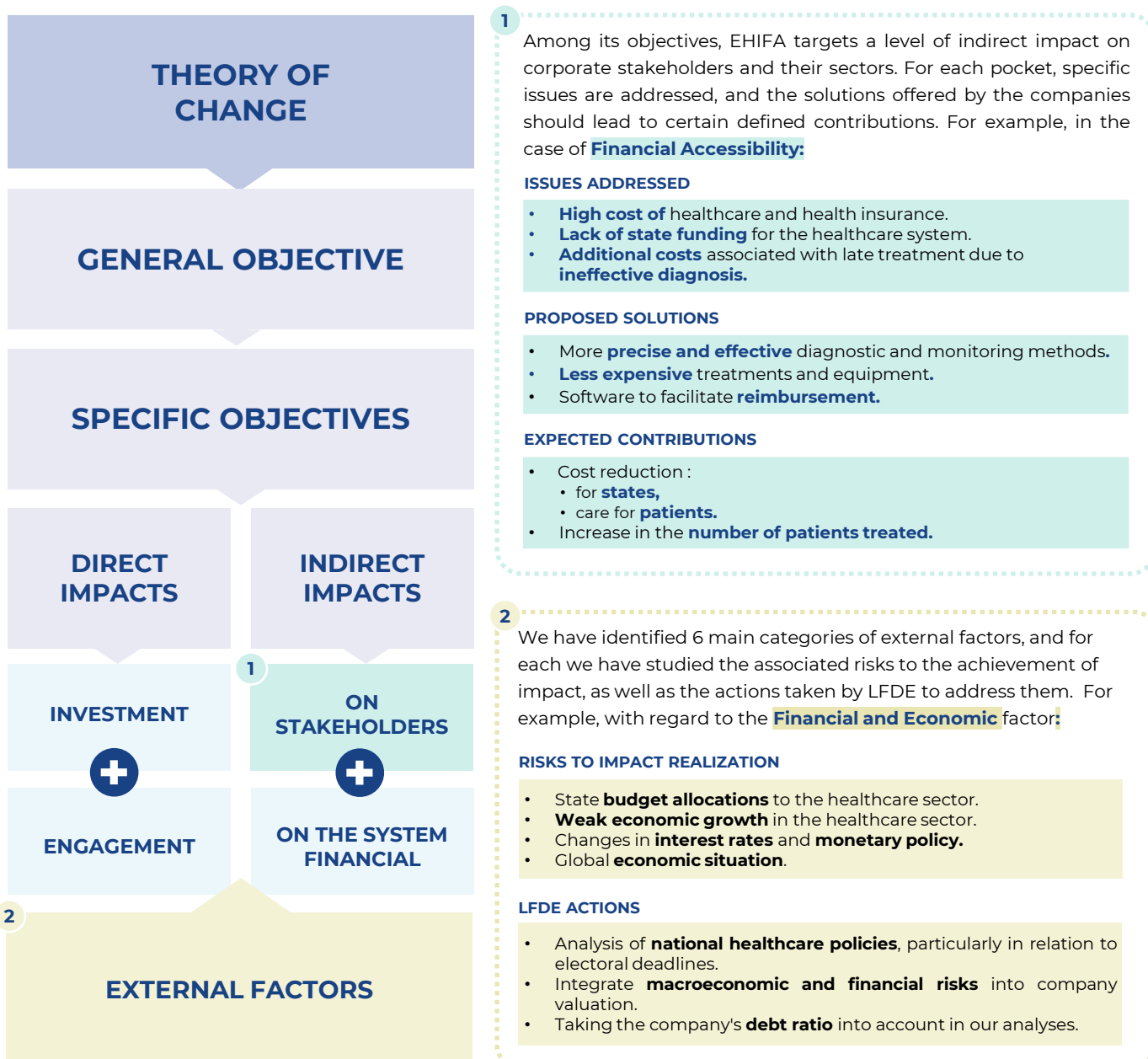
This year, as part of our drive to continuously improve our impact doctrine, we formalized the theory of change for each of our funds.

In the definition of impact investing proposed by the Institute for Sustainable Finance, the theory of change framework is presented as:

"A clear and transparent methodology describing the causal mechanisms through which the investment strategy contributes to environmental and social objectives defined upstream, the relevant investment or financing period, and the measurement methods".

This exercise in theorizing our quest for impact is key to ensuring that the system we have in place is satisfactory, and that it enables us to maximize the potential for achieving our objectives.

We made this exercise our own, drawing inspiration from best practices in the industry. Below are a few illustrations of some of our work on the subject:



To find out more about this work, we invite you to consult [the Echiquier Health Impact for All theory of change](#).

Appendix 2 - The Fund's progress approach

Our approach as an impact investor is sincere, pragmatic and continuously improving, in order to keep pace with developments in the impact framework and to reinforce the quality of our approach, year after year.

In this way, we want to be transparent about the work we've undertaken for 2024, with the aim of nurturing the intentionality, additionality and measurability of this Fund, and thus reinforcing the robustness of the impact approach.

To this end, we have identified four topics that will form the basis of our work over the coming months:

Expertise for impact

Since LBP AM's acquisition of LFDE, we have been fortunate to be able to draw on the expertise of specialists dedicated to climate, human rights, governance and biodiversity. Their experience in shareholder engagement and their work on unlisted impact investing are invaluable assets for enriching our impact investing approach. This collaboration, which began in 2023, is set to develop further in the months ahead, creating synergies between our different areas of expertise, in the service of the impact of our investments.

Ethical challenges

In 2023, we took a closer look at the issue of ethics in healthcare, holding discussions with members of the Impact SICAV Board of Directors and the Expert Committee. These discussions underlined the crucial importance of this issue.

In the coming months, we will continue to seek expert advice to integrate this ethical dimension even more effectively into our company selection process.

Compensation & engagement

Of the two ex-ante impact indicators selected, one relates to the success of 10 impact engagements. The characteristics of "success" have been defined in advance. To be eligible :

- The engagement must enable the company to make progress on one of the Score Solutions impact dimensions.
- LFDE's contribution must be demonstrated, in particular through the transcription of exchanges between the company and the management team, as well as their recurrence.

In spite of this, there is still a great deal of room for interpretation. As a result, continuous monitoring is carried out with the support of the Board of Directors of the SICAV Echiquier Impact to analyze the themes of engagement, identify the progress of the actions undertaken and their potential success.

Working groups

We are **mobilizing to contribute to discussions and work in the marketplace** to promote best practices in listed impact investing. Through this mutual sharing, we **aim to gradually implement the cutting-edge practices that emerge** in our own approach. This is notably the case for the lessons learned from the Global Impact Investing Network and Institut de la Finance Durable working groups.

Beyond these examples, we continue to proactively improve our impact methodology, keeping a close eye on evolving standards and the emergence of new indicators.

Why have we classified the Fund EHIFA as "Article 9"?

The UCI meets the three conditions required by SFDR

Contribute to an environmental or social objective

✔ **Social objective** > EHIFA aims to contribute to **improving access to healthcare** by supporting listed companies worldwide that make a significant contribution to at least one of the 4 dimensions of access to healthcare. **100% of companies** are subject to a proprietary impact filter to ensure their contribution to the fund's impact thesis*. (p.8 and 11)

✔ **Alignment with the impact thesis** > **Ex ante impact indicators** supporting the impact thesis linked to a **variable compensation** supplement **for managers** have been defined. (p.27)

✔ **Measuring the achievement of objectives** > We annually measure the achievement of the **ex-ante impact indicators** included in the managers' remuneration policy. EHIFA is also committed to **outperforming its benchmark on two indicators, including carbon intensity** (p.26 and 27).

Do not cause environmental damage and social issues

The choice of each portfolio company is based on 3 complementary filters and the consideration of the main negative impacts (PAI) which ensure that our investments do not cause such harm:

✔ **Exclusions** > A rigorous **policy of sectoral and normative exclusion** reduces the fund's exposure to social and environmental damage. (p.10)

✔ **ESG analysis** > Systematic analysis of each company enables us to invest only in companies **that are in control of their environmental and social impacts**. This analysis takes into account the main negative impacts. (p.10)

✔ **Impact analysis** > EHIFA's impact score includes a DNSH filter to ensure that companies do not contribute negatively to one or more of the issues on which they are likely to have a positive impact. It also includes a filter for substantial contribution to at least one of the four dimensions of access to health. (p.8 and 11)

✔ **Key Negative Impacts (KPIs)** > EHIFA, through the various aspects of its responsible investment approach, takes into account the KPIs of its investments on sustainability factors, through **14 mandatory indicators and 2 additional ones**.

Demonstrate good governance practices

Governance is at the heart of our analysis:

✔ **Good governance practices** > A **minimum ESG score** of 6.5/10 (62% of which is based on governance) is required for inclusion in the EHIFA portfolio, to ensure that companies have good governance practices (sound management structures, remuneration, etc.). (p.11)

✔ **Governance and Controversies** > Particular attention is paid to the analysis of controversies, which are often rooted in poor governance. EPIE is committed to achieving **a better ESG Controversies score than its benchmark**. The ESG Controversies score measures the severity of a company's controversies. (p.11)

✔ **Sustainable Investment** > **100% of investments*** are made in assets considered to be sustainable investments, as defined by SFDR.



To find out more, we invite you to consult [the pre-contractual appendix](#) as well as the UCI's [sustainability information publication](#) (recommended by article 10 of the SFDR regulation).

As part of the convergence work following the acquisition of LFDE by the LBP AM Group, our [Sustainable Investment methodology](#) has changed as of April 1^{er} 2024.

SFDR consultation

In September 2023, the European Commission launched a consultation on the SFDR regulation to clarify requirements, resolve ambiguities and harmonize sustainability standards with other regulations. The findings showed that current classifications are not sufficiently useful, nor comparable, for assessing investors' sustainability preferences. A revision of the SFDR framework is expected in 2025.

* excluding cash and hedging derivatives

SFDR: Sustainable Finance Disclosure Regulation.

Appendix 4 - The Institut de la Finance Durable's framework on Impact Investing

In 2021, the Institut de la Finance Durable (IFD) launched several working groups with impact investment players in the Paris marketplace. These have led to the publication of **an impact charter** and **a grid for assessing a fund's impact potential**.

These complementary tools are designed to encourage the development of a demanding and transparent impact finance sector, and to harmonize market practices in this area.

Why and how does EPIE fit into the framework proposed by the Institut de la Finance Durable?

The Fund complies with the 10 principles of the [Impact Charter](#)

Here's how ECBIE complies with the 10 principles of the Charter:

Intentionality

✔ **Principle 1** > Intentionality is applied to all investments in the portfolio, since the proprietary Score Impact methodology is applied to 100% of the portfolio (p.11).

✔ **Principles 2 and 3** > Two ex ante impact objectives have been defined. These objectives will be assessed over a 3-year period. Our impact doctrine and methodologies specify the level of action (products and services or operations) for each impact objective. (p.24)

✔ **Principle 4** > Negative externalities are taken into account throughout the investment process, whether through the exclusion policy, ESG analysis or controversy-related malus (p.10-11).

Additionality

✔ **Principles 5 and 6** > The Fund's approach to additionality is based on several pillars: a singular focus on impact, with support for companies in transition, a long-term holding of securities in the portfolio, and close involvement with the companies invested in. The means implemented to maximize the positive impacts sought and minimize the negative externalities are described annually in the Fund's impact report. (p.15-20)

Measurability

✔ **Principles 7 + 8** > Impact assessment is carried out on an aggregate basis at portfolio level, by SDG and at the level of each company. Indicator coverage rates are systematically communicated. (p.22-23)

✔ **Principle 9** > An impact report is published annually for the Fund. This report is co-constructed with independent experts from Better Way, who provide a critical view of the methodologies and content, and verify the figures in order to assess the sincerity of the information provided in the report. This verification work covers between 20% and 50% of the consolidated data. An independent review of the impact potential evaluation grid has also been carried out by the members of the Board of Directors of the SICAV Echiquier Impact, in order to guarantee the transparency of the analysis carried out. (p.11, 12 & 42)

Alignment of interests

✔ **Principle 10** > We have integrated ex-ante impact objectives into the variable compensation policy for the managers of our impact funds in 2021. These objectives will be measured over a 3-year period. The associated amount represents a maximum surplus of 20% of the managers' variable compensation. (p.24)

The fund has obtained a score of over 74/100, and meets the qualifying questions of the impact potential evaluation grid dedicated to listed equities.

As part of our engagement to the IFD Impact Charter, we have completed the Impact Potential measurement grid for listed shares.










The independent review of EHIFA's evaluation according to the grid, guaranteeing the transparency of the analysis, was carried out by members of the Board of Directors of the SICAV Echiquier Impact. (p.13)

- ✔ **EPIE obtains a score of 74/100** (vs 55/100*: minimum required by the grid dedicated to listed shares),
- ✔ **EPIE meets all the qualifying conditions of the grid.**

[The grid](#) is publicly available on the Financière de l'Echiquier and IFD websites.











* The minimum score required for listed equity funds will increase over time as follows: 60 points from January 1, 2025, 65 points from January 1, 2026 and 70 points from January 1, 2027.

Appendix 5 - Portfolio companies under the microscope at 12/31/2023

Companies	Country	Weight in portfolio*	ESG score	Contribution Score	Score Solutions	Details of Solutions Score by target	Initiative score	
BIOMARIN PHARMACEUTICALS		2,5%	6,0	100,0%	Availability 100% ; Accessibility 0%; Affordability 0%; Acceptability 0%.	GO: 67% OF SALES COMMITMENT: 33 NO GO: 0% OF SALES	2023	
	* Company description				**Company contribution to access to healthcare			
	*A biopharmaceutical company specializing in the development and marketing of innovative therapies for rare and genetic diseases.				**Biomarin's enzyme substitution technology is pioneering and unrivalled in the treatment of haemophilia and bone growth disorders.			
BIONTECH		1,6%	6,3	99,0%	Availability 99% ; Accessibility 0%; Affordability 0%; Acceptability 100%.	GO: 71.4% COMMITMENT: 28.6 NO GO: 0% OF SALES	2021	
	*Biotech company specializing in the development and manufacture of immunotherapies for the treatment of serious diseases.				**Thanks to ARMm, BioNTech has developed a vaccine to combat the Covid-19 pandemic. Product developments are underway to combat orphan diseases and infectious diseases in particular.			
LONZA		2,6%	7,1	23,5%	Availability 23,5% ; Accessibility 0%; Affordability 0%; Acceptability 100%.	GO: 33.3% OF SALES COMMITMENT: 66.7% OF SALES NO GO: 0% OF SALES	2019	
	*Subcontractor for the pharmaceutical industry, manufacturing complex molecules.				**Lonza speeds up the production and marketing of a treatment. The Group is also involved in the development of innovative treatments that are less demanding, while reducing overall production costs.			
MODERNA		1,4%	6,3	100,0%	Availability 100% ; Accessibility 0%; Affordability 0%; Acceptability 100%.	GO: 66.7% OF SALES COMMITMENT: 33.3 NO GO: 0% OF SALES	2022	
	*The world leader in messenger RNA treatments, having developed one of the world's most widely used Covid-19 vaccines.				**Thanks to ARMm, Moderna has developed a vaccine to combat the Covid-19 pandemic. Product developments are underway to combat infectious and cellular diseases.			
RECORDATI		3,8%	6,6	29,3%	Availability 29,2% ; Accessibility 0%; Affordability 0%; Acceptability 0,1% .	GO: 85.7% OF SALES COMMITMENT: 14.3 NO GO: 0% OF SALES	2019	
	*Pharmaceutical group specializing in the development, manufacture and marketing of medicines for combat hypertension, cardiovascular disease and rare diseases.				**Recordati develops treatments for rare, endocrine and metabolic diseases. One of the drugs, Caphsol, also combats certain side effects associated with chemotherapy and radiotherapy.			
REGENERON		3,0%	6,8	90,0%	Availability 60% ; Accessibility 0%; Affordability 0%; Acceptability 30% .	GO: 56% OF SALES COMMITMENT: 44 NO GO: 0% OF SALES	2023	
	*A biotechnology company specializing in the development of treatments for serious diseases of the eye, skin, blood, certain cancers and various rare diseases. The Group is a recognized leader in immunotherapy, particularly through the development of bispecific antibodies.				**Dupixent and Eylea significantly improve the quality of life of patients with atopic dermatitis and wet AMD, respectively, by reducing disabling symptoms and preventing blindness.			
VERTEX PHARMACEUTICALS		2,6%	7,3	100,0%	Availability 100% ; Accessibility 0%; Affordability 0%; Acceptability 0,1%.	GO: 85.7% OF SALES COMMITMENT: 14.3 NO GO: 0% OF SALES	2023	
	*A biotech company specializing in transformative treatments for serious diseases. Already on the market for several chronic genetic disorders such as cystic fibrosis and sickle cell anemia, Vertex is also developing experimental therapies for other serious diseases such as neuropathic pain, type 1 diabetes and myotonic dystrophy.				**Vertex Pharmaceuticals treatments cover 90% of people with cystic fibrosis.			
ASTRAZENECA		6,7%	7,3	45,0%	Availability 8% ; Accessibility 0%; Affordability 30% ; Acceptability 7% .	GO: 73.3% COMMITMENT: 26.7 NO GO: 0% OF SALES	2019	
	*Pharmaceutical group specialized in non-communicable diseases, offering treatments in 7 major therapeutic areas.				**Astrazeneca is ranked third in the Access to Medicine Index, and particularly highly in its pricing and governance practices for access to healthcare. The company also develops treatments for rare diseases.			
NOVO NORDISK		8,4%	7,4	98,5%	Availability 18,5% ; Accessibility 74% ; Affordability 30%; Acceptability 6% .	GO: 94.1% COMMITMENT: 5.9 NO GO: 0% OF SALES	2023	
	*Pharmaceutical company specializing in treatments for diabetes, obesity, rare blood and endocrine diseases.				**By offering innovative medicines and administration devices such as pen-injectors, Novo Nordisk simplifies life for patients and helps to improve access, particularly geographically (patient autonomy).			










* At 12/31/2023, the portfolio was 6.6% liquid.

Appendix 5 - Portfolio companies under the microscope at 12/31/2023

	Companies	Country	Weight in portfolio*	ESG score	Contribution Score	Score Solutions	Details of Solutions Score by target	Initiative score	
Diagnosis	BIOMERIEUX		3,9%	7,1	85,0%	Availability 100%; Accessibility 0%; Affordability 85% ; Acceptability 0%.	GO: 84.6% COMMITMENT: 15.4% NO GO: 0% OF SALES	2020	
		* Company description				**Company contribution to access to healthcare			
	*A company specializing in in vitro diagnostics for infectious diseases.		**bioMérieux's effective diagnostics save healthcare systems significant costs. They also help combat antimicrobial resistance.						
	CARL ZEISS MEDITEC		2,1%	6,2	74,0%	Availability 3% ; Accessibility 0%; Affordability 71%; Acceptability 0% .	GO: 72.7% OF SALES COMMITMENT: 27.3 NO GO: 0% OF SALES	2019	
		*A company specializing in solutions for the diagnosis and treatment of ophthalmic diseases.		**Ophthalmic diagnostic products enable simple, reliable diagnosis, which in turn generates significant cost savings for healthcare systems. The company also markets a number of software applications that enable the centralization of patient data, thus improving caregivers' availability.					
SIEMENS HEALTHINEERS		4,3%	6,9	78,0%	Availability 19% ; Accessibility 0%; Affordability 59% ; Acceptability 0% .	GO: 71.4% COMMITMENT: 28.6 NO GO: 0% OF SALES	2022		
	*Global manufacturer of equipment for medical imaging, laboratory diagnostics and hospital information systems.		**Diagnostic products such as molecular imaging save costs for society and healthcare systems. SHL also sells radiotherapy machines and surgical arms for complex, high-precision operations.						
TECAN		3,2%	7,5	100,0%	Availability 0%; Accessibility 0%; Affordability 100% ; Acceptability 0% .	GO: 86% OF SALES COMMITMENT: 14 NO GO: 0% OF SALES	2022		
	*Manufacturer of automated analysis and fluid handling systems for laboratories.		**Automated diagnostics systems significantly increase the rate and volume of tests carried out, freeing up laboratory technicians' time for results analysis, and improving the reliability of results.						
Healthcare software	DASSAULT SYSTEMES		3,9%	7,5	22,0%	Availability 0%; Accessibility 0%; Affordability 22% ; Acceptability 0% .	GO: 80% SALES 20% COMMITMENT NO GO: 0% OF SALES	2023	
		*Global leader in the development and marketing of product lifecycle management software.		**Dassault Systèmes' Medidata and Biovia software reduce the cost of pre-testing and clinical trials.					
	NEXUS		2,9%	7,0	87,0%	Availability 87% ; Accessibility 0%; Affordability 0%; Acceptability 0%.	GO: 80% SALES 20% COMMITMENT NO GO: 0% OF SALES	2022	
		*A company that develops software dedicated to the healthcare sector.		**Nexus helps improve organization in care centers. Part of its sales are also generated by software designed to improve the efficiency of prenatal malformation detection diagnostics.					
VEEVA SYSTEMS		2,2%	6,1	43,6%	Availability 21,8% ; Accessibility 0%; Affordability 0%; Acceptability 21.8% .	GO: 75% DISCOUNT 25% COMMITMENT NO GO: 0% OF SALES	2023		
	*Manufacturer of medical robots designed primarily for minimally invasive surgery.		**Veeva Systems' software enables reliable data processing during clinical trials. They also help to streamline interactions between the various parties involved in a clinical trial (recruitment of trial participants, appointment management, regulator, etc.).						
Medical Technologies	SARTORIUS STEDIM BIOTECH		2,6%	7,2	79,0%	Availability 24% ; Accessibility 0%; Affordability 35% ; Acceptability 0%.	GO: 85.7% OF SALES COMMITMENT: 14.3 NO GO: 0% OF SALES	2019	
		*Subsidiary of Sartorius AG, manufacturer and marketer of integrated solutions for the biopharmaceutical industry, such as the production of biomedicines (filters, membranes and single-use bags).		**The company's activities enable it to guarantee the microbiological control of drugs, to help pharmaceutical companies with R&D on new treatments such as mRNA and gene therapies, and to improve their time-to-market.					
	DANAHER		3,9%	7,1	100,0%	Availability 56% ; Accessibility 31% ; Affordability 7% ; Acceptability 6% .	GO: 63.6% COMMITMENT: 36.4% NO GO: 0% OF SALES	2022	
*Industrial and technological conglomerate producing medical devices and analytical instruments.		**Part of Danaher's business is the marketing of point-of-care diagnostic instruments to improve geographical accessibility, as well as high-precision diagnostic devices.							
INTUITIVE SURGICAL		3,1%	6,5	84,0%	Availability 0%; Accessibility 0%; Affordability 0%; Acceptability 84	GO: 60% DISCOUNT 40% COMMITMENT NO GO: 0% OF SALES	2019		
	*Industrial and technological conglomerate producing medical devices and analytical instruments.		**Intuitive Surgical markets Da Vinci, a robot that extends the capabilities of medical teams during operations. Minimally invasive surgery reduces post-operative pain and the patient's recovery period.						

* At 12/31/2023, the portfolio was 6.6% liquid.

Appendix 5 - Portfolio companies under the microscope at 12/31/2023

	Companies	Country	Weight in portfolio*	ESG score	Contribution Score	Score Solutions	Details of Solutions Score by target	Initiative score
Medical Technologies	THERMO FISHER		3,9%	6,5	40,0%	Availability 40% ; Accessibility 0%; Affordability 0%; Acceptability 0%	GO: 50% DISCOUNT 50% COMMITMENT NO GO: 0% OF SALES	2019
		* Company description				**Company contribution to access to healthcare		
	*Supplier of scientific instruments, reagents, consumables and software for research laboratories.		**Thermo Fisher enables research laboratories to improve production, cut costs and concentrate on developing new treatments. In particular, the company has developed the COVID-19 PCR diagnostic used in over 50 countries worldwide.					
	COLOPLAST		3,8%	7,6	87,0%	Availability 0% ; Accessibility 0%; Affordability 0%; Acceptability 87%	GO: 90.9% OF SALES COMMITMENT: 9.1% NO GO: 0% OF SALES	2021
* Market leader in ostomy, wound care and urology.		**The products sold by Coloplast help to improve patient autonomy, and certain products enable patients to be discharged early from healthcare establishments, as well as improving patient acceptance.						
ESSILORLUXOTTICA		3,2%	6,2	35,0%	Availability 0%; Accessibility 0%; Affordability 0%; Acceptability 35	GO: 80% SALES 20% COMMITMENT NO GO: 0% OF SALES	2019	
	*The world leader in the design, production and sale of ophthalmic lenses, optical equipment, prescription eyewear and sunglasses.		**The optical lenses sold by the company correct myopia, hyperopia, astigmatism and presbyopia.					
STRYKER		3,8%	6,0	76,0%	Availability 0%; Accessibility 3% ; Affordability 3% ; Acceptability 35%	GO: 73% OF SALES COMMITMENT: 27 NO GO: 0% OF SALES	2019	
	*Manufacturer of orthopedic prostheses, surgical instruments and robots, hospital equipment and neuro-technological devices.		**A key player in the healthcare system, whose innovations and services improve patient care, such as orthopedic fastening systems and healthcare beds.					
HOYA		3,4%	6,4	44,0%	Availability 0%; Accessibility 0%; Affordability 0%; Acceptability 44%	GO: 66.7% OF SALES COMMITMENT: 33.3 NO GO: 0% OF SALES	2022	
	*Company specializing in the manufacture and marketing of optical products.		**Hoya's high-quality lenses are used to treat myopia. Hoya also markets endoscopes designed to reduce the risk of post-ambulatory infections.					
TOBII DYNAVOX		2,0%	6,9	100,0%	Availability 87%; Accessibility 0%; Affordability 0%; Acceptability 100%	GO: 80% SALES 20% COMMITMENT NO GO: 0% OF SALES	2022	
	*Manufacturer of medical devices to assist communication.		**The company's products enable users to improve the quality of their lives and become more independent.					
BONESUPPORT		3,1%	6,2	100,0%	Availability 0%; Accessibility 0%; Affordability 0%; Acceptability 100%	GO: 87.5% OF SALES COMMITMENT: 12.5 NO GO: 0% OF SALES	2022	
	*Company manufacturing a synthetic bone graft substitute designed to fill voids or gaps in skeletal systems.		**The Cerament product range helps patients avoid bone grafting. This lowers complication rates (amputations and infections) and reduces the number of surgical interventions required.					
CRODA		2,5%	7,8	20,0%	Availability 20% ; Accessibility 0%; Affordability 0%; Acceptability 0%	GO: 40% OF SALES COMMITMENT: 60% NO GO: 0% OF SALES	2022	
	*Chemical company specializing in ingredients for the cosmetics and health sectors.		**Croda develops high-purity excipients and polymers, used in the manufacture and development of new treatments, vaccines and medicines.					
YPSOMED		2,9%	6,9	100,0%	Availability 0%; Accessibility 100% ; Affordability 0%; Acceptability 0%	GO: 69.2% COMMITMENT: 30.8 NO GO: 0% OF SALES	2022	
	*The world's leading manufacturer of pens and autoinjectors, which also markets an insulin pump.		**Injection devices for people with diabetes improve treatment quality and patient autonomy.					
Niche technology								

* At 12/31/2023, the portfolio was 6.6% liquid.

Appendix 6 - Climate methodologies in detail

Climate indicators

2°C alignment: In 2015, the Paris Agreement set ambitious targets for limiting the increase in global surface temperature to 2°C. The portfolio temperature alignment indicator measures the gap between the prospective carbon performance of the UCI and that expected in a 2°C scenario. By way of example, a mutual fund with an estimated temperature of 2°C indicates that, on average, the companies in the portfolio are demonstrating that the gradual reduction in their greenhouse gas emissions is keeping pace with the 2°C trajectory required for their sector of activity. If a company adopts a higher temperature scenario than that of the economy in which it operates, it exposes itself to risks that could affect the long-term viability of its business (regulatory pressure, high price per tonne of CO₂ impacting profitability, etc.).

This indicator then enables us to identify whether the companies in our portfolios are on a trajectory compatible with the Paris Agreement, and to steer our investments to achieve our contribution to this collective objective. The temperature alignment indicator positions the portfolio on a scale ranging from 1.5 to 6°C, produced by Carbon4 Finance. At UCI level, each company is assigned a rating (CIA score) based on its sector of activity, past climate performance and decarbonization strategy. This score is then associated with a temperature between 1.5 and 6°C. The correspondence table between CIA score and temperatures was constructed on the basis of a study of two universes of companies.

Induced emissions intensity (or carbon footprint) of the portfolio: A company's emissions intensity is calculated by dividing the greenhouse gas emissions induced by its activity (scope 1, 2 and 3) by its enterprise value. To calculate the carbon footprint of our mutual funds, we use the weighted average of the carbon intensities of the companies in the portfolio.

$$\text{Carbon intensity of the portfolio} = \sum_{i=1}^n \left(\frac{\text{Investment value}_i}{\text{UCI net assets}} \times \frac{\text{Carbon emissions Scopes 1, 2 and 3}}{\text{Company value}_i} \right)$$












Portfolio saved emissions intensity: A company's saved emissions intensity is calculated by dividing its saved emissions by its enterprise value. These saved emissions are the sum of the emissions avoided thanks to the company's products and services (compared with a reference scenario) and the emissions reduced thanks to an improvement in the efficiency of production processes.

$$\text{Emission intensity portfolio savings} = \sum_{i=1}^n \left(\frac{\text{Investment value}_i}{\text{UCI net assets}} \times \frac{\text{Carbon emissions Scopes 1, 2 and 3}}{\text{Company value}_i} \right)$$

Appendix 7 - Details of impact measures

In this report's infographic and "company spotlights", we have sought to illustrate the contribution of our portfolio companies to the four access-to-health issues that form an integral part of EHIFA's company selection process.

To do this, we collected the impact indicators communicated by the companies on 12/31/2023, covering their activities for the year 2023.

Treatments for rare diseases		ASTRAZENECA	5		
		MODERNA	6		
		NOVO NORDISK	7		
		RECORDATI	9		
		REGENERON	4		
Users of solutions contributing to the improvement of healthcare infrastructures		DASSAULT SYSTEMES	2200		
		NEXUS	250 000		
Clinical trials in phase 2 or 3		BIOMARIN PHARMACEUTICALS	4	REGENERON	28
		BIONTECH	10	VERTEX PHARMACEUTICALS	4
		MODERNA	19	ASTRAZENECA	123
		RECORDATI	2	NOVO NORDISK	20
Number of patients benefiting from healthcare solutions		BIONTECH	190 000 000	STRYKER	150 000 000
		MODERNA	100 000 000	ASTRAZENECA	116 000 000
		REGENERON	1 000 000	NOVO NORDISK	41 600 000
		VERTEX PHARMACEUTICALS	92 000	YPSOMED	8 100 000
Number of users of autonomy-enhancing medical devices		TOBII DYNAVOX	69 750		
		STRYKER	150 000 000		
		YPSOMED	8 100 000		
COVID-19 vaccine doses distributed		BIONTECH	460 000 000		
COVID-19 vaccine doses distributed in low- and middle-income countries		BIONTECH	138 000 000		
		THERMO FISHER	1 000 000		
Number of diagnostics performed		BIOMERIEUX	237 000 000		
		SIEMENS HEALTHINEERS	221 000 000		
Number of affordability programs		BIONTECH	3		
		STRYKER	1		
		NOVO NORDISK	10		
Number of beneficiaries of assistive technology solutions		COLOPLAST	2 000 000		
		ESSILORLUXOTTICA	762 000 000		
		INTUITIVE SURGICAL	17 000		
		STRYKER	150 000 000		
Number of surgical procedures performed using less invasive technologies		TOBII DYNAVOX	69 750		
		INTUITIVE SURGICAL	14 200 000		

Investors' attention is drawn to the fact that their investment in the sub-fund has no direct impact on the environment or society, but that the sub-fund seeks to select and invest in companies that meet the precise criteria defined in the management strategy.

All these indicators are provided by Carbon4 Finance.

To find out more about the methodologies used, please visit their website: <https://www.carbon4finance.com/>

Appendix 5 - Better Way's independent audit

This report was co-constructed with independent experts from Better Way. Better Way provided a critical view of the methodologies and content, and verified the figures in order to assess the sincerity of the information provided in the report. This verification work covers between 20% and 50% of the consolidated data, which does not eliminate the risk of non-detection of significant anomalies.

Furthermore, the information used in the preparation of this document was obtained from various external sources. LFDE and Better Way have neither sought to demonstrate the reliability of these sources, nor verified this information. Accordingly, neither LFDE nor Better Way makes any warranty whatsoever (express or implied) as to the accuracy, completeness or adequacy of the information contained in this publication.



Better Way is a consulting firm that supports investors and the companies in their portfolios in their responsible or impact-oriented approach: from the definition of a strategy to its concrete implementation and evaluation. Since 2020, Better Way has been supporting La Financière de l'Échiquier in the annual assessment of its impact approach, both in terms of its mutual funds and the management company's strategy.

Valentin BOUTEILLER

For more information, visit <https://www.beter-way.net/>

Important information

The information provided in this report does not constitute advice or an investment proposal, or an invitation to trade on the financial markets. Investors are invited to familiarize themselves with all the information contained in the DIC and the prospectus available on the www.lfde.com website, in order to understand the characteristics and risks associated with the UCI, as well as the costs incurred, before making any investment decision.

As the fund is mainly invested in equities, it carries a risk of capital loss and is also exposed to equity, discretionary management and currency risks.

Investors or potential investors are informed that they can obtain a summary of their rights and also lodge a claim in accordance with the procedure laid down by the management company. This information is available in the official language of the country or in English on the "Regulatory Information" page of the management company's website: www.lfde.com.

In addition, the investor's attention is drawn to the fact that the management company may decide to terminate the marketing agreements for its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The UCITS' consideration of sustainability criteria is **significantly committing, as defined by the Autorité des Marchés Financiers in its doctrine 2020-03.**

The sustainability objective complies with the provisions of **article 9 of the SFDR Regulation.**

The values mentioned in this report were invested at 12/31/2023.

Neither their presence in the portfolio nor their performance is guaranteed.

Proprietary ESG (Environment, Social, Governance) data and AAAA Scores are the latest available, with analyses updated at least every 2 years by La Financière de l'Echiquier teams. They are based on the latest public documents available to us at the time of analysis (notably annual reports), i.e. those for the 2021 financial year at the latest.

There is in fact a one-year time lag, due to the time required for companies to publish their data. Other data on the impact of companies, unless otherwise indicated, are taken from fiscal 2023.

These data may vary over time. From a methodological point of view, the term impact used in this report does not refer to a scientific definition that would enable us to attribute the cause of a change to the fund's financing action or to the actions of the companies in the portfolio. Here, we analyze the expected effects of the investments made, as well as the effects of the companies' actions on their stakeholders - employees, customers, local communities neighboring the sites where they operate, etc. - based on published data. - based on data published by the companies.

LFDE and Better Way have endeavored to provide as much transparency as possible on the figures presented (scope, source, etc.), as well as on the analyses and calculations made on the basis of these figures.

Investors' attention is drawn to the fact that their investment in the UCITS does not generate any direct impact on the environment and society, but that the UCITS seeks to select and invest in companies that meet the precise criteria defined in the management strategy.

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We are convinced that investing for impact listed markets is decisive for financing tomorrow's world. Responsible investor for over 30 years, pioneer of listed impact investment in France, La Financière de l'Echiquier intends to play an active role in building impact finance on listed markets.



53, avenue d'Iéna - 75116 Paris - Tel.: 01 47 23 90 90 - www.lfde.com
S.A. au capital de 10 047 500 € - Siren 352 045 454 - R.C.S. Paris - APE 671C
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