EUROPEAN
COMMISSION

APPENDIX V

Model periodic information for financial products referred to in Article 9(1) to (*4a)* of Regulation (EU) 2019/2088 and in the first paragraph of Article 5 of Regulation (EU) 2020/852

Name of the product : Echiquier Climate & Biodiversity Impact Europe

Legal entity identifier: 9695009G6XL6BB302Y88

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** >0%. ☐ in economic activities that are considered environmentally sustainable under the EU taxonomy ☒ in economic activities that are not considered environmentally sustainable under the EU taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics and** while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy ☐ with an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy ☐ with a social objective
☒ It made **sustainable investments with a social objective :** >0%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The purpose of the financial product is to select issuers that have integrated climate and biodiversity issues into their business, and to direct financial flows towards the companies that will make the European economy carbon neutral in the future.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Indicators	31/12/2022
Impact Score	
Climate and Biodiversity Maturity Score (source LFDE)	66,1/100
ESG rating	
ESG rating (source LFDE)	7,3/10
Note Environment (source LFDE)	7,3/10
Note Social (source LFDE)	7,1/10
Governance note (source LFDE)	7,6/10
Other Indicators	
Carbon Intensity of Induced Emissions (source Carbon4 Finance)	107,2
Weighted Average Physical Risk Score (source Carbon4 Finance)	48,5/100
Temperature Alignment (source Carbon4 Finance)	1,6°C
Ratio of Emissions Saved to Emissions Induced (source Carbon4 Finance)	0,2
Taxonomy eligibility (source Carbon4 Finance)	44%
MSAppb* (source Carbon4 Finance)	51,9
Controversy score (source MSCI ESG Research): where a score of 10/10 indicates no controversy	6,0/10
Signatories of the United Nations Global Compact	82,5%
Workforce turnover rate	7,1%

**The calculation of these indicators can be based on estimated data*

...and compared to previous periods?

Indicators	31/12/2021	31/12/2022	Minimum expected
Impact Score			
Climate and Biodiversity Maturity Score (source LFDE)	66,5/100	66,1/100	40/100
ESG rating			
ESG rating (source LFDE)	7,2/10	7,3/10	6,0/10
Note Environment (source LFDE)	7,1/10	7,3/10	/
Note Social (source LFDE)	6,8/10	7,1/10	/
Governance note (source LFDE)	7,5/10	7,6/10	/
Other Indicators			
Carbon Intensity of Induced Emissions (source Carbon4 Finance)	189,1	107,2	/

Weighted Average Physical Risk Score (source Carbon4 Finance)	28,6/100	48,5/100	/
Temperature Alignment (source Carbon4 Finance)	1,6°C	1,6°C	/
Carbon Impact Ratio (source Carbon4 Finance)	0,1	0,2	/
Taxonomy eligibility (source Carbon4 Finance)	-	44%	/
MSAppb* (source Carbon4 Finance)	58,0	51,9	/
Controversy score (source MSCI ESG Research)	6,0/10	6,0/10	/
Signatories of the United Nations Global Compact	82,8%	82,5%	/
Workforce turnover rate	9,3%	7,1%	/

**The calculation of these indicators can be based on estimated data*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

To ensure that the financial product's sustainable investments do not cause significant harm to an environmental or social objective (DNSH), La Financière de l'Echiquier has applied a "DNSH" procedure for products with a sustainable investment objective, including:
- Sectoral and normative exclusions (recalled below) that reduce exposure to social and environmental harm: tobacco, all types of armaments, non-conventional and non-controversial fossil fuels, gambling, pornography, alcohol, GMOs, palm oil and biocides,
- A consideration of the main negative impacts (PAI) of these investments on sustainability factors This procedure is applied before the stock selection phase.

How were the indicators for adverse impacts on sustainability factors taken into account?

Regarding negative impacts, this financial product has taken into account 14 mandatory indicators from Table 1 of Annex I of the European Commission's Delegated Regulation (EU) 2022/1288, and also includes 2 additional indicators (investments in companies without carbon reduction initiatives and investments in issuers without a policy to prevent work accidents). These indicators are taken into account in the various aspects of the management company's responsible investment approach: through the exclusion policy (sectoral and normative), the ESG analysis methodology, the various Impact scores, and the measurement and monitoring of ESG performance indicators (carbon intensity, ESG controversy score) as follows

CLIMATE & ENVIRONMENT PILLAR

- Scope 1, 2 and 3 greenhouse gas emissions by measuring and monitoring CO2 emissions and equivalents for all scopes (1, 2, 3),
- The carbon footprint, measured and monitored using the Carbon Impact Ratio methodology (ratio of saved emissions to induced emissions),
- The carbon intensity of the invested companies (in tCO2) calculated according to the intensity of the induced emissions (WACI),
- The exposure of invested companies to fossil fuels taken into account in the ESG analysis, - The share of non-renewable energy consumption and production taken into account in the ESG analysis,
- The impact on biodiversity through ESG analysis, the Climate and Biodiversity Maturity Score and the measurement of the biodiversity footprint,
- The impact on biodiversity through ESG analysis and the measurement of the biodiversity footprint,
- Tons of priority substances discharged into water considered in ESG analysis,
- Tons of hazardous waste considered in the ESG analysis,
- Investments in companies without carbon reduction initiatives in the ESG analysis (additional indicator).

SOCIAL PILLAR, HUMAN RESOURCES AND RESPECT FOR RIGHTS INCLUDING HUMAN RIGHTS

- The share of issuers involved in violations of the UN Global Compact or the OECD

Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The proportion of investments in issuers without a compliance process and mechanism to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines, through MSCI ESG Research's normative exclusion policy and controversy monitoring,
- The gender pay gap taken into account in the ESG analysis,
- Diversity on company boards in terms of % of women according to the different legislation between countries and the level of voluntarism and proactivity of companies on the subject, taken into account in the ESG analysis,
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, etc.) taken into account in the sectoral exclusion policy,
- Investments in issuers without a policy of prevention of occupational accidents taken into account in the ESG analysis (additional indicator).

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Through our normative exclusion policy and MSCI ESG Research's controversy monitoring, including the exclusion of the most controversial companies (including companies guilty of violating the UN Global Compact), we have ensured that the following two IAPs are included:
- The share of issuers involved in violations of the UN Global Compact or the OECD Guidelines,
- The proportion of investments in issuers without a compliance process and mechanism to monitor compliance with the UN Global Compact or OECD Guidelines.

How did this financial product address key negative impacts on sustainability factors?

Regarding negative impacts, this financial product has taken into account 14 mandatory indicators from Table 1 of Annex I of the European Commission's Delegated Regulation (EU) 2022/1288, and also includes the following two additional indicators: investments in companies without carbon reduction initiatives and investments in issuers without a policy to prevent work-related accidents. These indicators are taken into account in the various aspects of the management company's responsible investment approach: through the exclusion policy (sectoral and normative), the ESG analysis methodology, the various Impact scores, and the measurement and monitoring of ESG performance indicators (carbon intensity, ESG controversy score). The details of the indicators taken into account are mentioned above.

What were the main investments in this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022

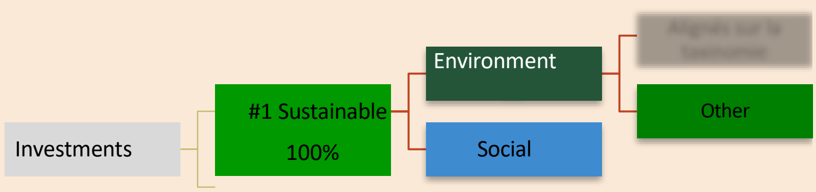
The most important investments significant as of 12/31/2022	Economic sectors	of assets	Country
ASTRAZENECA	***Health***	***6,05%***	***United***

IBERDROLA	*Public services*	*5,24%*	*Spain*
NESTLE	*Consumer goods*	*4,64%*	*Switzerland*
MICHELIN	*Discretionary consumption*	*4,40%*	*France*
ACCIONA	*Public services*	*4,30%*	*Spain*
EDP RENOVAVEIS	*Community Services*	*4,26%*	*Spain*
ALLIANZ	*Finance*	*4,25%*	*Germany*
L'OREAL	*Consumer Staples*	*4,23%*	*France*
AIR LIQUIDE	*Materials*	*3,80%*	*France*
CRODA	*Materials*	*3,64%*	*United*
DASSAULT SYSTEMES	*Information Technology*	*3,47%*	*France*

What was the proportion of sustainability-related investments?

Asset allocation describes the proportion of investments in specific assets.

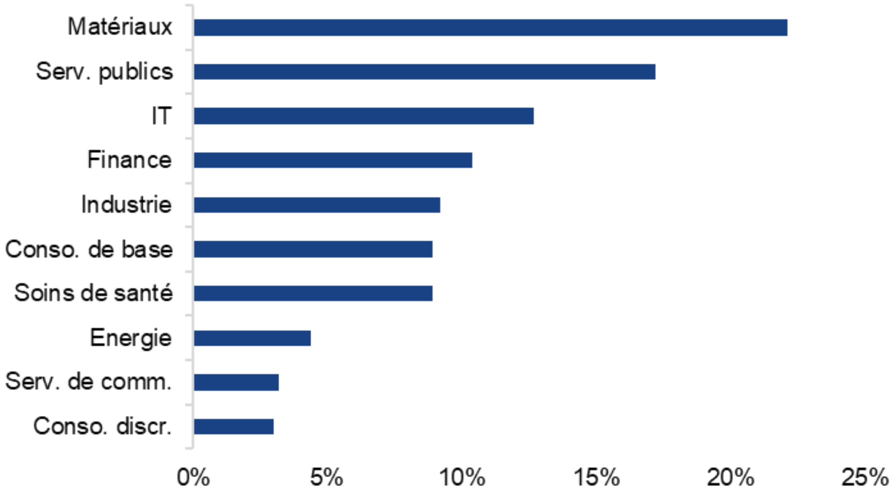
What was the asset allocation?



Category **#1 Sustainable** covers the Sustainable investments with environmental or social objectives.

Category **#2 Unsustainable** includes investments that are not

In which economic sectors were the investments made?



Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy1?

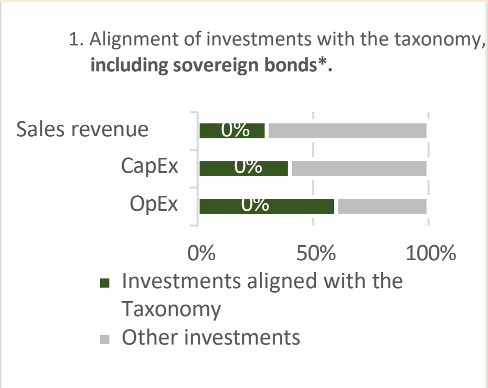
☐ Yes :

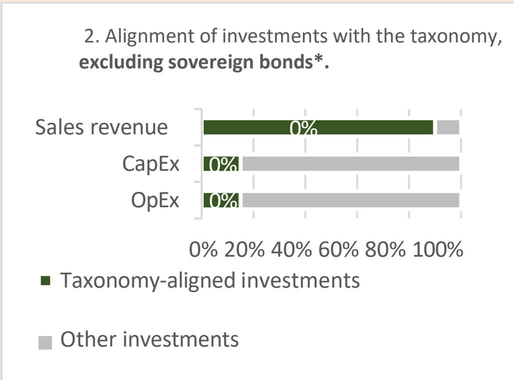
☐ In fossil gas ☐ In nuclear energy

☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purposes of these charts, "sovereign bonds" include all sovereign exposures.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In the absence of data reported by companies, we do not produce data on this indicator.

What was the share of investments made in transitional and enabling activities?

Not applicable

What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?

To date, the methodology for calculating sustainable investments does not allow for the precise identification of sustainable investments that meet only environmental objectives.

What was the share of socially sustainable investments?

To date, the methodology for calculating sustainable investments does not allow for the precise identification of sustainable investments that meet only social objectives.

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

There are no investments included in "#2 Other" because 100% of the investments made by the fund are considered sustainable according to SFDR and our proprietary methodology mentioned above.

What actions have been taken to attain the sustainable investment objective during the reference period?

The financial product is a sub-fund seeking long-term performance by gaining exposure to European equity markets through companies that stand out for their level of progress in addressing climate and biodiversity issues, as well as for their good governance and the quality of their social and environmental policies.

The extra-financial approach integrated into the investment strategy that has enabled this financial product to achieve its sustainable investment objective is as follows:

- Sectoral and normative exclusions filter: Recreational cannabis, Tobacco production, Controversial weapons as defined by the Ottawa and Oslo conventions, Thermal coal, Tobacco, Armaments (in the broadest sense, including nuclear armaments with no minimum turnover threshold), Gambling, Pornography, Non-conventional and controversial hydrocarbons, Alcohol, GMOs, Palm oil, Biocides, companies guilty of severe and very severe controversies according to MSCI ESG Research on biodiversity sensitive issues (palm oil, wood, soy, livestock and overfishing), companies subject to controversies deemed very severe by MSCI ESG Research (list containing, among others, companies guilty of the proven violation of one or more of the ten principles of the United Nations Global Compact) and companies concerned by the American sanctions "Executive Order 13959".
- ESG rating coverage rate: 100% ESG rating of the securities in the portfolio. ESG analysis of issuers is systematic and prior to investment.
- The minimum ESG rating for each portfolio company must be greater than or equal to 6.0/10. To assess the minimum ESG rating, numerous ESG indicators are used as described in the question "What sustainability indicators are used to measure the achievement of each of the environmental or social characteristics promoted by the financial product?" If an issuer's ESG rating is below this threshold, it is automatically excluded from the investable universe.
  As of 12/31/2022, the weighted average ESG rating of the fund was 7.3/10 compared to 6.1/10 for its universe.
- The ESG coverage rate calculated according to the AMF methodology must be greater than 90% of the net assets of the fund.
  As of December 31, 2022, this coverage rate was 98%.
- Controversies are monitored on the basis of MSCI ESG Research, which will result in a malus of 2 points on the ESG rating (malus granularity of 0.5) and sanctions ESG controversies on the three pillars. If necessary, this malus may exclude the stock if the ESG rating falls below the minimum rating (6.0/10). Also, if requested by La Financière de l'Echiquier's teams, the Ethics Committee has the power to decide to exclude a stock from the portfolios in the event of a serious controversy within a company held in one or more portfolios.
- Impact filter through the Climate and Biodiversity Maturity Score: This score establishes the level of maturity of companies in taking into account the climate and biodiversity issues they face and will face in the future. The MCB score is composed of 3 or 4 pillars (Governance, Climate, Biodiversity, Just Transition) depending on the impact on biodiversity of the company, to which is added a malus linked to environmental controversies. Companies must obtain a minimum MCB score of 40% to ensure that they are taking climate change and biodiversity decline seriously in their strategy and therefore making a positive environmental contribution.
  As of 12/31/2022, the MCB score of the fund is 66/100.
- The induced emissions intensity of all scopes must be better than that of its benchmark. The portfolio coverage rate must be greater than or equal to 90% for this financial product. The calculation method used is described in the LFDE Transparency Code**.**
  As of 12/31/2022, according to this methodology, the carbon footprint of the UCI was 189.1 teqCO2 compared to 189.7 teqCO2 for its benchmark.
- The ESG Controversy Score must be better than its benchmark: This score measures the level of severity of a company's controversies. This score, ranging from 0 to 10 (0 being the worst score), is provided by MSCI ESG Research. The portfolio coverage rate must be greater than or equal to 70% for this financial product. The calculation method used is described in the LFDE Transparency Code**.**
  As of 12/31/2022, the weighted average controversy score of the fund is 6.0/10 versus 4.2/10

for its benchmark.

- A minimum of 90% of investments (in net assets) in sustainable investments. To assess this positive contribution to society and the environment, the financial product uses the three impact scores developed internally by La Financière de l'Échiquier (whose methodology is presented above). As well as two other scores:
  - MSCI SDO Score: This score identifies companies that contribute positively through their products and services and/or their operations to the achievement of at least one of the 17 SDOs. This contribution is measured using three scores ("PRODUCT", "OPERATIONAL", "NET") provided by MSCI ESG Research. Each of these scores ranges from -10 to +10. To determine the positive contribution to at least one of the 17 SDGs, the company must validate two steps. On the one hand, it must have between 10% and 25% of its turnover contributing to an SDG ("PRODUCT" score greater than or equal to +5, considered aligned or highly aligned according to MSCI) and/or have its operations considered aligned or highly aligned with the achievement of this same SDG ("OPERATIONAL" score greater than or equal to +5 according to MSCI). On the other hand, the average of these two scores (NET Score according to MSCI) must be greater than or equal to +2.5 in order to ensure their positive environmental and/or social contribution
  - SDG ID Score: This score defines the net contribution of companies to the SDGs. It is constructed in the same way as the SDG Score above, except that the Solutions Score covers all 17 SDGs (instead of 9). Companies must obtain an SDO score of 25/100 and a Solutions score of 20/100 to ensure their positive environmental and/or social contribution. This score is only calculated if none of the other 4 impact scores are available.

How has this financial product performed against the sustainable benchmark?

Not applicable

How did the benchmark differ from a broad market index?

Not applicable

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Not applicable

How did this financial product perform compared with the reference benchmark?

Not applicable

How did this financial product perform compared with the broad market index?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.