



Brussels, 31.10.2022
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ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION (EU) .../...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Echiquier High Yield SRI Europe

Legal entity identifier: 969500Q6ZSYSZGYOZ08

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund's responsible investment strategy is based on ESG criteria highlighting the environmental and/or social characteristics promoted by this financial product, such as reducing the environmental impact of companies in terms of air pollution, protecting biodiversity, ensuring that companies take environmental risks into account, improving working conditions, protecting employees and combating discrimination.

All portfolio positions have benefited from extra-financial analysis



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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

Indicators	31/12/2022
ESG rating	
ESG rating (source: LFDE)	6,5/10
Note Environnement (source LFDE)	6,9/10
Note Social (source LFDE)	5,8/10
Governance note (source: LFDE)	6,8/10
Other indicators*	
Carbon intensity of Induced Emissions (source Carbon4 Finance)	155,8
Ratio of Emissions Saved to Emissions Induced (source Carbon4 Finance)	0,1
ESG Controversy Score (source MSCI ESG Research): where a score of 10/10 indicates the absence of controversy.	5,2/10
Signatories of the United Nations Global Compact	77,3%
Staff turnover rate	11,4%

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

● **...and compared to previous periods?**

Indicators	31/12/2021	31/12/2022	Minimum expectations
ESG rating			
ESG rating (source: LFDE)	6,4/10	6,5/10	5,5/10
Note Environnement (source LFDE)	6,5/10	6,9/10	/
Note Social (source LFDE)	5,8/10	5,8/10	/
Governance note (source: LFDE)	6,8/10	6,8/10	/
Other indicators*			
Carbon intensity of Induced Emissions (source Carbon4 Finance)	185,0	155,8	/
Ratio of Emissions Saved to Emissions Induced (source Carbon4 Finance)	0,3	0,1	/
ESG Controversy Score (source MSCI ESG Research): where a score of 10/10 indicates the absence of controversy.	6,0	5,2	/

Signatories of the United Nations Global Compact	74,5%	77,3%	/
Staff turnover rate	9,1%	11,4%	/

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

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The sustainable investment objectives partly pursued by the financial product were to contribute to achieving the United Nations' Sustainable Development Goals (SDGs) (including combating climate change, protecting biodiversity and improving access to healthcare worldwide). To assess this positive contribution to society and the environment, the financial product uses the three impact scores developed in-house by La Financière de l'Échiquier (ODD Score (focus on 9 ODD), Climate & Biodiversity Maturity Score (MCB), AAAA Score (focusing on access to health)) and an external score called "MSCI ODD Score" built from MSCI ESG Research data. If the issuer scores sufficiently well on one of these four scores, it will be considered to be contributing to an environmental or social objective through its economic activity. Finally, in the event that none of the four above-mentioned impact scores is available for a company (notably in the case of a company not covered by MSCI), an analysis of its contribution to the SDGs will be carried out internally using the "Score ODD ID" internal score (broader than the SDG Score, as it focuses on 17 SDGs instead of 9).

In practice, this financial product has achieved 48% sustainable investment.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social 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, coal, recreational cannabis, controversial armaments.

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

With regard to 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 with no carbon reduction initiatives and investments in issuers with no policy to prevent work-related accidents). They 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

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.

management of ESG performance indicators (carbon intensity, ESG controversy score) as shown below:

CLIMATE & ENVIRONMENT PILLAR

- Scope 1, 2 and 3 greenhouse gas emissions by measuring and managing CO2 emissions and equivalents for all scopes (1, 2, 3),
- Carbon footprint, measured and managed using the Carbon Impact Ratio methodology (ratio of emissions saved to emissions induced),
- Carbon intensity of invested companies (in teqCO2) calculated according to the intensity of induced emissions (WACI),
- Exposure of invested companies to fossil fuels taken into account in ESG analysis,
- The proportion of non-renewable energy consumption and production taken into account in ESG analysis,
- Impact on biodiversity through ESG analysis, Climate and Biodiversity Maturity Score and Biodiversity Footprint measurement,
- Impact on biodiversity through ESG analysis and measurement of biodiversity footprint,
- Tons of priority substances discharged into water taken into account in ESG analysis
- Tons of hazardous waste included in 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 proportion of issuers involved in violations of the UN Global Compact or 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 United Nations 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 ESG analysis,
- Diversity on company boards in terms of % of women, depending on the different legislation in different countries and the level of proactivity of companies in this area, taken into account in ESG analysis,
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, etc.) taken into account in the sectoral exclusion policy,

- Investments in issuers with no workplace accident prevention policy 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:*

Thanks to our normative exclusion policy and MSCI ESG Research's controversy monitoring, which includes the exclusion of the most controversial companies (including those guilty of violating the United Nations Global Compact), we have ensured that the following two IAPs are taken into account:

- The proportion of issuers involved in breaches of the UN Global Compact or the OECD Guidelines,

- The proportion of investments in issuers with no compliance process or mechanism for monitoring compliance with the principles of the United Nations Global Compact or the OECD Guidelines.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

With regard to 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 2 additional indicators: investments in companies with no carbon reduction initiatives, and investments in issuers with no policy to prevent work-related accidents. They 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 management of ESG performance indicators (carbon intensity, ESG controversy score). Details of the indicators taken into account are given above.



What were the top investments of this financial product?

Major investments at 12/31/2022	Economic sectors	% of assets	Country
TK ELEVATOR MIDCO GMBH 4.375% 07/15/2027	Industry	3,63%	Germany
ILIAD HOLDING 5.125% 10/15/2026	Communication services	2,99%	France
ZF FINANCE 2.250% 03/05/2028	Consumer discretionary	2,54%	Germany
LOXAM SAS 4.500% 04/15/2027 SUB	Industry	2,52%	France
GRIFOLS ESCROW ISSUER 3.875% 15/10/2028 SUB	Health Care	2,38%	Spain
DANA FINANCING LUX SARL 3.000% 07/15/2029	Consumer discretionary	2,34%	United States
BFCM 1.625% SR NON PREF 11/2027	Financial income	2,29%	France
INTESA SANPAOLO 7.75% PERP NC 01/27	Financial income	2,10%	Italy
BANKINTER 6.25% PERP NC 01/26	Financial income	1,99%	Spain
BT RENAULT 16/01/23 tx 2.07%	Consumer discretionary	1,99%	Italy
NETFLIX 3.875% 11/15/2029	Communication services	1,86%	United States
MAXEDA DIY 5.875% 01/10/2026	Consumer discretionary	1,68%	Netherlands
RENAULT 2.375% 05/25/2026	Consumer discretionary	1,64%	France
TELECOM ITALIA SPA 3.250% 01/16/2023	Communication services	1,64%	Italy
SANTANDER 2.125% T2 02/2028	Financial income	1,63%	Spain

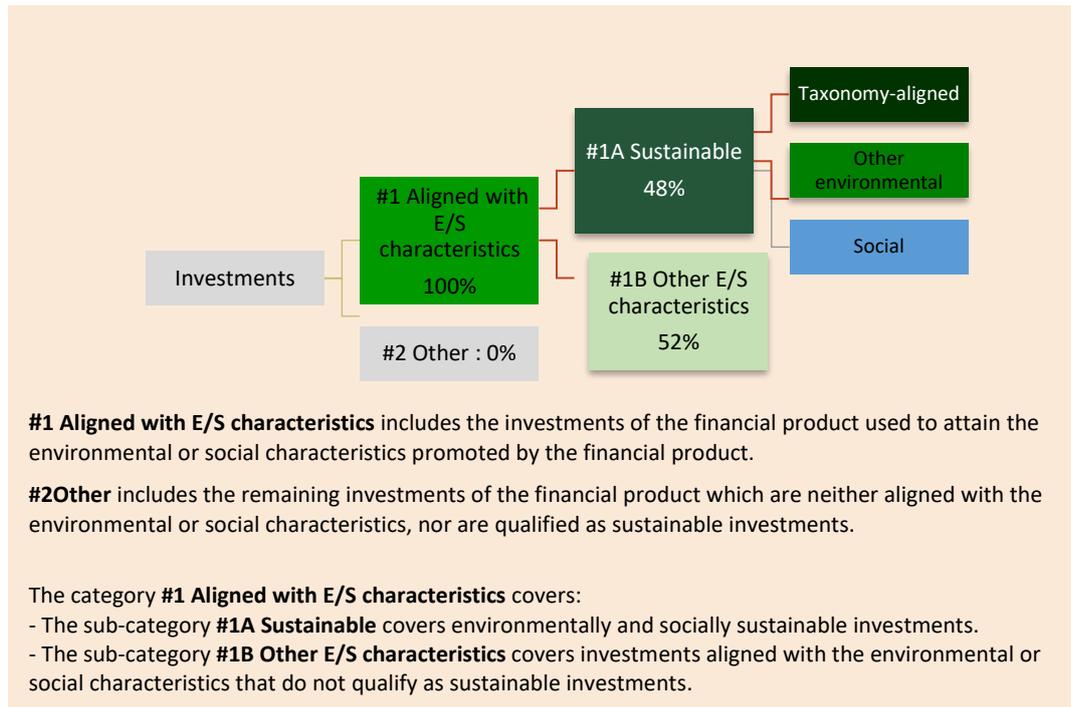
What was the proportion of sustainability-related investments?

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

Asset allocation describes the share of investments in specific assets.



● **What was the asset allocation?**

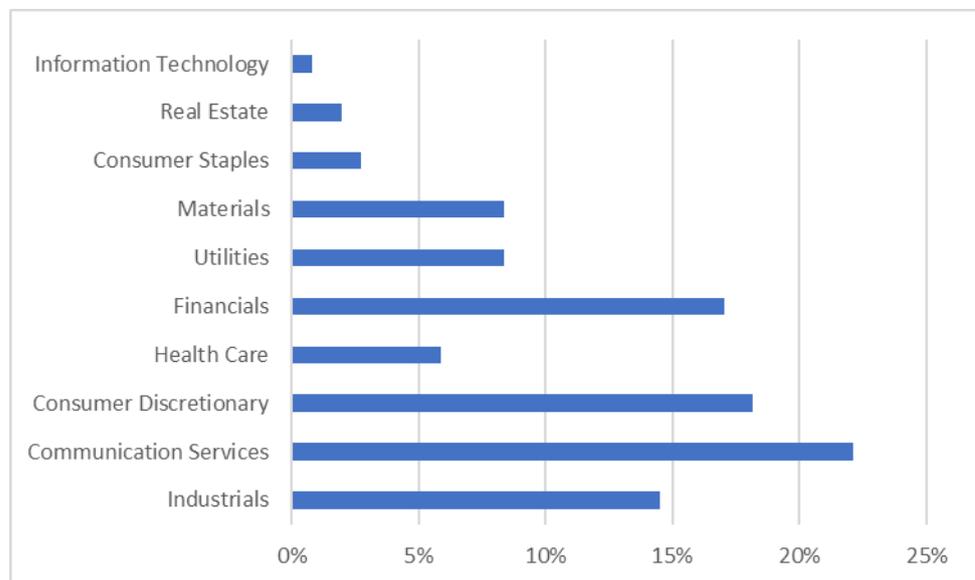


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 which economic sectors were the investments made?**

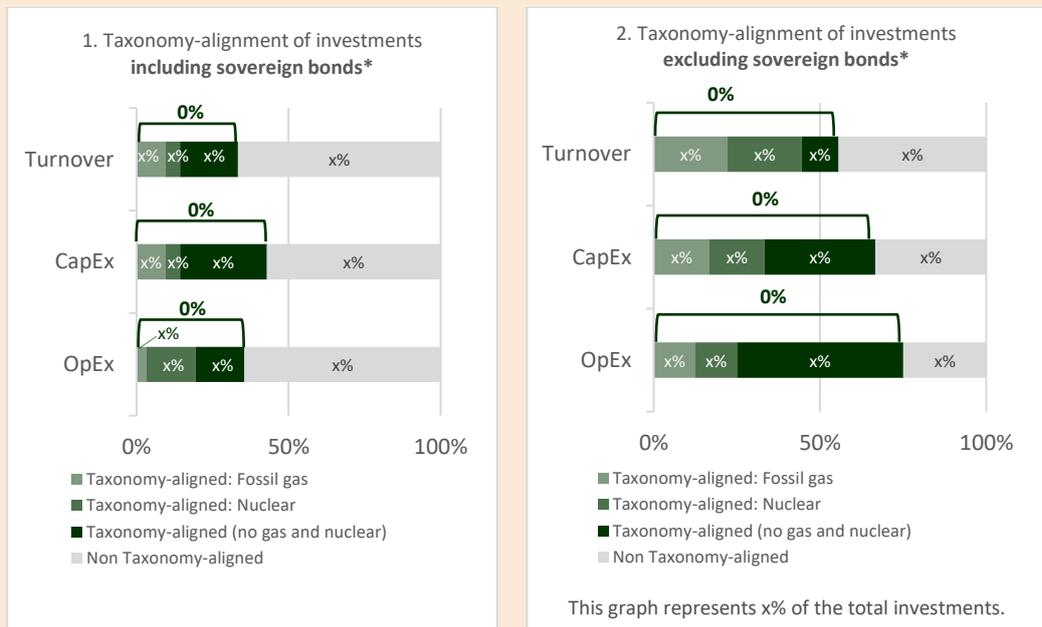


To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- Yes:
 - In fossil gas
 - In nuclear energy
- No

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 purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

Not applicable

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 objective - 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.

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.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

To date, the methodology used to calculate sustainable investments does not allow us to precisely identify sustainable investments that meet only environmental objectives.



What was the share of socially sustainable investments?

To date, the methodology used to calculate sustainable investments does not make it possible to precisely identify sustainable investments that meet only social objectives.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The "non-sustainable" category was made up of corporate bonds that do not meet our sustainable investment criteria, as well as cash. The same sectoral and normative exclusion policy applies to all assets in the portfolio.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The "non-sustainable" category was made up of corporate bonds that do not meet our sustainable investment criteria, as well as cash. The same sectoral and normative exclusion policy applies to all assets in the portfolio.



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

The Fund does not have a sustainable investment objective.

- **How does the reference benchmark differ from a broad market index?**

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

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