



# A JOURNEY THROUGH SRI

---

ITINERARY 2021



# SRI & LFDE, a journey built of patience and passion, spanning 30 years

Active in responsible investing since 1991, La Financière de l'Échiquier (LFDE) is strengthening its commitment to responsible investing, focusing on impact investing on listed markets. In 2021 we implemented initiatives aimed at experienced and new investors.

We have been working on building optimism and educational initiatives, and communicating our convictions in nine countries and in six different languages.

We have entered an era of unpredictability. The ability to reinvent ourselves, educate and get people on board are **key objectives for us in** our role as leaders in SRI and impact investing. In 2021, **SRI has continued to grow in importance at LFDE**, and we are reaching a far greater number of investors through our educational initiatives.

## Impact investing and meaningfulness

Our innovative approach to impact investing is based on our experience and exacting standards. As a pioneer of impact investing on listed equity markets in France, we have developed a level of expertise that enables us to make **meaningful** investments while also improving long-term performance. We wanted to highlight the importance of impact, to raise awareness among all of our clients.

## Investing for a more resilient world

Since finance has a key role to play in channelling capital towards the companies that will shape the world of tomorrow, in December 2020 we launched our second impact fund, Echiquier Climate Impact Europe.\* This investment solution is part of a large-scale **corporate project** focused on incorporating climate risks and promoting awareness among investors in France and Europe.

To raise awareness and fight **biodiversity** loss, we have already introduced a series of commitments and actions which will be further developed in due course.

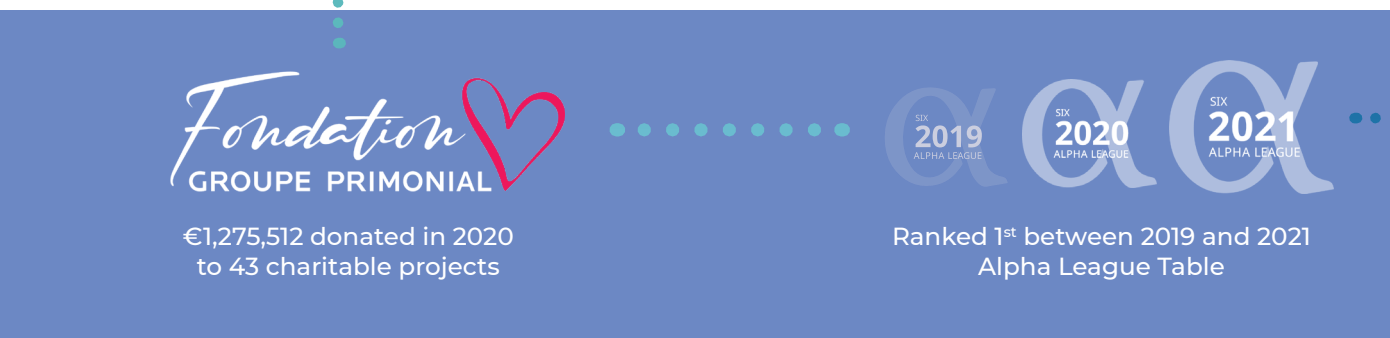
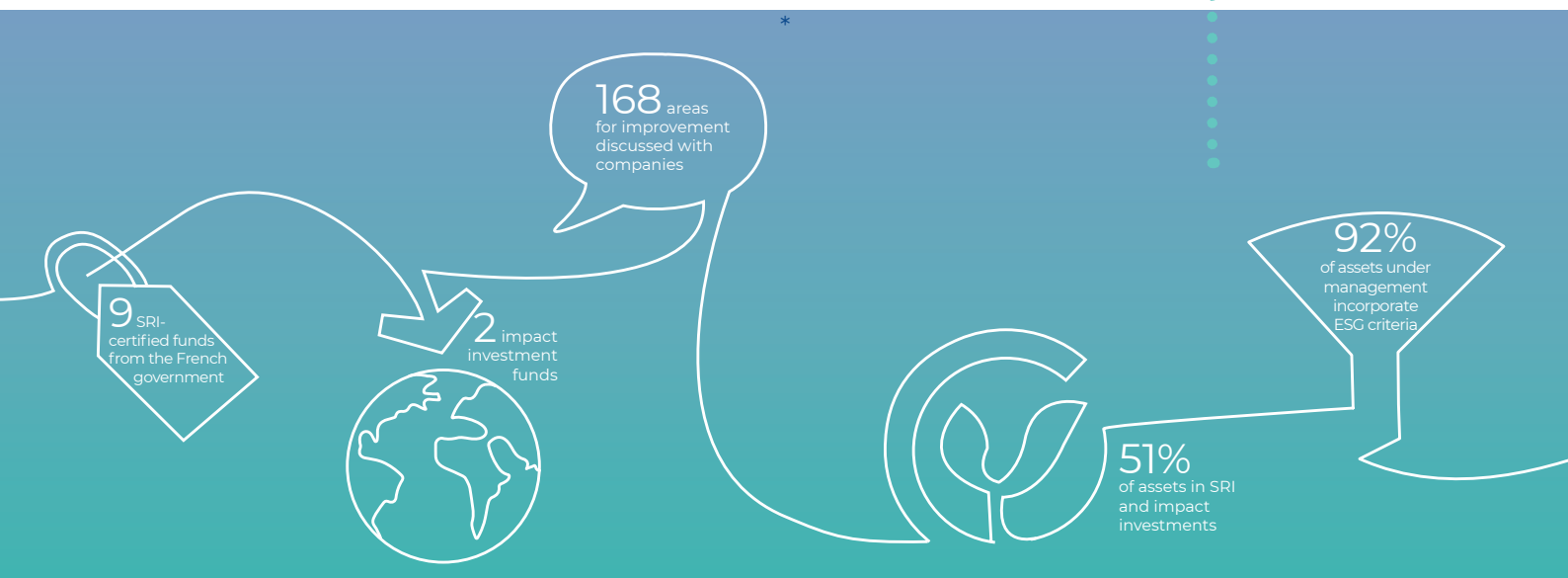
## Passion and patience

LFDE's passion and patience will ensure that we continue to advocate strongly in favour of SRI and impact investing.

\*The Fund's main risks are the risk of capital loss, equity risk and foreign exchange risk, as well as the risks of discretionary management. For more information on the characteristics, risks and fee structure of these funds, please refer to the regulatory documents (prospectus available in English and French and the KIID in the official languages of your country) available on our website [www.lfde.com](http://www.lfde.com)

# SRI *by* LFDE, acceleration

SRI and impact investing are increasingly important factors in LFDE's strategy. SRI & impact assets exceeded the symbolic threshold of 50% of total assets in 2020 and continued to grow in 2021, increasing by 20% year-on-year.



Data at 30/09/2021

# Dedicated teams

Our Responsible Investment Research team, led by Coline Pavot, is at the heart of the management team and has been expanded. This expansion is a strategic move, in response to regulatory changes, and is particularly vital for LFDE as the content produced by the SRI team reflects our commitment to transparency. The Responsible Investment Research team also provides thematic training within LFDE, as well as to our clients and partners, and in academia. LFDE's last training session focused on impact investing.



“The clarity of our non-financial communication and our robust transparency are key to our approach.”

Responsible Investment Research  
Team with Corentin Hervé

## SRI is at the heart of our Client Services

We have strengthened our Client Services team with the addition of a dedicated SRI expert, **Corentin Hervé**, who has extensive experience in managing calls for tender and institutional clients, and is responsible for reporting and the SRI approval process. This appointment reflects the growing importance of SRI in LFDE.

## Alignment of interests

In 2021, we decided to include the ex ante impact targets in the variable remuneration scheme of all our impact managers, a move that is still quite unusual in the asset management industry.

## Rewarded for our exacting standards



AMADEIS

LFDE was voted the number one management company for assets up to €10 billion in this leading institutional investors' ranking, and we were ranked sixth **for customer service**. This is five places higher than in 2019, out of a total of 60 management companies.

# CONTENTS

> THE POWER OF IMPACT INVESTING .....	6
> IN PRAISE OF TRANSPARENCY.....	9
> THE IMPORTANCE OF EDUCATING OTHERS .....	14
> CLIMATE & BIODIVERSITY: IT'S TIME TO ACT .....	20



# THE POWER OF IMPACT INVESTING

---

In a famous scene in Lewis Carroll's *Through the Looking Glass*, the Red Queen explains to Alice that in the world she has just landed in, we must run as fast as we can just to stay in place. Whole sectors of the economy, and our entire planet, will have to engage in this frantic race if we hope to maintain the environment as we know it.

**Building a responsible ecosystem** is a long-term task, yet it could not be more urgent. We have spent the past year advocating for impact, the new frontier of SRI. We are committed to raising awareness in our internal and external ecosystems. The stakes are high, and the challenge is enormous.



# Did you say impact?

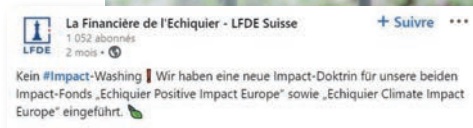
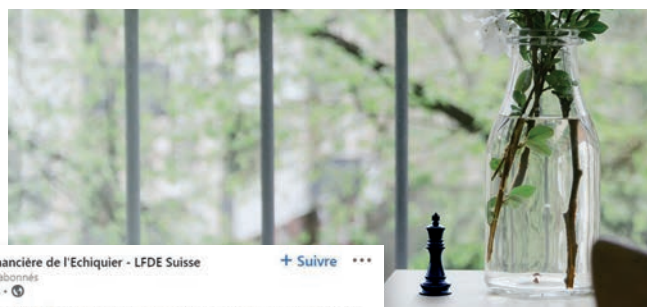
We believe that impact is rooted in the long term and we have therefore strengthened our commitment and set out our unique and innovative vision in our impact doctrine, published in 2021.

“We firmly believe that impact investing on listed markets is crucial to financing the world of tomorrow.

Bettina Ducat, Chief Executive Officer of LFDE

## ◆ An innovative impact doctrine

Our impact doctrine is intended to provide a framework for LFDE's impact investment strategies. It is an opportunity for us to highlight **what our approach entails** to set out our commitment to our clients on impact investing, and to avoid "impact washing". This doctrine has been adopted throughout Europe.



## ◆ Rigorous positioning

Our methodology is inspired by the work of the French responsible investment forum, FIR, France Invest and the *Global Impact Investing Network* (GIIN). It is based on three pillars:

**Intentionality**, reflected in the clarity of the manager's intentions, the methodology used and the quality of governance

**Measurability**, the actual outcome in terms of whether the initial objective is achieved or not



**Additionality**, the extra spark that allows investors to push past responsible investing to become an impact investor.





# To make our clients aware of the impact of their investments

To raise awareness of the power of impact investing, we have enhanced our communication initiatives across Europe.



Funds people



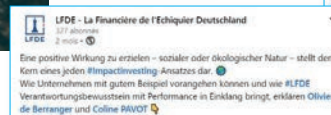
L'AGEFI Switzerland

## Impact stories

in 4 languages

A message from the company's management.

Editorial published on European social networks





# IN PRAISE OF TRANSPARENCY

---

Transparency in relation to our methodologies and investments is key to our approach. Our drive for transparency is reflected in the production of ever more accurate and accessible content. In 2021, for example, this focus prompted us to redesign the SRI pages on our website, produce more in-depth reports and create new SRI formats.



# Being green

Our drive for transparency is reflected in the production of ever clearer content that sets out our strategy, objectives and challenges. In 2021, we introduced a new publication showcasing our own in-house research findings, and the first two issues of these new research booklets were produced and distributed in Europe.

## Showcasing our research

Following on from the SRI & Performance study *by* LFDE, this new publication accurately presents the results of our own in-house research. It explains our findings and insights and is published in 7 European countries.



## Greenwashing

How can we be sure of a company's genuine commitment to CSR? As greenwashing increases, LFDE has developed a rigorous internal methodology to **combat this unethical behaviour**. And let it be known !

# In praise of transparency

In response to regulatory changes (TCFD, *Disclosure*, AMF recommendations, for example), we have stepped up our efforts to highlight transparency and present the full range of new indicators and metrics.

## LFDE's annual SRI reporting

Each of the nine SRI-certified funds in our range has a dedicated, clear and accurate annual reporting. Illustrated with specific examples, these reports shed light on the funds' investment process, their voting and engagement approach, and their performance using various ESG indicators.



## The footprint of our funds

For more information on "Article 173-VI of the French Energy Transition for Green Growth Act" reports, please visit our website [www.lfde.com](http://www.lfde.com). In addition, LFDE is committed to measuring the **biodiversity footprint** of its funds, using Carbon 4 Finance and CDC Biodiversité's tools and data.

## Transparency Code



Published in May 2021, this document has been significantly enhanced, particularly regarding our impact approach.

## SFDR policy

In March 2021, we published our SFDR Policy on our website, which includes the non-financial aspects of LFDE's approach and the implementation of the *Sustainable Finance Disclosure Regulation*.



# A commitment to being transparent with investors

The ability to measure the impact of investments and funds is crucial to increase transparency on the actual impact of clients' investments. In 2021, this was reflected in the publication of the third annual Echiquier Positive Impact Europe report\*.



This **third annual Echiquier Positive Impact Europe report**, prepared in collaboration with Better Way, a consultancy specialised in impact, provides a true measure of the positive impacts generated by the investments made in the companies in our portfolio, in regard to the UN's Sustainable Development Goals.

- ◆ Our in-house methodology to contribute to the SDGs
- ◆ Our investment approach
- ◆ The smart governance of this impact fund
- ◆ The impact of the companies in the portfolio in relation to the 9 SDGs identified by the management team
- ◆ Investment scenarios and specific impact examples for each of the 9 SDGs
- ◆ Details of impact measures



Available in French and English, this annual report was distributed to the fund's stakeholders and the European press, and was also posted on **social networks**.

\*The main risks for the fund are the risk of capital loss, equity risk, the risk of investing in small and mid-cap stocks and discretionary management risk. For more information on the characteristics, risks and fees of these funds, please refer to the regulatory documents (prospectus available in English and French and KIID in the official languages of your country) available on our website [www.lfde.com](http://www.lfde.com).

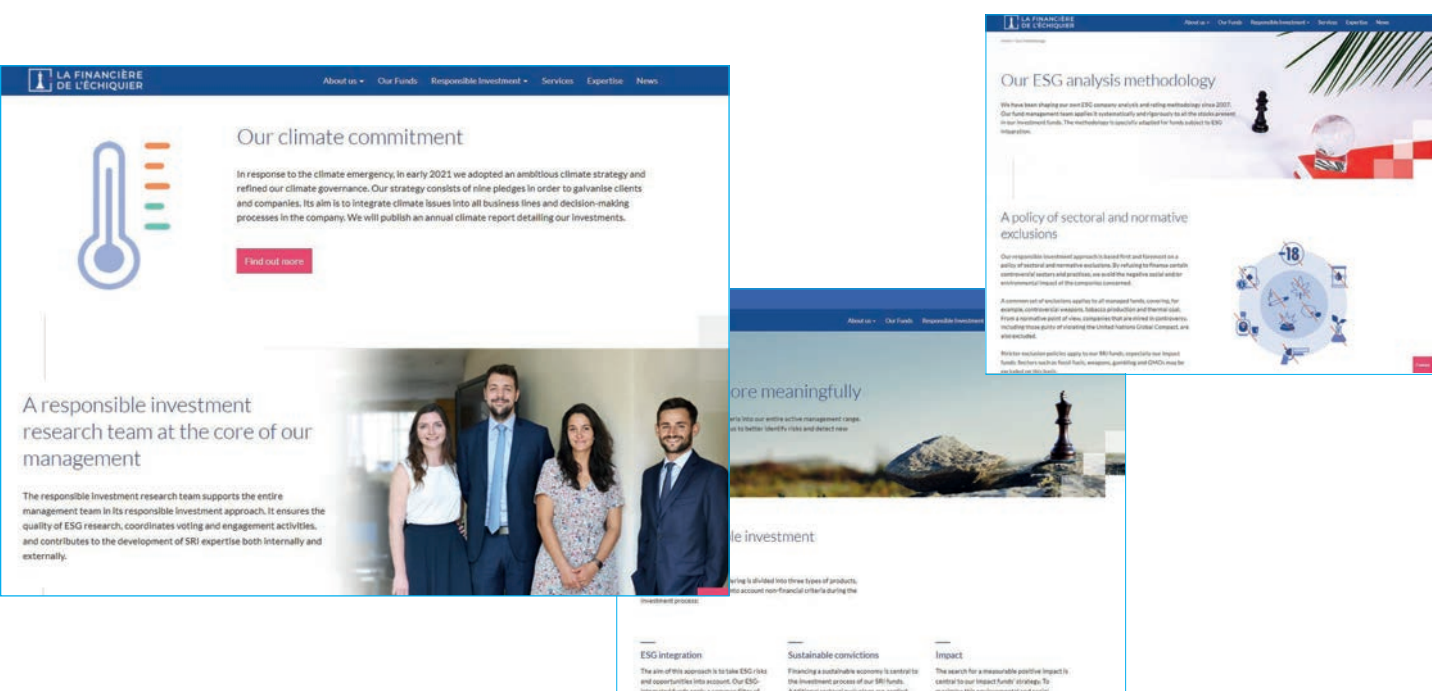




# A commitment to transparency

## Accessibility

In 2021, we enhanced our website, particularly the section on SRI, in response to regulatory requirements and to further improve the clarity of the information provided.



## Voting and engagement report

LFDE's new voting and engagement policy, updated and published in June 2021, clearly outlines:

- ◆ The structure of voting and engagement at LFDE
- ◆ Our voting principles and how they are applied in practice, as demonstrated by exercising voting rights at general meetings
- ◆ Our engagement principles and objectives
- ◆ The escalation procedure following an engagement with a company. This report, which is available on the LFDE website, is also available to the investee companies.

# THE IMPORTANCE OF EDUCATING OTHERS



---

Although SRI is increasingly recognised, there is still some way to go before it is more widely accepted. Our passion and patience will ensure that we will continue to advocate strongly in favour of SRI and impact investing.

Our content enables us to connect with all our stakeholders.



# A guide unlike any other

To mark LFDE's 30<sup>th</sup> anniversary, we wanted to raise awareness among our clients and partners by adopting a creative, recyclable approach.

## Everything you always wanted to know about SRI but were afraid to ask

We published a collection of **cartoons and articles** to explore the key concepts of SRI and impact investing. A guide created in partnership with *Les Echos Publishing*, to explore the future in colour. We've shared the cartoons on our social media and translated them into five languages.



in 5  
languages

Posts shared on  
the LFDE website  
and on social  
networks



# Taking the fight further

Building on its success, the SRI *by* LFDE School was launched in 2021. It is now expanding into universities.



Coline Pavot, Head of Responsible Investment Research, was instrumental in the creation of the **MSc Sustainable Finance & FinTech** programme at SKEMA Business School and has been teaching there since September 2021.



To help educate future financial professionals about SRI, Coline Pavot also teaches at **NEOMA Business School**.



L'ÉCOLE DE L'ISR  
by LFDE

MOOC  
online  
courses  
in SRI



 available  
on demand

Educating people about responsible finance is a priority.

+1,330

people trained by  
our SRI team since  
2019



# The many faces of SRI

In 2021, our new #MeetLFDE format, broadcast in Europe, has been showcasing our responsible investment research and management teams on our social network platforms. A different perspective, quirky interviews, stories and views that will hopefully inspire others.



\*The engagement rate on social media measures the level of interest that our audience has for our posts. The more times a post is clicked on, the higher the engagement rate.

## SRI President

And, because it's never too early to start campaigning for SRI: we've just launched a brief social media ad campaign "If I were President...".



***I would introduce legislation modelled on the polluter pays principle to force companies to pay for the social and environmental consequences of their activities.***

Coline Pavot, Head of Responsible Investment Research

## Fund stories

LFDE launched a new series of educational videos in 2021 in 5 languages.



# The voices of SRI

Raising awareness and educating people are the focus of all our actions, including on the radio and TV. Our aim is to help decode responsible investing and explain the key aspects of impact investing.



## Investing in accordance with your personal values and beliefs

Valentin Vigier, SRI Analyst, outlined our approach in French and English on Radio Patrimoine.

One foot in front of the other, **our educational podcast** is still attracting a strong audience, with over 1,600 listeners in 2021.



Scan the QR code to listen to the podcast



Only in French

## A wide range of views and opinions



### Luc Olivier on the power of impact investing through public markets

Luc Olivier, Fund Manager of Echiquier Positive Impact Europe at La Financière de l'Echiquier (LFDE), talks to Climate Action about the power of impact investing through public markets and how this is integral to funding UN SDGs.

15 March 2021 | Rachel Cooper



# The (militant!) sharing of our views

Passionate and committed, we are campaigning and sharing our convictions beyond our ecosystem. Our media campaign is also available in the European press and on social media.

## Our SRI newsletters on climate change

Distributed in eight countries, our SRI newsletters, which are published in the international press, are also sent out to our private and institutional clients.



Funds people



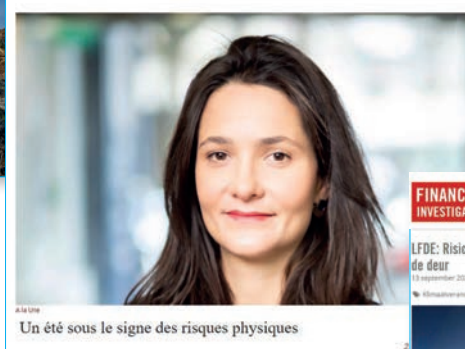
Finanznachrichten



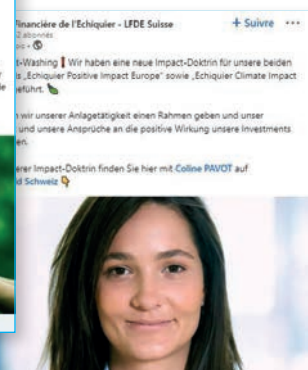
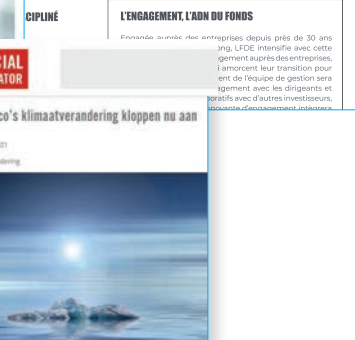
## Digital influence

Agile organisation of news feeds, targeted messages, a network of digital SRI ambassadors... We are expanding our initiatives. In 2021, we launched LinkedIn pages in five European countries: their engagement rates are up everywhere.

L'Info Durable



Monde économique





# CLIMATE & BIODIVERSITY: IT'S TIME TO ACT

Climate change is an emergency but it's not the only one... Everywhere on Earth, the reality is the same: the collapse of life and the biodiversity crisis are due to one species: mankind. How can we preserve biodiversity, and ultimately ourselves? LFDE is taking action to tackle this silent yet fast-moving crisis, which is intertwined with the climate emergency. Digital influence, dedicated forums, events, sponsorship – all the initiatives undertaken in 2021 have one main goal: to raise awareness of these critical issues with people everywhere.





# Hope is not a strategy

In response to the climate emergency, in early 2021 LFDE adopted a pragmatic, and progressive climate strategy. Designed on the recommendations of the TCFD and deployed by our new climate governance team, this strategy aims to raise awareness and support our clients by informing them of the climate risks of their investments.

## An ambitious climate strategy

The company's senior management is responsible for promoting this strategy and the issues surrounding climate change.

“Our ambition is to become a leading player in climate finance. As a committed and determined investor, LFDE's aim is to be a driving force for innovation to help meet the climate challenge.

Bettina Ducat, Chief Executive Officer of LFDE



Climat : l'espoir n'est pas une stratégie

Les émissions mondiales de CO2 ont augmenté de 60% depuis 1990, un emballement continu dont les conséquences sont multiples. En octobre 2020, la surface de la banquise arctique a atteint son plus bas historique. L'effondrement est maintenant inévitable. Les chiffres du réchauffement climatique sont éloquentes.

L'empreinte de l'homme sur la planète lui fait franchir ses limites naturelles, et l'augmentation des émissions de gaz à effet de serre provoque chaque année une cascade d'aléas climatiques qui impactent nos écosystèmes et nos vies.

Investisseur responsable et engagé depuis 30 ans, La Financière de l'Echiquier (LFDE) vitués déjà seses des enjeux climatiques et de biodiversité en intégrant notamment en toutes décisions collaboratives ou en lançant une stratégie à impact planétaire destinée à financer la transition climatique des entreprises européennes. Face à l'urgence des besoins, LFDE a décidé de porter ses ambitions climatiques plus loin en adoptant une stratégie d'entreprise dédiée. Face à l'urgence, LFDE fait du climat une priorité en intégrant cet enjeu et les risques climatiques dans sa stratégie d'entreprise. La réponse que nous souhaitons apporter contribue également à la résolution de biens d'autres enjeux, notamment sociaux, tout autant prioritaires.

... avec I-Care & Consult, n...  
Ask Force on Climate-Related Financi...  
2020. Déployée par une gouvernance robu...  
tous les métiers de notre entreprise.  
Déclinée en 9 engagements, notre stratégie cli...  
accompagner dans leur transition nos clients et n...

### Engagement 1

LFDE instaure une gouvernance climat robuste, les membres Conseil d'Administration et du Comité Exécutif étant spécifiquement formés aux enjeux finance-climat.

Engagement 2  
Accompagner n...  
Informant de la des risques clima...  
gies dont lesquel

Engagement 3  
Etendre la preinte car...  
l'ensembl...  
2021, an...  
regar...  
for...

### Engagement 4

Etre exemplaires en faisant de nos collaborateurs les premiers ambassadeurs et en étoffant le volet Climat de notre politique RSE pour réduire notre empreinte carbone sur notre...

La Gazette des Instituts no. 10

## Active promotion throughout Europe



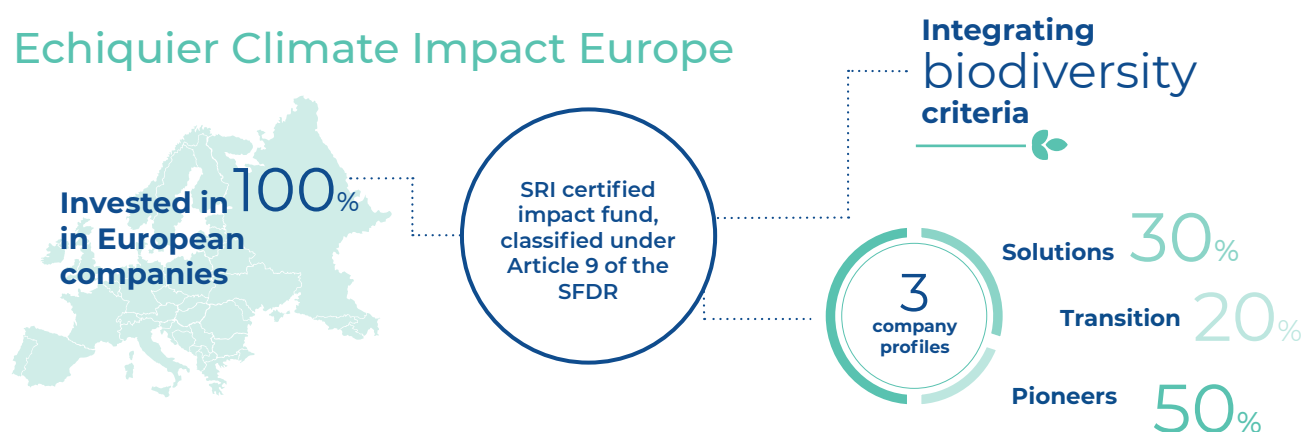
## Strict Coal Policy

In 2021, LFDE reinforced its coal policy, which was rewarded by the *Coal Policy Tool* with top marks for the five pillars assessed.

# Meeting the climate challenge

Launched in December 2020, Echiquier Climate Impact Europe\*, designed alongside I-Care & Consult, an independent expert, is one of the few European funds to integrate climate and biodiversity\*. The fund has been actively promoted through all our European communication channels.

## Echiquier Climate Impact Europe



## Climate Maturity

Demanding and scalable, the methodology underpinning Echiquier Climate Impact Europe is designed to evaluate the level of commitment by calculating a **climate maturity score**. We have promoted our methodology to our clients and the European press. It is based on three clearly defined pillars:



**30% Climate governance**

Takes into account the level of management driving the climate strategy, the physical or transitional risks, or the integration of climate and biodiversity criteria into executives' remuneration policy.



**60% Climate change**

Assesses the quality of the climate roadmap, the integration of biodiversity issues in the supply chain or the past and future carbon trajectory of companies.



**10% Just Transition**

Takes into account the consequences of the climate trajectory on employment and product accessibility.



**Climate controversy**  
**Up to 20% penalty**

Analysis of controversies on a case-by-case basis with a focus on whether or not it is material for the company in question.

**15% of the Climate Maturity score if the company's materiality of biodiversity is high**

\* If materiality of biodiversity is not high, a score of 0% is given according to a sectoral biodiversity matrix set up internally

\* The consideration of biodiversity in the investment process described is not a commitment of the management company and is not currently included in the fund's regulatory documentation. The main risks of the fund are the risk of capital loss and the risks associated with equities, exchange rates and discretionary management. For more information on the characteristics, risks and fees of these funds, please refer to the regulatory documents (prospectus available in English and French and KIID in the official languages of your country) available on our website [www.lfde.en](http://www.lfde.en).

## ECHIQUEUR CLIMATE IMPACT EUROPE

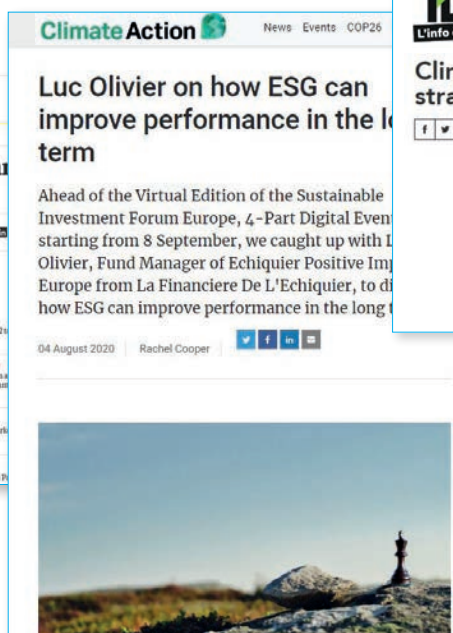
Because the climate is also part of your capital

# Educational initiatives on climate change

Something for everyone



European reach





# A unique initiative in Europe

Encouraging the exchange of best practices and spreading the word about biodiversity and climate change issues among our stakeholders: LFDE's aim is to accelerate the energy transition and draw attention to the biodiversity crisis. For the first time in Europe, our initiative will bring together experts and managers, clients and companies, on these crucial issues.



Climate &  
Biodiversity,  
time to act



## An innovative seminar

On 25 and 26 November 2021, LFDE is organising its first event in the series. We have great pleasure in welcoming **Bruno David**, author of *A l'aube de la 6e extinction*, published by Grasset in 2021, and **President of the French National Museum of Natural History**.

### LFDE, patron of the French National Museum of Natural History

In 2021, LFDE is supporting the Museum's biomimicry research project "Eco-concrete from marine sediments".





# Climate & Biodiversity: Our 2021 commitments

La Financière de l'Échiquier is committed to strengthening its collaborative engagement.



**Finance for  
Biodiversity**  
Pledge

Our commitment to this international initiative demonstrates our desire to strengthen our engagement with businesses, essential links in the chain when it comes to safeguarding biodiversity and preserving natural capital. As part of this campaign, LFDE is committed to integrating biodiversity criteria into its analyses by 2024.



**Safeguarding  
biodiversity is as  
urgent as tackling  
climate change.**

Bettina Ducat, Chief Executive Officer

**NET ZERO  
ASSET  
MANAGERS  
INITIATIVE**



We have joined the *Net Zero Asset Managers Initiative*, whose objective is to reinforce the commitments we have made on **climate change** and **carbon neutrality** by 2050.

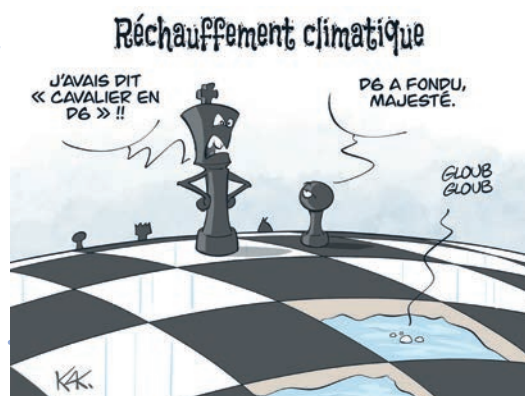
**2021 GLOBAL INVESTOR  
STATEMENT TO  
GOVERNMENTS ON  
THE CLIMATE CRISIS**



LFDE joins the 587 international investors who have signed this collaborative commitment, which aims to **incentivise governments to take** drastic measures to limit the increase in temperature to 1.5 degrees and achieve **a carbon-neutral world by 2050**.

LFDE is proud to sponsor this year's **Le Grand Défi des Entreprises** in its efforts to accelerate the ecological transition. The aim is to establish a sustainable model for all.

Artwork by Mr KAK  
for LFDE



# Long-term commitments

Signatory to the *UN PRI* since 2008, LFDE is stepping up its commitment to climate change. LFDE has joined Climate Action 100+, the first global coalition of investors to enter into joint commitments with the world's biggest emitters of greenhouse gases. This initiative aims to encourage these companies to reduce their greenhouse gas emissions in line with the Paris Agreement, to improve their climate governance and to make their climate reporting more transparent.

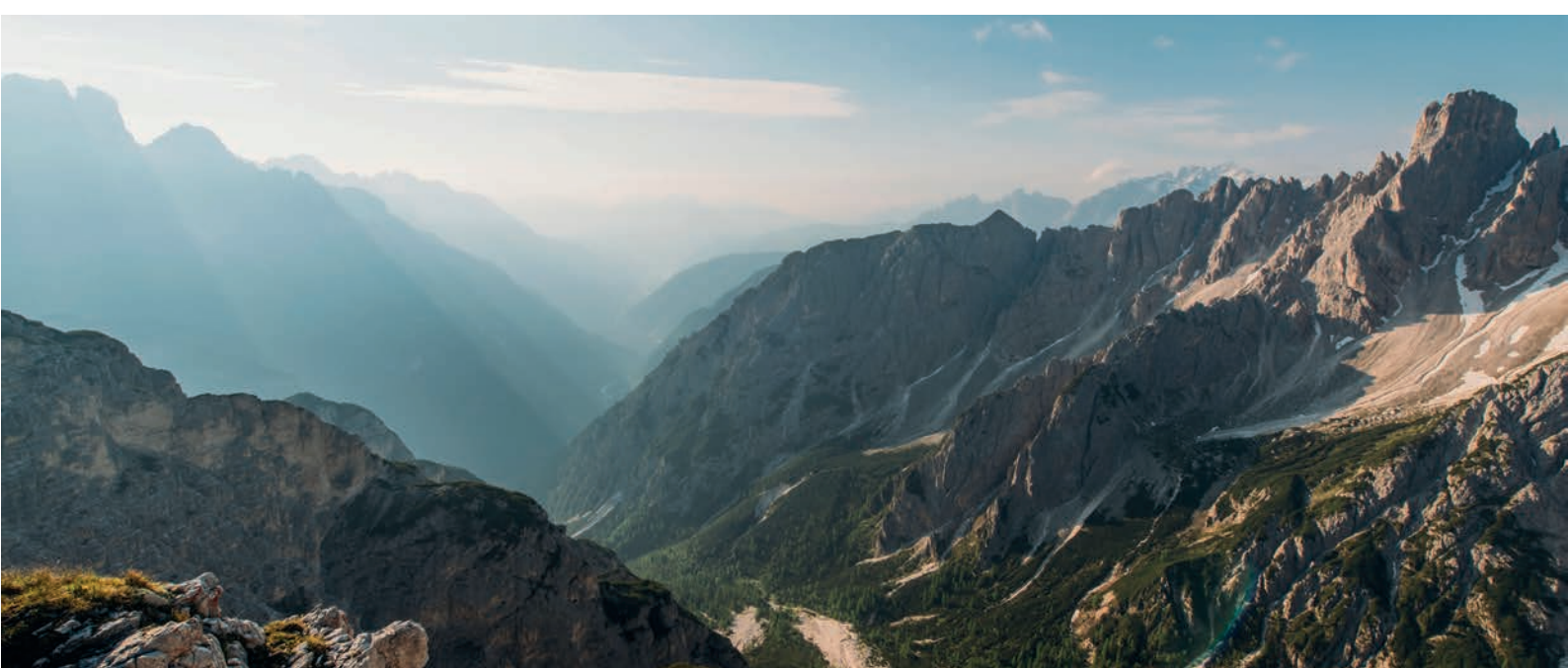
Technical Expert  
Group of the European  
Commission

We are in regular contact with **TEG – Technical Expert Group of the European Commission** working on a range of industry initiatives that will influence the future of responsible investing and the asset management industry in Europe.

## EU Alliance for a Green Recovery

LFDE maintains its commitment to the European Parliament's initiative, bringing together some 300 stakeholders, including the Caisse des Dépôts et des Consignations and around a hundred European companies, **to speed up the ecological transition.**

Green  
Recovery



# SRI by LFDE

## awards received in 2021



### Trophée de la Finance Responsable

Category: European equities

### Grands Prix de la Finance H24

Category: Sustainable development

Category: Impact investment funds

### Echiquier Positive Impact Europe

1<sup>st</sup>

2<sup>nd</sup>

2<sup>nd</sup>



### Grands Prix de la Finance H24

Philanthropy

**Gestion de fortune**  
Management company (SRI)



1<sup>st</sup>

3<sup>rd</sup>



Coline  
Pavot

### Grands Prix de la Finance H24

Category: ESG Personality of the Year

4<sup>th</sup>

(up 4 places  
in one year)



A M A D E I S

### Le Palmares Amadéis

Category: SRI

### Mieux vivre votre Argent

Label Excellence 2021



Echiquier Agenor  
SRI Mid Cap Europe





La Financière de l'Échiquier | [www.lfde.com](http://www.lfde.com)  
53, avenue d'Iéna, 75116 Paris | Tel.: +33 (0)1 47 23 90 90

This document, intended for professional investors, is not contractually binding. It may only be provided to non-professional investors with the prior agreement of La Financière de l'Échiquier.

This information and this document do not constitute investment advice, an investment proposal or an incentive to trade on the financial markets. The information provided has been obtained from the best possible sources available to us.

The decision to invest in the funds should not be based solely on its non-financial aspects and should take into account all other characteristics of the fund, as described in its prospectus.

Investors are also advised that investments in impact funds do not have a direct impact on the environment and society, but that the funds seek to select and invest in companies that meet the specific criteria set out in the management strategy.

For more information on the characteristics, risks and fees of this fund, please read the regulatory documents (prospectus available in English and French and KIID in the official languages of your country) available on our website [www.lfde.com](http://www.lfde.com).

Investors or potential investors are informed that they may obtain a summary of their rights and also lodge a complaint in accordance with the procedure provided 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](http://www.lfde.com).

La Financière de l'Échiquier, a public limited company with share capital of €10,105,300, having its registered office at 53, avenue d'Iéna, 75116 PARIS. La Financière de l'Échiquier, listed on the Paris Trade and Companies Register under number 352 045 454, is authorised as a portfolio management company by the AMF. (Autorité des Marchés Financiers) under number GP 91-004.