

IMPACT REPORT ECHIQUIER CLIMATE & BIODIVERSITY IMPACT EUROPE



2022



intentionality

Methodology

1 proprietary Climate and Biodiversity Maturity methodology to identify 3 company profiles:

- Solutions,
- Pioneers,
- Transition.

Governance

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

Sharing value

€75,000 paid in respect of 2022 to 2 projects to promote a just transition and preserve biodiversity.

Objectives

2 **ex-ante impact objectives**¹ used to determine a portion of **variable remuneration for fund managers**.

Because the planet is also part of your capital

Echiquier Climate & Biodiversity Impact Europe's impact philosophy is based on three pillars central to the life of the fund

additionality

Engagement

10 portfolio companies were the subject of **active engagement on climate and biodiversity** in 2022.

Success

26.4% of the portfolio is made up of **companies in transition** that are starting to implement measures to protect the climate and biodiversity.

Sector contribution

7 **working groups** on impact investing on listed markets, climate and biodiversity in which we participated in 2022.

measurability

Impact assessment of the companies at portfolio level

The companies in the portfolio contribute to carbon neutrality and the preservation of biodiversity.

CLIMATE

A portfolio aligned with a **climate trajectory**: **1.6°C** vs 2.7°C for the benchmark.

Our investment in portfolio companies has **saved 2,185 teq CO₂** vs 1,279 teq CO₂ for the benchmark.

43.9% of the **revenue of portfolio companies** eligible for the European Taxonomy vs **19.2%** for the benchmark.

In 2022, our investment in portfolio companies contributed to a **loss in terrestrial biodiversity** equivalent to the artificialisation of an area of **30 soccer fields** vs 64 for the benchmark.



BIODIVERSITY

Measuring the impact of companies, by buckets

SOLUTIONS BUCKET

64.6% Weighted average CBM score for the component vs **66.0%** for the portfolio.

67.4% of the revenue of companies in the component eligible for the European Taxonomy vs **43.9%** for the portfolio and **19.2%** for the benchmark.



PIONEERING BUCKET

72.5% Weighted average CBM score for the component vs **66.0%** for the portfolio.

72.7% Companies committed to an SBTi 1.5°C scenario vs **47.9%** in the portfolio and **44.3%** in the benchmark.



TRANSITION BUCKET

56.9% Weighted average CBM score for the component vs **66.0%** for the portfolio.

63.7% Companies that have set themselves a climate target in line with SBTi or have made a public commitment to do so within 24 months vs **79.7%** in the portfolio and **66.7%** in the benchmark.



Investors should note that their investment in the sub-fund does not have a direct impact on the environment or society, but that the sub-fund seeks to select and invest in companies that meet the precise criteria set out in the management strategy.
1. Defined before the investment to align the impact objectives sought with the Fund's impact case.

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In this report, the abbreviation ECBIE refers to the Echiquier Climate & Biodiversity Impact Europe 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 companies in the portfolio.

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 carbon neutrality and biodiversity conservation, based on content and data disclosed publicly by companies as at 31/12/2022.



For more information on Better Way’s independent verification of this report, please refer to Appendix 6.

Foreword

Olivier de Berranger
Deputy Managing Director
and Chief Investment Officer



A unique choice, taking action

All over the world, the situation is the same. The climate crisis and the erosion of biodiversity are intertwining and intensifying. Preserving our natural capital and speeding up the transition is the only way forward. These major challenges of our century are moving the goalposts for companies and financial markets. Listed impact investing has seized upon them and we are convinced that its role is crucial in attracting capital to companies committed to the climate and the preservation of biodiversity.

Faced with the confluence of these universal challenges, Echiquier Climate & Biodiversity Impact Europe has chosen to support all sectors of the economy in their transition. This unique positioning and commitment reflect the convictions of our committed company, which reflect the major environmental and social challenges. Our company’s demanding Climate & Biodiversity strategy, which this impact fund is part of, bears witness to this.

This second report gives an account of the impact generated by portfolio companies over the past year, as well as at fund level, and sets out the resources implemented to contribute to its impact case.

2022 was a demanding year. Following work with our academic stakeholders, we continued to strengthen the integration of biodiversity within Echiquier Climate & Biodiversity Impact Europe.

The management team’s commitment was further consolidated at the second Climate & Biodiversity Meetings, which brought together experts, companies and clients to encourage the exchange of best practice. Workshops organised on the themes of the European Taxonomy, climate transition and forests enabled us to identify practical avenues of work, which we will follow up on over time.

A determination to raise our ecosystem’s awareness of these future challenges was also behind the launch in 2022 of the Ecole du Climat, a training programme for wealth management advisors, as well as the organisation of Fresque du Climat workshops for all LFDE employees. Two initiatives to educate people about climate change, a key challenge for the asset management industry.

Finally, 2022 was marked by the continuation of our quest for social impact. A mechanism for sharing the fund’s management fees enabled us to finance a project with a high social impact, designed by nonprofit Osons Ici et Maintenant, which promotes the integration of young people in the service of ecological and social transition.

Our high standards were rewarded when Echiquier Climate & Biodiversity Impact Europe won a Climetrics Fund Award 2022, based on the Fund’s environmental performance in 2021 and the CDP ranking of 17,000 funds worldwide.

We remain fully committed, convinced of the strength of impact investing on listed markets and the virtues of transparency. Impact will win the day!

Impact of the fund

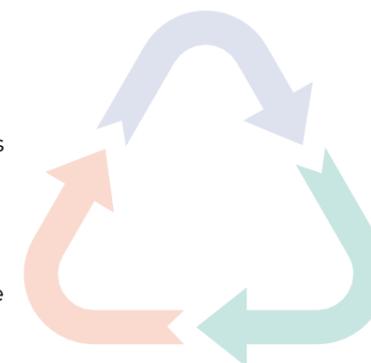
Listed impact investing

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 investment 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 provide 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.

Climate and Biodiversity Maturity : a proprietary methodology

The aim of **Echiquier Climate & Biodiversity Impact Europe (ECBIE)** is to contribute to carbon neutrality and the preservation of biodiversity by supporting listed European companies that offer solutions to meet these challenges, demonstrate best practice or have initiated the transition to more sustainable business models.

The fund is built on the premise that to achieve carbon neutrality by 2050 and preserve biodiversity, it is necessary to involve all sectors of the economy in the transition, especially those that emit the most CO₂ and/or have the greatest impact on biodiversity. That is why we have developed a rigorous methodology to include a broad typology of companies in the portfolio:



» WHAT DOES CARBON NEUTRALITY MEAN?

The IPCC* defines the concept of carbon neutrality as “the situation in which net anthropogenic emissions of CO₂ are offset on a global scale by anthropogenic removals of CO₂ over a given period”. This is also referred to as zero net CO₂ emissions. The goal of carbon neutrality by 2050 to which we wish to contribute is the one defined by the IPCC to achieve the objectives of the Paris Agreement. Consequently, a company cannot be carbon neutral individually, but through its actions can contribute to achieving carbon neutrality on a global scale. A number of organisations (such as the SBTi,** ADEME,** Net Zero Initiative, etc.) have taken up the challenge to propose unified definitions, as well as methodologies and benchmarks to help companies build and monitor their carbon neutrality objectives.

* IPCC: Intergovernmental Panel on Climate Change
 ** SBTi: Science Based Targets initiative
 *** ADEME: French Agency for Ecological Transition

A methodology developed with experts on environmental issues

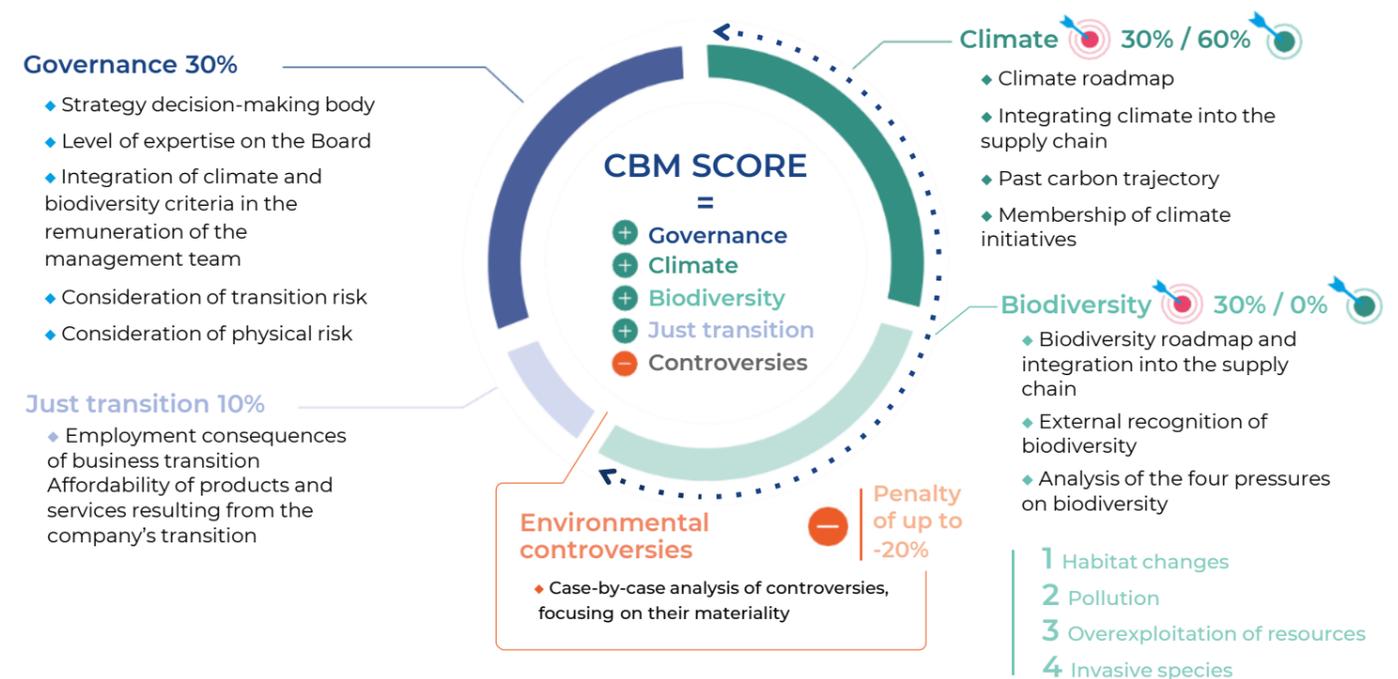
The construction of the fund is based on the **Climate and Biodiversity Maturity (CBM) Score**, the result of the expertise of LFDE's teams and advice provided by I Care. This proprietary methodology measures a company's maturity in taking account of climate change and biodiversity challenges in its internal activities and practices.

The analysis starts by identifying the company's impact on biodiversity using a “biodiversity matrix” produced in-house, based on available research on the subject (ENCORE tool, SASB materiality grid, NGO reports, broker research, etc.).



The calculation of the CBM score is based on 3 or 4 pillars, depending on the company's impact on biodiversity, plus a penalty linked to environmental controversies. This penalty takes into account the negative externalities of companies, penalising those involved in controversies relating to palm oil, soybean, overfishing, deforestation, factory farming, fish farming and animal welfare.

The assessment of companies' Climate and Biodiversity Maturity is carried out internally with the support of data published by the companies, but also thanks to various recognised external sources, such as Carbon4 Finance, CDP, SBT and SBTN, as well as MSCI ESG Research.



2 Our investment approach under the microscope

IMPACT THESIS >> Supporting European companies that are contributing to carbon neutrality and the preservation of biodiversity by providing solutions, demonstrating best practice or starting their transition.

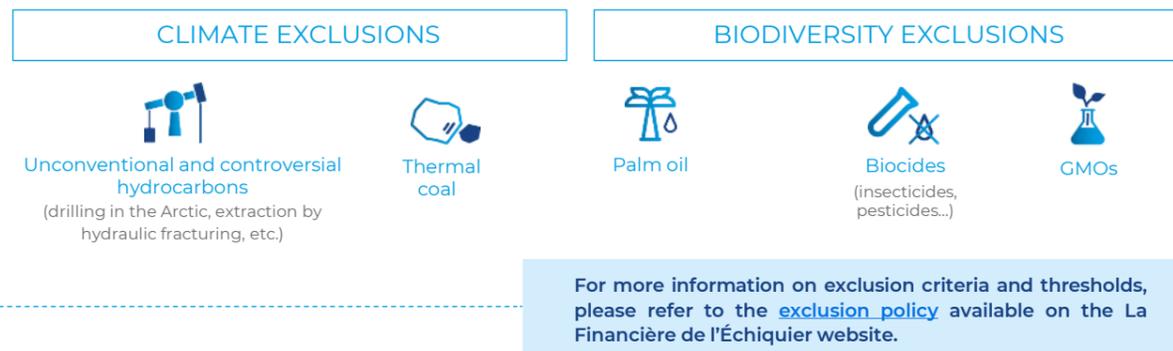
The **Echiquier Climate & Biodiversity Impact Europe** investment process has five stages. Impact research is fundamental: ex-ante, proactive and systematic.

1 IDENTIFICATION OF COMPANIES CONTRIBUTING TO OUR IMPACT THESIS

Impact is the starting point for generating investment ideas. The Fund seeks to invest in European companies that contribute to our impact thesis.

2 EXCLUSION FILTER

The exclusion filter is the safeguard to avoid contributors that generate the most negative externalities. This first filter makes it possible to exclude companies in **13 activities and sectors** considered harmful, as well as companies with the most controversial practices. These sectors include those with a strong negative impact on the climate and biodiversity, in particular:



3 ESG FILTER

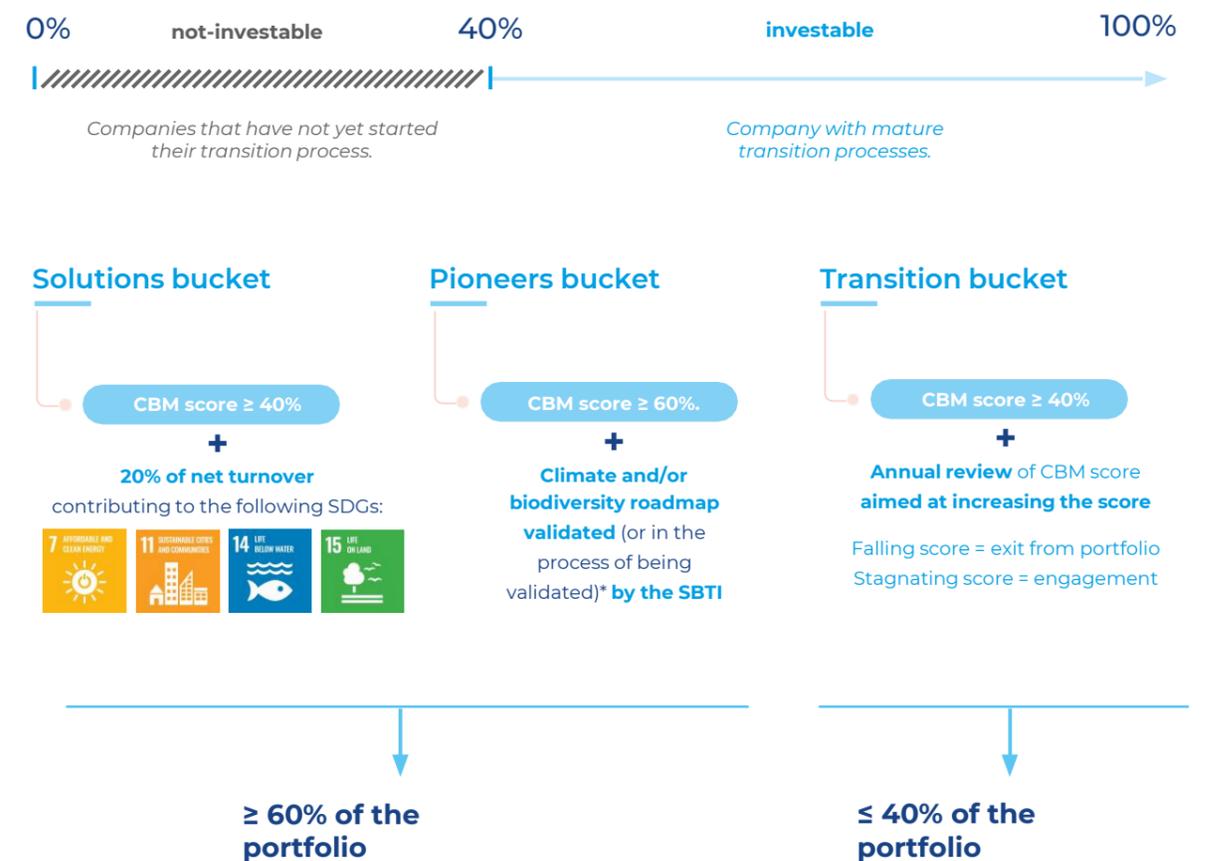
This filter is used to assess the ESG performance of companies, focusing on the materiality of specific challenges. Particular emphasis is placed on governance analysis. Our ESG requirements enable us to select best-effort and best-in-universe companies.



* Source: MSCI ESG Research. The ESG controversy score ranges from 0 to 10 (0 being the worst score).

4 IMPACT FILTER AND ALLOCATION IN 3 BUCKETS

Companies that have gone through these three filters are analysed using our **Climate and Biodiversity Maturity** methodology. This enables us to establish the company's level of progress (measured in %) in taking into account the climate and biodiversity challenges it faces and will face in the future. Companies are divided into three components. Specific selection criteria and an investment strategy depend on these components. All companies **must achieve a minimum CBM score of 40%**, which enables us to ensure that they have already begun their transition process.



5 FUNDAMENTAL FINANCIAL ANALYSIS FILTER

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

* "Targets set" is the term used for roadmaps validated by the SBTi; "Committed" refers to those in the process of being validated. Science Based Targets are available in a climate version "for climate" and a biodiversity version "for nature".

3 Governance for 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.

Increasing dedicated resources and mobilising teams to roll out the strategy.

Management Team

Composed of four managers and analysts combining sound financial and non-financial skills with a strong conviction in impact, with over 60 years' experience.

Responsible Investment Research Team

Comprising four people independent of the management team, it provides support for the management of impact funds. The team is responsible for proprietary methodologies and their implementation. They challenge the management team and comes up with ideas for impact investment. The team is involved in the selection of projects financed by the Primonial Group Foundation, thanks to its permanent seat on the Education Committee. It is also very active in numerous working groups on impact investment topics.

Board of Directors

Composed of five experienced professionals, the majority of whom are independent. Their complementary backgrounds provide the management team with in-depth expertise in the environmental and social impacts of investments. The role of these directors is to advise and challenge the work of the RI management and research team.

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



In 2022

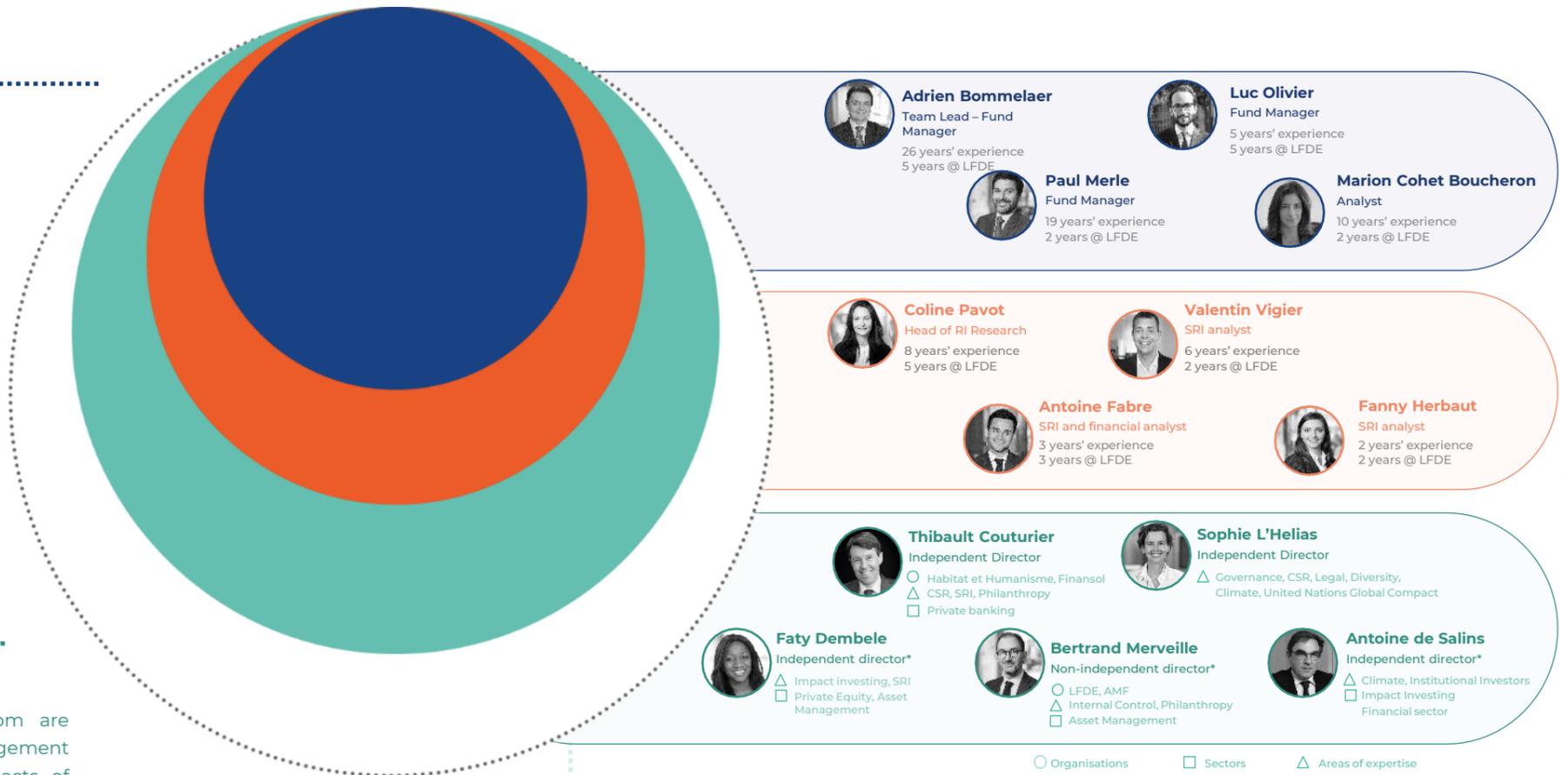
4 BOARD MEETINGS

Strong commitment | 100% attendance at plenary sessions

- ◆ Monitoring of ex-ante impact indicators
- ◆ Challenge on the development of impact methodologies
- ◆ Discussions on the impact of several investments
- ◆ Discussions on sustainable finance regulations
- ◆ Support for the launch of a social impact fund on access to healthcare
- ◆ Discussions on the redistribution of a portion of management fees.

In-house

External



* 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.

Bertrand Merveille is considered to be non-independent due to his status as a director of LFDE.

Antoine de Salins is Executive Director of I Care, the consultancy firm that supported LFDE's teams from 2019 to 2021, particularly in the implementation of its climate and biodiversity strategy. Given the small amounts involved, the one-off nature of these services and after validation by our Compliance and Internal Control Officer, we have decided to maintain his independent status.

4 Sharing value

ECBIE's aim is twofold: to generate positive impacts through its investments and to share the value created in favour of projects with a positive environmental and social impact. Value is shared through **a mechanism for redistributing part of the management fees.**

In 2022, this redistribution in respect of 2021 from ECBIE contributed to the financing of two projects:

A contribution of **€25,000** to the **endowment fund of the Muséum National d'Histoire Naturelle**, which aims to help **preserve biodiversity** for future generations. In particular, we are committed to the "Education and Society" axis, for which no funding was awarded in 2022.

A contribution of **€50,000** to the **100% Transition** programme run by nonprofit **Osons Ici et Maintenant**, which aims to contribute to the **sustainable inclusion of young people**, as described below.

Finding

At a time when social and environmental challenges are immense...

- 2/3** of young people feel that society does not allow them to show what they are capable of.
- 1 million** young people in France are not in education, employment or training.

Sources: Arte 2020 survey "Il est temps", study by the French Ministry of Labour, Employment and Integration

Solution

With this in mind, **Osons Ici et Maintenant** creates and supports the trigger that pushes young people from all backgrounds to unfold their potential, find a lasting place in society and build their future. To achieve this, the nonprofit designs and runs transformative courses to develop young people's power to act in the service of a sustainable society.

ECBIE'S 2021 CONTRIBUTION

ECBIE jointly provided **€50,000** to help fund the career paths of **50 young people** benefiting from the programme for the 2022-23 period.

Among them, the **100% Transition** programme offers a 9-month course to help young people who have lost their way build a life project and find their way again, by discovering the professions offered by the ecological and social transition. The programme was co-developed by a consortium of partners.



Impacts

Measuring impact is key for the nonprofit, as a means of improving the effectiveness of the programme and encouraging its spread. The main impacts of the programme can be broken down into four themes:

AT THE END OF THE PROGRAMME...



These impact data concern the programme's first graduates (2021/2022) and are taken from the interim results report by Ellyx, a social innovation agency and member of the consortium. For more information about the nonprofit and the programme, visit: <https://osonsicietmaintenant.org/>

Through the redistribution of management fees for 2022, ECBIE will continue to support these two projects:

- We will be supporting **Osons Ici et Maintenant** with **"Katapult"**, its new long-term training programme (3 to 9 months).
- Our contribution to the **Muséum National d'Histoire Naturelle endowment fund** will support the "Pop-up Biodiversité" project to be rolled out in 2023, which will make educational modules on climate and biodiversity available to audiences removed from culture.



1 Impact: unique positioning

Echiquier Climate & Biodiversity Impact Europe's approach is unique in that it aims to involve all sectors of the economy in achieving global carbon neutrality and preserving biodiversity.

Funding solution providers...

To meet the climate targets of the Paris Agreement, we naturally think of financing those companies that are providing solutions to environmental challenges. These solutions can have a direct environmental impact, like Portuguese renewable energy producer EDP Renovaveis, or an indirect one, like Dassault Systèmes, whose software is used to design more efficient vehicles and buildings.

... pioneers in every sector...

In our view, focusing solely on those players that provide solutions will not enable us to achieve the climate targets that have been set. All sectors need to make the transition, including the more traditional ones such as hotels, textiles and banking. These sectors include pioneering companies that have made ambitious commitments to the climate and the preservation of biodiversity, and which have a strong capacity to influence and involve their ecosystems. To enable them to deliver their full potential for transformation, these players need the support of investors committed on the long term.

... but also those left behind by the transition.

In the climate race, certain companies, such as those in the fossil fuel sector, are often excluded by investors. Yet the energy sector accounts for 40% of global greenhouse gas emissions and transport for 23%. At La Financière de l'Échiquier, we are convinced that our role is to support them through sustained and committed shareholder dialogue. We are all the more attentive to changes in CBM scores, which attests to companies' efforts on climate and biodiversity challenges. If companies are not making progress or if their CBM score is stagnating, we initiate an engagement process. If the situation persists or if their score falls, we divest.



2 An investor committed to supporting businesses

additionality

Shareholder engagement has been central to our relationship with companies for many years. This engagement, which takes various 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 our utmost to provide them with the support they need and to play a decisive role in helping them to achieve continuous improvement. There are a number of opportunities for dialogue with companies throughout the year on various aspects of sustainability, including impact:

Engagement by LFDE for ECBIE in 2022:

Annual General Meetings (AGMs)

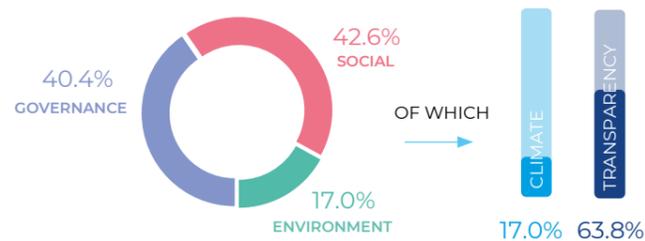
We are committed to voting at 100% of AGMs. Particular attention is paid to environmental and social resolutions, with time for discussion before the AGM to clarify certain resolutions and after the AGM to inform companies of our opposition and help them to progress.

- ◆ 6 post-AGM commitments
- ◆ 11.0% votes against
- ◆ 6 environmental and/or social resolutions voted and supported at company AGMs

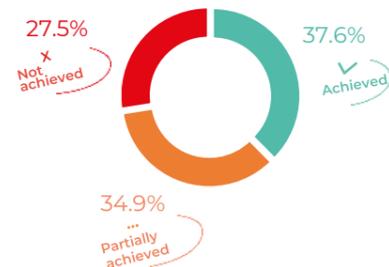
ESG and Impact analysis

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.

- ◆ 47 areas of improvement transmitted to 13 companies:



- ◆ Outcomes in 2022 of the 114 areas of improvement transmitted to 32 portfolio companies before 2020:



Collaborative engagement

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

Two collaborative engagement campaigns on climate and biodiversity targeted seven portfolio companies in 2022:

- ◆ **CDP Non-Disclosure campaign** to encourage companies to be more transparent about their environmental impact. We signed up as a Lead Investor with Svenska Cellulosa. This engagement has been **partially successful**. The company responded to the CDP questionnaire on climate change, but has not yet provided data on its water consumption.
- ◆ **CDP SBT campaign** to encourage companies to adopt climate targets in line with the Paris Agreement. We took part in the 2021/2022 campaign, which targeted 1,610 companies worldwide. Of these, 96 have made a Net Zero commitment and 213 are planning to do so. This is the case for three portfolio companies, Alfa Laval, ASML and Kemira. We have re-committed for the 2022/2023 campaign.

Other opportunities

We engage with businesses on an ongoing basis and in a variety of ways throughout the year to help them take steps towards greater responsibility and impact.

- ◆ We continue our commitment to companies divested as a result of controversy.
- ◆ We organise an annual multi-stakeholder engagement seminar on climate and biodiversity, together companies, investors and experts.
- ◆ We respond to their requests when they wish to draw up their materiality matrix.



additionality

3 A committed investor alongside companies



Kemira is a Finnish chemical company specialising in solutions for the treatment of drinking water and the efficiency of water-intensive industrial processes. Its products improve the efficiency and quality of its customers' production, notably by reducing their water consumption. Following **successful pre-investment engagement, we acquired shares in Kemira in early 2022**. Subsequently, we continued our engagement by meeting with the CSR Director and the Quality & Environment teams.

1 In February 2022, we organised a progress review with Kemira's CSR Director to revisit the ESG areas of improvement shared in 2021. Those relating to reducing staff turnover and implementing a materiality matrix have been achieved. The meeting also provided an opportunity to formulate more specific areas for progress on climate and biodiversity:

- E**
- Set targets for reducing water use and waste production.
 - Measure the temperature of the water leaving the plants.
 - Set targets for reducing Scope 3 GHG emissions.
 - Implement a responsible palm oil sourcing policy.

2 At the end of 2022, we met again with the Head of CSR Director and the Head of the Quality and Environment teams, as well as the group's experts in water, biodiversity and CO₂. For several months, studies have been underway to measure the temperature of water leaving plants, in direct connection with the commitment to reduce the impact on biodiversity. These exchanges have provided an opportunity to develop long-term thinking on the challenges of biodiversity in the value chain, physical risks and the valuation of the impact of our products.

The company's responsiveness in our discussions and its strong commitment to progress convinced us to make this a long-term engagement. This engagement – which aims to improve the company's impact on climate change and biodiversity – is eligible for the Fund's ex-ante impact objectives. (p.24)



Climate and Biodiversity Meetings by LFDE

For this second edition, La Financière de l'Echiquier (LFDE) brought together experts, companies and clients in order to mobilise its entire ecosystem, encourage the sharing of best practices and identify concrete actions to fight against climate change and preserve biodiversity.

These Meetings are part of the ambitious Climate and Biodiversity strategy adopted by LFDE in 2021. It allows us to consolidate our commitment towards all of our stakeholders.

Three workshops were organised to mark the occasion:

1. EUROPEAN TAXONOMY: Discussions on the difficulties encountered linked to with regulatory changes: transition from eligibility to alignment, revisions of texts, etc. Investors emphasised the need for companies to communicate in an informative way.

Participating companies:

• • • ▶ Air Liquide, Elis and Thermador Groupe

2. JUST TRANSITION: Discussions on "just" climate transition. Companies and investors put forward solutions to address the challenges of training, access strategy and involvement of the various stakeholders (employees, local communities, etc.). The role of governments through regulation was highlighted.

• • • ▶ Iberdrola, Acciona Energie and EDF

3. BIODIVERSITY & FORESTS: Discussions on best practices in the sector, such as certifications and their specific features, and the use of high value added wood. Regulations and reporting obligations are encouraging greater transparency, leading to improved practices within the sector.

• • • ▶ SIG and Borregaard

4 A patient investor

As an impact investor, ECBIE is a patient shareholder, with **long-term holdings in companies**. In our view, it is important to offer a degree of capital stability to the companies in which we invest. This stability is vital as it means that they can roll out their sustainable strategies with greater peace of mind, taking actions and decisions with a view to the long term. This long-term equity ownership gives us the chance to assist them with their development, for example by supporting the various equity operations marking the lives of these companies. This stability in companies' shareholder structures also allows us to build trusting relationships with companies' management teams, which is an important condition for lasting constructive dialogue with shareholders, particularly on climate and biodiversity issues.



23 of the Fund's holdings at the end of 2022 were already in the portfolio at the launch in 2020, i.e. **23 portfolio companies**.



17% of the portfolio was renewed in 2022.*

Impact investing does not mean passive investing. The management team may decide to divest a company for financial reasons, but also in the event of controversy or insufficient impact. For ECBIE, companies in the Transition component may be divested if their CBM score deteriorates or fails to improve as a result of our engagement.

A look back at a divestment that marked 2022

Deutsche Post 

◆ Changing the model and integrating biodiversity

Deutsche Post, a world leader in logistics, left the portfolio during the year. This is the result of the increased consideration given to biodiversity in our proprietary methodology. Indeed, despite the progress made by Deutsche Post in managing and integrating climate risks, our analysis revealed that the company was not sufficiently mature on biodiversity issues to maintain its place in our portfolio.

* Calculation formula = (number of securities entering the portfolio in 2022 + number of securities exiting in 2022)/(2*average number of securities in the portfolio in 2022)

Source: LFDE - Data at 31/12/2022

5 Impact, climate and biodiversity: active participation on these issues

LFDE's pioneering approach often prompts us to explore less mature investment themes. This is the case for impact investing, which we have been supporting since 2017, and also for biodiversity protection. The rollout of these themes must fit into a demanding framework that will allow these investments to develop with full credibility. It will also encourage the redirection of financial flows towards companies that have a positive impact on society. Our teams are actively involved in contributing to market discussions by their participation in working groups, in order to promote best practice in listed impact investing, as well as in climate and biodiversity issues.

In 2022, we took part in 12 working groups, including 7 on climate, biodiversity and impact investing :

Impact measurement and commitment to biodiversity with the Finance for Biodiversity Foundation

Having joined the initiative in 2020, LFDE is committed to integrating biodiversity challenges into its analysis, impact measurement, engagement with companies and reporting by 2024. We continued to contribute to two working groups in 2022: **impact measurement** and **engagement**.

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

Since 2020, as part of the Institut de la Finance Durable's work on impact finance, we have contributed to discussions within several sub-groups. In 2022, we were active in the sub-groups dealing with the impact charter and the formulation of proposals for an "impact" version of the French government's SRI label.

Education and external outreach

We have a role to play in raising our clients' awareness of impact investing. To do this, we have developed a number of educational initiatives:



SRI & Climate School by LFDE

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

- > More than 300 people were trained at the SRI School in 2022, bringing the total to more than 2,067 since its creation in 2019!
- > 124 people have been trained at the Climate School created in 2022.



Podcast "Un pied devant l'autre"

This educational podcast on responsible finance gives the floor to various experts to guide listeners wishing to align their values with their investments. 10 episodes, including one dedicated to impact finance, with over 6,629 listens!



Media coverage

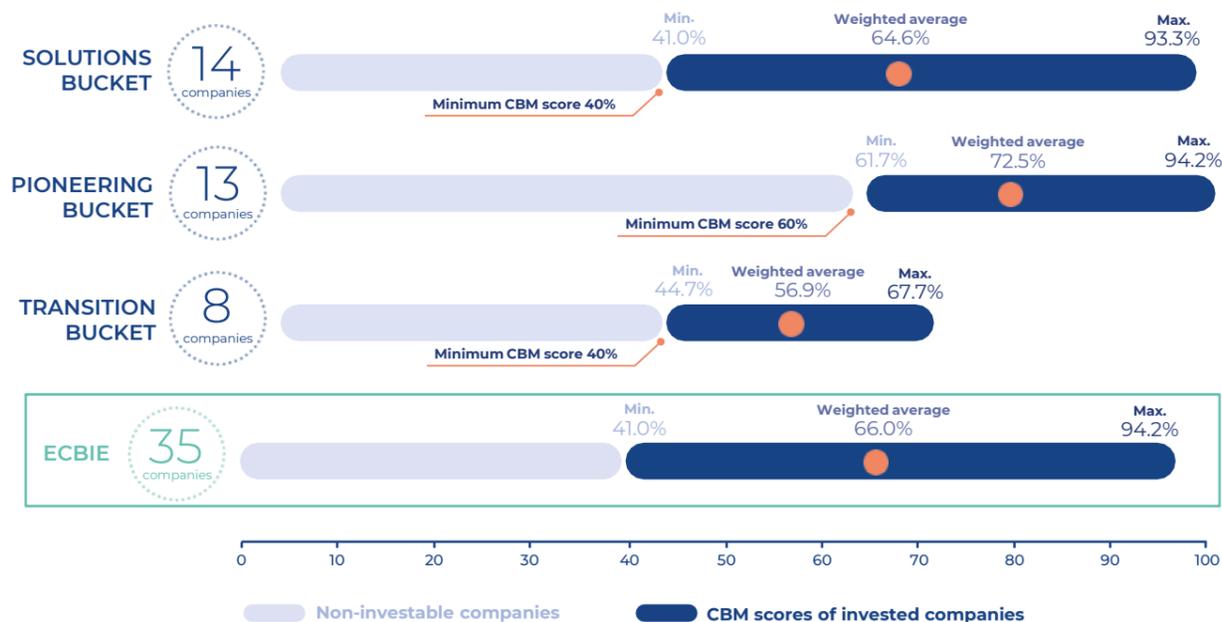
More than 80 press articles in 2022, as well as several events dedicated to the Fund and impact. A high profile that reflects the growing importance of these issues.

Source: LFDE - Data at 31/12/2022

Overall vision of the portfolio's contribution to the transition

Impact assessment can be carried out on an aggregate basis at portfolio level, by component, or for each company. This step is essential, because accountability to end investors is of paramount importance for an impact investor.

Breakdown of CBM scores by buckets



As this chart illustrates, the Fund's three buckets have very different and complementary profiles:

- Solutions companies** take climate and biodiversity challenges into account in their strategy in very different ways. The common denominator is the supply of products and services that provide solutions to climate and biodiversity challenges.
- Companies in the Pioneer bucket** have fairly high CBM scores, with an average of 72.5% and a minimum of 61.7%, well above those of the Fund's other components. These companies are among the best in their sector when it comes to taking these issues into account.
- By contrast, **companies in Transition** are beginning to take climate and biodiversity challenges into account, which means that their CBM scores are lower, and it will be important to monitor their progress over time.

Climate impacts of companies at portfolio level

	Weighted average carbon intensity (in teqCO ₂ /€m)	Weighted average intensity of emissions saved (in teqCO ₂ /€m)	Eligible green share	Climate trajectory
Portfolio	107.2★	26.1★	43.9%★	1.6°C★
Benchmark	199.0	14.9	19.2%	2.7°C

Source: Carbon4 Finance – Data at 31/12/2022, with a coverage rate of between 97% and 99%. The methodologies for these indicators are available in Appendix 5.
★ = best performance

ECBIE outperforms its benchmark on all of the climate indicators presented above.

The companies in the portfolio emit less CO₂ than the benchmark (107.2 teqCO₂/€m vs 199.0 teqCO₂/€m), and achieve much greater CO₂ savings (-26.1 teqCO₂/€m vs -14.9 teqCO₂/€m). This results in a climate trajectory below 2°C.

ECBIE's eligible green share is estimated at 43.9%. This means that 43.9% of the revenue of portfolio companies comes from activities considered by the European Taxonomy as being able to make a substantial contribution to achieving an environmental objective. To determine whether these activities are in line with the Taxonomy, they will have to comply with its technical criteria, its DNSH* criteria and its minimum safeguards with regard to social standards.



Under the rules governing the French government's SRI label, the Fund undertakes to have a weighted average carbon intensity for all scopes, according to Carbon4 Finance's WACI (Weighted Average Carbon Intensity), below that of its benchmark.

Biodiversity impacts of companies at portfolio level



24 portfolio companies representing 69.3% of the portfolio

have a high impact on biodiversity. The score for the **"commitment and biodiversity" pillar** measures the extent to which these companies take biodiversity into account. The **weighted average for this pillar is 12.0/30**. Biodiversity is a complex subject and is relatively less well taken into account than climate challenges. Few measures of impact and negative externalities exist to date.

Mean Species Abundance (in parts per billion, or ppb)★

Portfolio	51.9★	Benchmark	85.2
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The MSA indicator in ppb★ represents the aggregate impact of companies on biodiversity. The higher it is, the greater the impact of a company's activities on a large number of ecosystems and plant, animal, marine and terrestrial species. Based on this indicator, the Fund has a **lower impact on biodiversity than its benchmark**.

Source: Carbon4 Finance – Data at 31/12/2022, with a coverage rate of between 97% for ECBIE and 99% for the benchmark. The methodology is available in Appendix 4.
* DNSH = Do No Significant Harm. This means that a company whose activities contribute to the Taxonomy must not adversely affect any other objective of the taxonomy ★ = better performance

2 Impact and remuneration

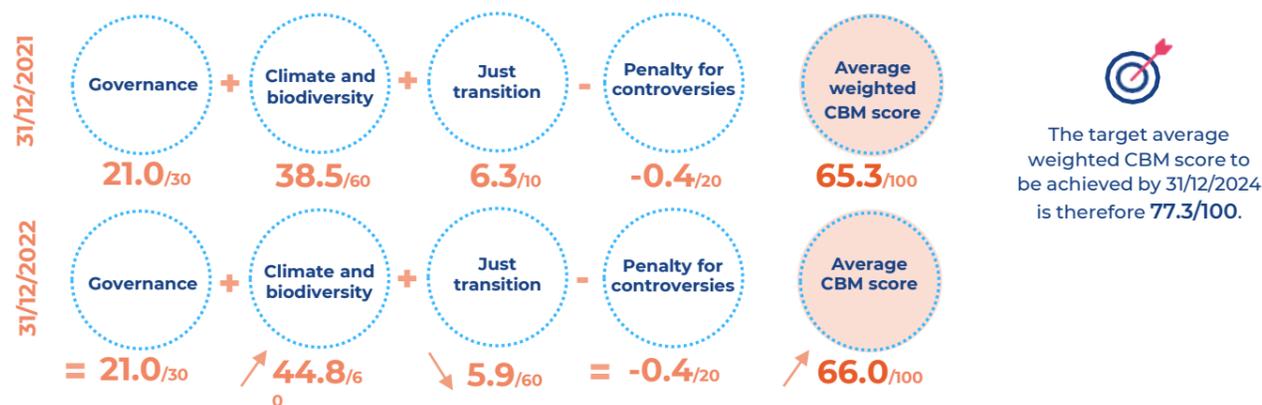
Since 2022, we have included **ex-ante impact targets in the variable remuneration policy for the portfolio managers of our impact funds**. These targets will be measured over a three-year period. The aim of this approach is to reinforce ECBIE's intentionality and align our interests with those of our clients, based on the Fund's impact thesis. The **two impact objectives are equally weighted**.

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

For example, from an increase of 6 to 7 points in the CBM Score, the manager becomes entitled to half of the amount linked to this target. Below that, there is no entitlement.

The aim of this approach is to encourage managers to improve the CBM Score of the companies in their portfolios, by engaging with them on climate and biodiversity challenges and excluding companies that are not making sufficient progress. Each year, our progress towards these targets will be communicated in this impact report. The starting point for measuring these targets is 31/12/2021.

1. ECBIE CBM score



2. ECBIE engagement



Successful engagement should enable the company to make progress on one of the dimensions of the CBM score. LFDE's contribution to the success of the engagement must be demonstrated, notably through the transcription of exchanges between the company and the team, as well as their recurrence. The achievement of this objective will be monitored and validated by the SICAV's Board of Directors and LFDE's RI Research team.

Over 3 years (2022-24), the objectives are:



Impact of investee companies

We have decided to illustrate the impact of the companies we invest in through a series of focuses presenting each of the three buckets that make up ECBIE's portfolio: Solutions, Pioneers and Transition.

They aim to highlight the contribution of companies in the Echiquier Climate & Biodiversity Impact Europe portfolio on climate and biodiversity challenges, as captured in the Climate and Biodiversity Maturity Score, as of 31/12/2022.

Each focus is divided into two sections. The first analyses the positive contribution made by portfolio companies on climate and biodiversity challenges, using aggregate impact indicators that reflect the key characteristics of each component. The second looks at the specific case of a company and illustrates its contributions to the component to which it belongs.

The information presented is taken from the latest company publications or from analysis and dialogue between LFDE 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 component. The data used refer to the 2022 financial year, unless otherwise stated. The data may vary over time.

The ESG scores and the Climate and Biodiversity Maturity Scores are the latest available, bearing in mind that the analyses are updated every two years. The same applies to the percentage of revenue contributing to the SDGs, collected as of the date of the analysis. Given the periodicity of the analyses, the oldest underlying data relate to the 2020 financial year.

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

* Subject to approval by the fund's Board of Directors.

Solutions bucket

The bucket and its methodology

Solutions companies are those whose products and services make a positive contribution to reducing their customers' CO₂ emissions (green electricity production, energy-efficient building equipment, sustainable mobility, improved air quality, etc.) and/or to preserving or restoring aquatic and terrestrial biodiversity (waste treatment and recycling, water purification, sustainable forest management, etc.).

Component profile



vs 66.0%
for the portfolio

Explanation

This slight underperformance of the component relative to the portfolio can be explained by the fact that the Solutions companies were chosen above all for the positive contribution of their products and services. Their level of climate maturity, although a discriminating factor, is a secondary criterion for this component.

% of weighted average revenue of Solutions companies' contribution to the four targeted SDGs:



Key: "If ECBIE's Solutions component were a company, 54.4% of its revenue would contribute to SDG 7".

Impact indicators

	in the solutions bucket		for ECBIE		for the benchmark	
	Data	Coverage rate	Data	Coverage rate	Data	Coverage rate
Eligible green share**	67.4% ★	96.6%	43.9%	97%	19.2%	99%
CIR (Carbon Impact Ratio)	0.87 ★	96.6%	0.24	97.2%	0.08	98.8%

Source: Carbon4 Finance ★ = best performance

The eligible green share** is the percentage of the weighted average revenue of the companies in the portfolio derived from activities considered by the European Taxonomy as being able to make a substantial contribution to achieving an environmental objective.

At 31/12/2022, 67.4% of the revenue of Solutions companies is estimated to be eligible for the European Taxonomy.

The CIR (Carbon Impact Ratio) is the ratio of a company's saved emissions (thanks to more efficient processes, low-carbon products or services) to its induced emissions. For a given company, a CIR above 1 implies that the business avoids more greenhouse gas emissions than it causes.

At 31/12/2022, the Solutions component contains companies that are on average more relevant than others in the transition to a low-carbon economy.

* Corresponds to the sum of the weightings of the "Solutions" companies in the portfolio at 31/12/2022, adjusted for cash.
** According to the C4F methodology, this is a proxy for eligibility for the European Taxonomy.

A flagship company in the Solutions bucket



Description

Tomra is a Norwegian company working in the circular economy, designing and operating packaging recovery and recycling systems for retailers and drinks producers.

Portfolio company at 31/12/2022

Tomra was selected for inclusion in our Solutions component because of the positive environmental impact it generates through its packaging waste collection and sorting activities, which help to limit the depletion of natural resources, while protecting biodiversity and combating global warming.

Contribution

OBJECTIVE

ACHIEVED

CLIMATE COMMITMENTS

Double the annual GHG emissions avoided through the use of Tomra products by 2030 compared with 2019.

24% more annual greenhouse gas emissions avoided between 2019 and 2022 (i.e. +4.1 million tonnes of CO₂)

Collect 500 billion used drinks containers per year.

45 billion drinks containers collected in 2022.

BIODIVERSITY COMMITMENTS

Use at least 90% sustainable components and materials in all new products by 2030.

Life cycle assessments (LCA) of the main products in each division, carried out in 2022.

Breakdown of the CBM Score

ESG score 6.7/10

Contribution of revenue



CBM score



Highlights

Climate commitments: The circular economy is central to Tomra's business, with an ambitious target of doubling its avoided greenhouse gas emissions by 2030.

Transition opportunities: The energy transition, the circular economy and the preservation of resources are an opportunity for the group, which offers products and solutions to improve the sorting and recycling of waste. The opportunities for transition are therefore well identified.

Points of attention

Climate governance: The Board of Directors would benefit from having an expert profile on climate challenges.

Management remuneration linked to climate and biodiversity objectives: Although Tomra's business model contributes directly to addressing climate and biodiversity challenges, management remuneration could include criteria linked to the achievement of the company's climate and biodiversity objectives.

Pioneers bucket

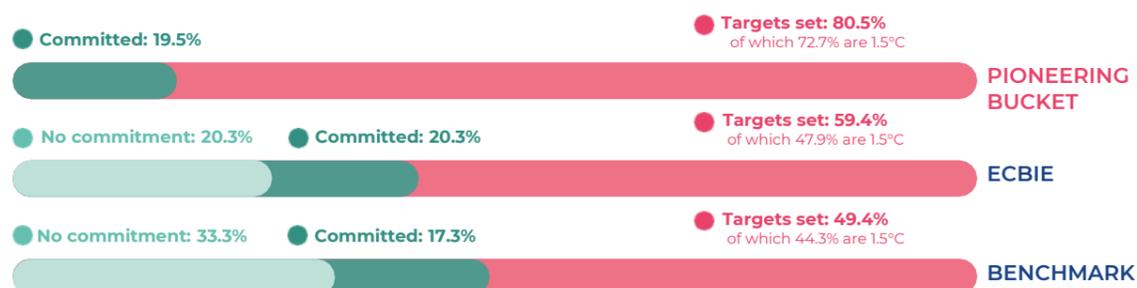
The bucket and its methodology

Pioneering companies are the most mature in their sector. Their impact and dependence on the climate and biodiversity are well understood, and the normal course of their activities is already firmly positioned on the Paris Agreement's 2°C trajectory. Given their systemic impact, they are crucial for charting a course toward best practices for their ecosystems.



Level of progress made by companies in setting a climate roadmap in line with SBTi

(100% coverage rate)



SBTi (Science Based Targets initiative) is an NGO whose aim is to tell organisations how quickly they need to reduce their greenhouse gas (GHG) emissions to avoid the worst effects of climate change.

They can have two statuses:

- Committed:** Organisations that have made a **public commitment** to set a scientific objective in line with SBT within 24 months.
- Targets set:** Organisations whose alignment targets have been **independently and scientifically validated by SBTi**.

There are three possible levels of objectives:

- 1.5°C (most demanding level)
- less than 2°C
- 2°C.

At 31/12/2022, **100.0%** of companies in the Pioneer bucket had implemented a climate roadmap. 80.5% of them had obtained SBTi validation of their climate roadmap, of which **72.7%** with a 1.5°C target. These figures are lower than those for the Fund and the benchmark, which illustrates our rigorous approach to this criterion when selecting the companies in this component.

A flagship company in the Pioneers bucket



AstraZeneca is an international biopharmaceutical group focused on the research, development, production and marketing of prescription medicines. It operates in several major therapeutic areas: oncology, biopharmaceuticals and rare diseases.

Portfolio company at 31/12/2022

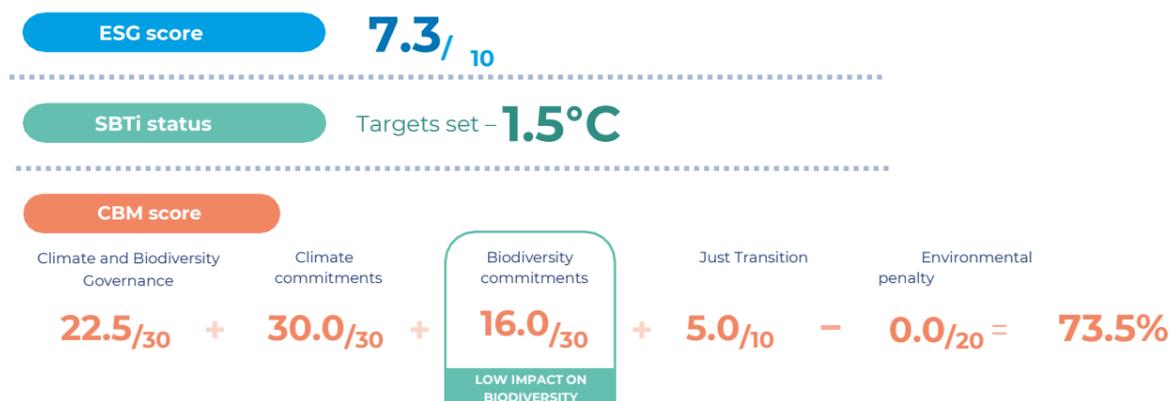
AstraZeneca currently has a sustainability policy, with particularly ambitious targets for reducing greenhouse gas emissions compared with other companies of its size or active in the healthcare sector. Through its reforestation programme, AstraZeneca also contributes to carbon sequestration, the restoration of habitats for biodiversity, and other beneficial effects such as improving food security, strengthening climate resilience and rehabilitating polluted areas.

Description

Contribution

	OBJECTIVE	ACHIEVED
CLIMATE COMMITMENTS	Absolute GHG emissions (Scopes 1 & 2) reduced by 98% by 2026 compared with 2015.	59.3% reduction in GHG emissions (Scopes 1 & 2) between 2015 and 2022, i.e. a reduction of 383 kilotonnes of CO ₂ equivalent.
	Reduction of absolute GHG emissions (Scope 3) by 50% by 2030 and 90% by 2045 , compared with 2019.	Between 2019 and 2022, 8.6% increase in absolute GHG emissions , but 28.1% reduction in carbon intensity (Scope 3) .
BIODIVERSITY COMMITMENTS	Planting of 50 million trees by 2025 (baseline: 2020).	10.5 million trees planted in Australia, Indonesia, Ghana, the United States and the United Kingdom since 2020.

Breakdown of the CBM Score



Highlights

Climate governance: Variable remuneration for the CEO linked to the achievement of climate targets (10% of remuneration).

Strategy: Ambitious targets for reducing greenhouse gas emissions, with a trajectory well underway.

Well-identified **transitional and physical risks** associated with climate change. AstraZeneca has a strategy for managing these risks, in particular by carrying out life cycle assessments (LCA) of products to identify areas for improvement.

Sector leadership: AstraZeneca is a founding member of the Sustainable Markets Initiative, which aims to decarbonise the entire healthcare sector, including supply chains and patient care pathways.

Points of attention

Climate governance: The Board of Directors would benefit from having an expert profile on climate and environmental challenges.

Biodiversity strategy: AstraZeneca has clearly identified the pressures linked to biodiversity, but could demonstrate greater ambition by developing a formal strategy on the subject.

* Corresponds to the sum of the weightings of the "Pioneer" companies in the portfolio at 31/12/2022, adjusted for cash.

Transition bucket

The bucket and its methodology

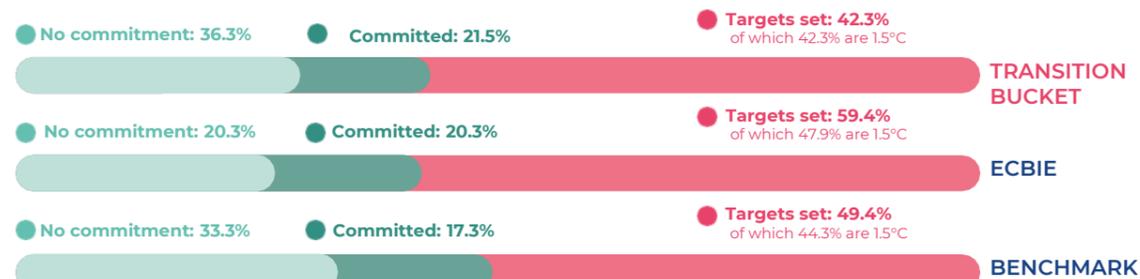
Companies in transition are beginning to adopt measures in favour of the climate and biodiversity, and while such measures may not be fully developed, their efforts reflect a positive change of direction that it is appropriate to support and challenge.

Component profile



Impact indicators

Level of progress made by companies in setting a climate roadmap in line with the SBTi (100% coverage rate)



SBTi (Science Based Targets initiative) is an NGO whose aim is to tell organisations how quickly they need to reduce their greenhouse gas (GHG) emissions to avoid the worst effects of climate change.

They can have two statuses:

- Committed:** Organisations that have made a **public commitment** to set a scientific objective in line with SBT within 24 months.
- Targets set:** Organisations **whose alignment targets have been independently and scientifically validated by the SBTi.**

There are three possible levels of objectives:

- 1.5°C (most demanding level)
- less than 2°C
- 2°C.

At 31/12/2022, **42.3%** of the companies in the Transition bucket had obtained SBTi validation of their climate roadmap. Although encouraging, this proportion is lower than that of the portfolio (**49.4%**). This is due to the fact that Transition companies are lagging behind on climate issues. This indicator is therefore key to our monitoring of their commitment.

* Corresponds to the sum of the weightings of the "Transition" companies in the portfolio at 31/12/2022, adjusted for cash.

A flagship company in the Transition bucket

Description

NESTE

Neste is a Finnish group specialising in the refining of fossil fuels. It is currently engaged in an in-depth transformation of its business to become a fully renewable player, notably through the production of renewable diesel. Portfolio company at 31/12/2022

Neste's renewable diesel is produced from hydrotreated vegetable fats and oils. It helps meet climate targets by reducing greenhouse gas emissions without modifying vehicles or infrastructure. This fuel can be used in aviation, road transport, or as a raw material for various polymers and chemicals.

Company focus

	OBJECTIVE	ACHIEVED
CURRENT CONTRIBUTION	Enable customers to save 20 million tonnes of CO₂ equivalent per year by 2030.	11.1 million tonnes of CO₂ equivalent saved by its customers in 2022 thanks to the renewable alternatives offered by Neste, compared with fossil fuels.
CLIMATE COMMITMENTS	Reduction of absolute GHG emissions (Scopes 1 & 2) by 50% by 2030 compared with 2019.	28% reduction in absolute GHG emissions (Scopes 1 & 2) between 2019 and 2022.
BIODIVERSITY COMMITMENTS	Generate positive impacts for biodiversity for new activities from 2025, and aim for no net biodiversity loss for all direct activities by 2035.	Definition of a methodology for assessing the net positive and negative impacts on biodiversity , with an initial trial on the two largest Neste sites.
CURRENT ENGAGEMENT THEMES	<ul style="list-style-type: none"> Improving diversity on the Board. Appoint a director with American and aviation expertise. Have your carbon trajectory certified by SBTi (from Committed to Targets set). Add a criterion linked to the reduction of CO₂ emissions to the remuneration of the CEO. Appoint a director with expertise in alternative fuels. 	<p>Not achieved</p> <p>Commitment in progress</p> <p>Partially achieved</p>

Breakdown of the CBM Score



Highlights

Climate governance: Climate and biodiversity are central to the group's strategy and are monitored at the highest level (Executive Committee and Board of Directors).

Well-identified **transition risks**, particularly with regard to the use of palm oil (quota on renewable diesel, acceptability of certain waste products in biofuels, indirect changes in land use) and well addressed through the commitment to phase out palm oil by 2023.

Well-identified **physical risks** (drought affecting vegetable oil crops) and well addressed (use of derivatives to hedge the risk of fluctuations in raw material prices, diversification of raw materials: algae, cooking oil, municipal waste, etc.).

Points of attention

Biodiversity impact: The group has a high potential impact on biodiversity, particularly through the use of palm oil as a raw material.

Climate governance: No environmental expert on the Board of Directors.

Transition risk: There are significant transition risks (historical fossil fuel refining activity, acceptability of certain waste products in biofuels, etc.), which must be properly managed.

Just transition: Low accessibility to renewable diesel.

Appendices

Appendix 1 - Fund progress initiative

Our approach as an impact investor is intended to be sincere and pragmatic, with continuous improvements made to it in order to keep pace with industry developments and improve its quality from year to year.

We therefore aim to be transparent about the work we are undertaking for 2023, with the goal of enhancing the intentionality, additionality and measurability of the Fund and in turn strengthening the robustness of the impact approach.

To that end, we have identified five issues that will form the basis of our work in 2023:

Theory of change

The **theory of change** corresponds to the strategy of planning actions linked by a causal chain from the initial decision of the financial actor to the impact for the final beneficiary.* Although the Fund's theory of change was determined when it was launched, **we now wish to formalise it**. Formalisation will enable us to better explain the causal chain (resources, products, results, etc.) that enables the Fund to produce the expected impacts.

Remuneration & 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 dimensions of the impact of the CBM Score.
- LFDE's contribution must be demonstrated, notably through the transcription of exchanges between the company and the management team, as well as their recurrence.

Despite this, there is still a significant amount open to interpretation. For this reason, **follow-up work** will take place in 2023 with the support of the Board of Directors of the Echiquier SICAV to validate the engagement themes, identify the progress of the actions undertaken and their potential success.

European Taxonomy

The quality of the data used to align companies' revenue with the European Taxonomy is currently inadequate. The schedule of reporting obligations will necessarily lead to a gradual improvement in the reliability of these data, particularly on the part of data suppliers. With a view to defining a **minimum level of alignment for the Fund**, we are working on obtaining and implementing good quality data.

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

Working groups

We are **mobilising to contribute to discussions and work in the working-groups** to promote best practice in listed impact investing. Through this mutual sharing, we **aim to gradually implement cutting-edge practices that emerge** in our own approach. This is particularly true of the lessons learned from the GIIN and Institut de la Finance Durable working groups.

Institut de la Finance Durable

In 2021, the Institut de la Finance launched several working groups with impact investment stakeholders, which resulted in the publication of various deliverables, including an impact charter and an evaluation grid for a fund's potential contribution to sustainable transformation.

Having contributed to its work, we wish to **demonstrate our transparency** by publishing on our website the details of our response to this grid as well as the outcomes obtained for each of our impact funds. As work is still in progress to finalise the "listed equities" version of this grid, we will endeavour to implement the necessary actions to obtain the minimum score required. This will be an opportunity to identify practices where we can make further progress.

* Source: Institut de la Finance Durable

Appendix 2 - Listed impact investing and Article 9 SFDR

In 2019, the European Parliament will introduce the Sustainable Finance Disclosure Regulation (SFDR), which will set out the framework for sustainable development disclosures in the financial services sector.

Under the SFDR, funds with a **sustainable investment objective** that aim to have a positive measurable impact on the environment and society can be classified as **“Article 9”**. They differ from those classified as “Article 8” funds, which simply promote environmental and social characteristics.

Why have we classified ECBIE as Article 9?

The Fund meets the three conditions required by the SFDR

Contribute to an environmental or social objective

✔ **Environmental objective** > ECBIE aims to contribute to **carbon neutrality** and **the preservation of biodiversity** by supporting listed European companies that offer **solutions**, demonstrate **best practice** or have begun their **transition**. **100% of companies** are subject to a proprietary impact filter to ensure that they contribute to the Fund's impact thesis.* (p.8 and 11)

✔ **Taxonomy** > By supporting “Solutions” companies in particular, ECBIE invests in **companies whose activities are partly eligible for the European Taxonomy**. At this stage, the Fund is committed to a 0% alignment with the European Taxonomy. (p.22 and 26)

✔ **Alignment with the impact thesis** > **Ex-ante impact indicators** supporting the impact thesis linked to additional **variable remuneration for fund managers** have been defined. (p.24)

✔ **Measuring the achievement of objectives** > Each year we measure the achievement of the **ex-ante impact indicators** included in the remuneration policy for fund managers. ECBIE is also committed to **outperforming its benchmark on two indicators, including carbon intensity**. (p.23)

Do no major environmental or social harm

The choice of each portfolio company is based on three complementary filters and the consideration of the principle adverse impacts (PAI) ensuring that our investments do not cause such harm:

✔ **Exclusions** > A rigorous **policy of sector and normative exclusions** 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 **manage their environmental and social impacts effectively**. This analysis takes into account the main negative impacts. (p.10)

✔ **Impact analysis** > ECBIE's impact score includes a controversy penalty for serious environmental damage. For companies in the Solutions component, the environmental contribution is measured as a **net percentage of revenue**. (p.7 and 9)

✔ **Principle Adverse Impacts (PAI)** > ECBIE takes into account the PAIs of its investments in terms of sustainability factors through **14 mandatory indicators and 2 additional ones**, as part of the various aspects of its responsible investment approach,

Demonstrate good governance practices

Governance is central to our analysis:

✔ **Good governance practices** > A **minimum ESG score** of 6.0/10 (62% of which is based on governance) is required to be included in the ECBIE portfolio, to ensure that companies have good governance practices (sound management structures, remuneration, etc.). (p.10)

✔ **Governance and Impact Case** > Within the “Climate and Biodiversity Maturity” methodology, 30% of the score is dedicated to analysing **governance in the service of climate and biodiversity**. (p.9)

✔ **Governance and Controversies** > Particular attention is paid to the analysis of controversies, which often stem from poor governance. ECBIE 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.9 and 11)

✔ **Sustainable Investment > 100% of investments**** are made in assets considered to be sustainable within the meaning of the SFDR.



To find out more, please consult [the pre-contractual appendix](#) and [the sustainability information publication \(recommended by Article 10 of the SFDR\)](#) of the Fund.

* Supporting European companies that are contributing to carbon neutrality and the preservation of biodiversity by providing solutions, demonstrating best practice or starting their transition.

** Excluding cash and hedging derivatives.

Appendix 3 - The Institut de la Finance Durable framework on Impact Investing

In 2021, the Institut de la Finance Durable (formerly Finance for Tomorrow) launched several working groups with impact investing players in the Paris financial centre. These have led to the publication of an impact charter and an **evaluation grid for assessing a fund's potential contribution to sustainable transformation**.

These complementary tools aim to encourage the development of a demanding and transparent impact finance sector and to harmonise market practices in this area.

How and why does ECBIE fit into the framework proposed by the Institut de la Finance Durable?

The Fund complies with the 10 principles of the [Impact Charter](#) and obtained a score of over 70% on the first version of the evaluation grid for a fund's potential contribution to sustainable transformation.

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

Intentionality

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

✔ **Principles 2 and 3** > Two ex-ante impact objectives have been defined. They will be assessed over a three-year period. Our impact doctrine and methodologies set out 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 the controversy-related penalty. (p.10-11)

Additionality

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

Measurability

✔ **Principles 7 and 8** > Impact assessment is carried out on an aggregate basis at portfolio level, and at the level of each company. Indicator coverage rates are systematically disclosed. (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 accuracy of the information provided in it. This verification work covers between 20% and 50% of the consolidated data. (p.42)

Alignment of interests

✔ **Principle 10** > We have included ex-ante impact targets in the variable remuneration policy for the managers of our impact funds in 2021. These targets will be measured over a three-year period. The associated amount represents a maximum of 20% of the fund managers' variable remuneration. This threshold is below the required 25%, but is not discriminatory since the fund was created before January 2023. However, we are looking into this matter, which has been identified as an area for improvement. (p.24)

Assessment grid for a fund's potential contribution to sustainable transformation

In addition to complying with the 10 principles of the Impact Charter, as a signatory investor, for our impact funds falling within the scope of the charter, we undertake to:

- Answer the qualifying questions on the grid to the required standard
- Obtain an overall score of at least 70/100.

➔ The fund scored over 70/100 in the first version of the grid.* As work is still in progress to finalise the “listed equities” version of the grid, we will publish the evaluation grid for this fund on our website in the “Responsible Investment” section, on the “To Find Out More” page, in the “LFDE Documents” section.

Appendix 4 - Portfolio companies under the microscope

Pioneers

Solutions

Company	Country	Weighting in portfolio	ESG score	CBM score	Climate profile characteristics	Strong impact on biodiversity	Details of CBM score	Description of the company	Biodiversity and Climate contribution	Year of entry
ALLIANZ		4.25%	8.1	73.3%	SBTi Committed	NO	Governance 18.3% + Climate 50% + Just Transition 5%.	World leader in property and casualty insurance.	In addition to its excellent identification of climate risks, the group has demonstrated excellent maturity in its climate strategy, which now includes a biodiversity component.	2020
ASTRAZENECA		6.05%	7.3	73.5%	SBTi Targets Set (1.5°C)	YES	Governance 22.5% + Climate 30% + Biodiversity 16% + Just Transition 5%.	Pharmaceutical group specialising in non-communicable diseases, offering treatments in seven major therapeutic areas.	A pioneer in its sector, the company has set itself ambitious climate targets and demonstrates excellent transparency in its management of physical and transitional risks.	2020
BNP PARIBAS		4.30%	7.0	65.8%	SBTi Committed	NO	Governance 20.8% + Climate 40% + Just Transition 5%	International banking group.	Climate governance is excellent, with a remuneration scheme that includes climate criteria and board members who are experts on these challenges. The group has committed to reducing its loans to companies whose main activity is linked to the unconventional oil and gas or thermal coal sectors to zero by 2040.	2020
CELLNEX		3.23%	6.9	66.7%	SBTi Targets Set (1.5°C)	NO	Governance 16.7% + Climate 45% + Just Transition 5%	Company specialising in telecommunications infrastructure, especially the management of telecommunications masts.	The company's energy transition plan implemented in 2021 includes climate commitments aligned with a 1.5°C scenario, and excellent identification of its climate risks.	2020
CORBION		2.19%	6.8	64.2%	SBTi Targets Set (1.5°C)	YES	Governance 14.2% + Climate 22.5% + Biodiversity 22.5% + Just Transition 5%	World leader in the production of lactic acids and ferments.	A pioneer on climate and biodiversity challenges despite its modest size, it was one of the first companies to join SBT for Nature. Corbion is ahead of the game in the search for alternatives to plastics, particularly biodegradable bioplastics.	2021
CRODA		3.64%	7.8	67.2%	SBTi Targets Set (1.5°C)	YES	Governance 24.2% + Climate 22% + Biodiversity 16% + Just Transition 5%.	A chemicals company specialising in ingredients for the cosmetics and healthcare sectors.	Croda has a climate strategy and is committed to a number of initiatives to decarbonise its business. The raw materials used to manufacture the chemicals marketed by Croda are 69% bio-based.	2021
DSM		2.63%	7.8	80.8%	SBTi Targets Set (1.5°C)	YES	Governance 25.8% + Climate 30% + Biodiversity 20% + Just Transition 5%.	Manufacturer of ingredients for human and animal nutrition and for the pharmaceutical industry.	Ambitious climate and biodiversity targets have been set. DSM is working to establish a circular economy, in particular with bio-based thermoplastics that can replace many metals in industrial applications.	2020
IBERDROLA		5.24%	7.5	69.7%	SBTi Targets Set (1.5°C)	YES	Governance 24.2% + Climate 23% + Biodiversity 20% + Just Transition 7.5	Company specialising in the production, distribution and marketing of electricity and natural gas.	Climate challenges are embodied at the highest level of the company and the group's strategy is clear: to massively develop renewable energies.	2020
KERING		1.82%	6.7	94.2%	SBTi Targets Set (1.5°C)	YES	Governance 24.2% + Climate 30% + Biodiversity 30% + Just Transition 10%.	A global player in the luxury goods industry.	A pioneer in its sector on climate and biodiversity, Kering has long been working on its sourcing and manufacturing processes to reduce its impact on biodiversity and its CO ₂ emissions. This is one of a number of initiatives aimed at improving the circular economy in the luxury sector.	2020
L'OREAL		4.23%	8.2	80.2%	SBTi Targets Set (1.5°C)	NO	Governance 19.2% + Climate 56% + Just Transition 5%	Industrial cosmetics group.	Its innovative approach to eco-design has made it one of the world leaders in responsible product lifecycle management.	2020
MICHELIN		1.15%	7.5	85.0%	SBTi Targets Set (2°C)	YES	Governance 25% + Climate 30% + Biodiversity 25% + Just Transition 5%.	A family-owned group that is one of the world's leading tyre manufacturers and marketers.	The tyres designed by Michelin offer excellent road grip and considerably reduce fuel consumption. The group is also active in protecting biodiversity, particularly in its rubber plantations.	2020
SIEMENS HEALTHINEERS		2.81%	6.4	61.7%	SBTi Targets Set (1.5°C)	NO	Governance 11.7% + Climate 45% + Just Transition 5%	Manufacturers of equipment for medical imaging, laboratory diagnostics and hospital information systems.	The company has formalised a robust policy and carried out a full carbon footprint assessment since 2019. Siemens Healthineers' 1.5°C climate roadmap has been validated by the SBTi and the group maintains its A- rating on the CDP.	2022
VEOLIA ENVIRONMENT		2.27%	7.0	78.7%	SBTi Targets Set (< 2°C)	YES	Governance 26.7% + Climate 22% + Biodiversity 27.5% + Just Transition 7.5%	Multinational specialising in waste management and recovery.	The group's strategy is entirely focused on the ecological transition, which is reflected in its excellent climate and biodiversity governance. The policy is comprehensive, with a 1.5°C roadmap validated by the SBTi, an internal carbon price and targets for reducing environmental impacts and biodiversity included in the 2023 strategic plan.	2020
ACCIONA		4.30%	7.4	81.7%	100% 7.1 & 7.2	YES	Governance 24.2% + Climate 30% + Biodiversity 22.5% + Just Transition 5%.	Multinational industrial group operating mainly in the energy and infrastructure sectors.	Acciona's renewable energy plants generate 24.5 GWh of electricity, equivalent to the annual demand of 7.6 million homes.	2020
AIR LIQUIDE		3.80%	8.0	65.3%	20% 7.1 & 7.2	YES	Governance 25.8% + Climate 20% + Biodiversity 14.5% + Just Transition 5%.	World leader in industrial gases for industry and healthcare.	Air Liquide's hydrogen and biomethane production enables manufacturers to reduce their emissions and helps them move towards low-carbon production. The group has recently implemented an ambitious biodiversity strategy demonstrating its commitment.	2020
AKER CARBON CAPTURE		1.03%	6.1	43.3%	100% 11.6	NO	Governance 18.3% + Climate 20% + Just Transition 5%	Supplier of carbon capture technologies.	Carbon capture technologies are helping decarbonise polluting industries.	2021
ALFA LAVAL		1.08%	7.0	70.8%	7,6% 7.3 ; 24,7% 14.1	NO	Governance 15.8% + Climate 50% + Just Transition 5%.	World leader in heat exchange, fluid separation and transfer.	Its products (ballast water treatment, exhaust gas cleaning, etc.) optimise the use of resources in a wide range of industrial applications, thereby reducing its customers' environmental impact.	2021



*Weighting at 31/12/2022. At that date, cash represented 0.23% of the portfolio.

Appendix 4 - Portfolio companies under the microscope

Solutions

Transition

Company	Country	Weighting in portfolio	ESG score	CBM score	Climate profile characteristics	Strong impact on biodiversity	Details of CBM score	Description of the company	Biodiversity and Climate contribution	Year of entry
ALFEN BEHEER		2.52%	6.8	59.2%	100% 11.3	NO	Governance 26.7% + Climate 27.5% + Just Transition 5%	Group specialising in the design, development and manufacture of smart grids, energy storage systems and charging stations for electric vehicles.	The energy transition is central to Alfen's business, which is developing in three areas: charging stations for electric vehicles, smart grids and energy storage systems. Energy storage is essential for the development of renewable energies, which are by definition intermittent.	2022
EDP RENOVAVEIS		4.26%	6.6	76.5%	100% 7.2	YES	Governance 20% + Climate 25% + Biodiversity 21.5% + Just Transition 10%	Global renewable energy producer.	With 270 wind farms and 15 solar farms, EDPR contributes to the production of renewable energy and has demonstrated its ability to restore ecosystems, attesting to the sustainability of its business model.	2020
INFINEON TECHNOLOGIES		2.11%	7.4	41.7%	13% 7.2 ; 44% 11.6	YES	Governance 14.2% + Climate 17% + Biodiversity 0.5% + Just Transition 10%	Semiconductor manufacturer.	World leader in power semiconductors, widely used in electric vehicles, renewable energies and rail transport.	2020
ORSTED		1.05%	7.2	88.0%	90% 7.2	Yes	Governance 27.5% + Climate 27.5% + Biodiversity 23% + Just Transition 10%	World leader in offshore wind energy.	The most mature renewable energy producer in terms of climate and marine biodiversity challenges, its offshore units being located in marine areas.	2020
SCHNEIDER ELECTRIC		1.65%	8.4	93.3%	80% 7.3	YES	Governance 28.3% + Climate 30% + Biodiversity 27.5% + Just Transition 7.5%	International industrial group offering energy management, automation and data centre management solutions.	Through its products and services, Schneider Electric enables its customers to reduce their energy consumption and CO ₂ emissions. 100% of the group's new projects are aligned with carbon neutrality targets and have a positive environmental impact. The group is strongly committed to the circularity of its value chain.	2020
SOITEC		2.09%	6.8	49.5%	100% 7.3	YES	Governance 17.5% + Climate 13% + Biodiversity 11.5% + Just Transition 7.5%	World leader in the manufacture of SOI (Silicon On Insulator) wafers, essential for semiconductors.	The substrates produced by Soitec on which microprocessor circuits are printed enable energy consumption to be drastically reduced, particularly in the automotive industry.	2021
STEICO		0.99%	6.2	41.0%	66% 7.3	YES	Governance 15% + Climate 10% + Biodiversity 11% + Just Transition 5%	Leader in wood-fibre insulation.	Steico's eco-friendly wood-fibre insulation products help to combat the problem of heat leakage. The added value lies in the high quality of their products, made from wood fibre, which offer better performance in terms of indoor air quality and heat phase-shifting.	2021
SVENSKA CELLULOSA (SCA)		0.82%	7.2	50.1%	25% 15.2	YES	Governance 18.3% + Climate 14% + Biodiversity 19% + Just Transition 3.8%	Europe's largest forest owner, producing and selling wood pulp, paper, cardboard and timber.	The company's forestry assets are responsibly managed (FSC or PEFC certified). The group uses cutting-edge technologies to optimise the use of natural resources, such as 3D scanning based on artificial intelligence to optimise the cutting of trunks. SCA goes beyond labels to preserve biodiversity, leaving around 10% of its forest areas in a wild state.	2020
TOMRA SYSTEMS		1.93%	6.7	57.5%	53% 14.1 ; 11% 11.6	NO	Governance 20% + Climate 30% + Just Transition 7.5%	Company specialising in the design and operation of packaging recovery and recycling systems for retailers and drinks producers.	The circular economy is central Tomra's business, offering solutions for the collection, sorting and recycling of waste, minerals and the agri-food industry. Through its plastic bottle collection business, Tomra is contributing to target 1 of SDG 14 on preserving biodiversity and marine pollution in particular.	2022
VAISALA		2.00%	6.6	44.3%	40% 7.2 & 7.3 ; 20% 11.6	YES	Governance 18.3% + Climate 18.5% + Biodiversity 0% + Just Transition 7.5%	World leader in meteorological and environmental measurement.	Vaisala products enable important decisions to be made about energy efficiency, climate, recycling and air quality. Vaisala implements a life cycle analysis for each product.	2020
ANTIN INFRASTRUCTURE PARTNERS		1.78%	7.0	46.7%	-	NO	Governance 19.2% + Climate 20% + Just Transition 7.5%	Private equity company focused on infrastructure investment.	Through its investments, Antin invests in companies that are in the process of "decarbonising" and focusing on new infrastructure (solar farms, recharging stations, smart cities, etc.), thereby contributing to the transition of the economy.	2021
ASML		3.01%	7.8	52.5%	-	YES	Governance 17.5% + Climate 15% + Biodiversity 10% + Just Transition 10%	Manufacturer of lithography machines essential to semiconductor production.	ASML's lithography machines have the unique ability to reduce the size and energy consumption of semiconductors used, such as in the manufacture of electric vehicles and in renewable energies.	2020
DASSAULT SYSTEMES		3.47%	7.4	53.8%	-	NO	Governance 21.3% + Climate 25% + Just Transition 7.5%	Manufacturer of 3D design, engineering, modelling, simulation and data management software.	The software marketed by Dassault Systèmes makes it possible to simulate a wide range of environments to better develop products and analyse their life cycle, without having to produce polluting prototypes.	2020
KEMIRA		2.45%	7.0	44.7%	-	YES	Governance 16.7% + Climate 12.5% + Biodiversity 13% + Just Transition 2.5%	World leader in water chemistry, offering solutions for the treatment of drinking water and the efficiency of water-intensive industrial processes.	The company is making a positive contribution to freshwater management (SDG 15) by offering water treatment solutions, notably for municipalities. It is the only company to offer water treatment chemicals based on plant sources.	2022
NESTE		4.40%	6.5	67.7%	-	YES	Governance 21.7% + Climate 20% + Biodiversity 22.5% + Just Transition 3.5%	Company specialising in refining and renewable fuels.	The group has embarked on a far-reaching transformation to become a fully renewable player in three businesses by 2030: renewable polymers, renewable diesel for aviation and renewable diesel for road transport.	2020
NESTLE		4.64%	7.5	67.2%	-	YES	Governance 24.2% + Climate 20% + Biodiversity 18% + Just Transition 5%	Global food group.	The group's transition is underway. Nestlé has made considerable efforts to ensure a deforestation-free supply chain, and encourages its suppliers to engage in agriculture that regenerates the soil and biodiversity.	2020
SIG GROUP		3.37%	7.8	55.3%	-	YES	Governance 20.8% + Climate 20% + Biodiversity 12% + Just Transition 2.5%	Second-largest producer of aseptic carton packaging for beverages and liquid products.	SIG is a company in transition to biodiversity, since its products have a better impact than plastic, but are still not recycled enough. The company is also the only one to produce aseptic packaging without a layer of aluminium, and with a layer of plastic made from renewable polymers.	2022
SIKA		3.21%	7.8	51.0%	-	YES	Governance 20% + Climate 13% + Biodiversity 13% + Just Transition 5%	Company producing and marketing building materials.	The adhesives and insulants marketed by Sika are used to insulate buildings. The company is working to reduce its negative externalities with an initial climate roadmap.	2020

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 fund's prospective carbon performance and that expected in a 2°C scenario. For example, a fund with an estimated temperature of 2°C indicates that, on average, the companies in the portfolio demonstrate that the gradual reduction in their greenhouse gas emissions is keeping pace with the 2°C trajectory required for their business sector. If a company adopts a temperature scenario that is higher 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 enables us to identify whether the companies in our portfolios are on a trajectory that is compatible with the Paris Agreement, and to steer our investments to achieve our contribution to this collective goal. The temperature alignment indicator positions the portfolio on a scale ranging from 1.5°C to 6°C, produced by Carbon4 Finance. At fund level, each company is given a rating (CIA score) based on its business sector, its past climate performance and its decarbonisation strategy. A temperature of between 1.5°C and 6°C is then assigned to this score. The table of correspondence between the CIA score and temperatures was constructed on the basis of a study of two universes of companies.

Eligible green share (EGS): This indicator represents the proportion of the company's revenue derived from activities that can substantially contribute to achieving an environmental objective in the European taxonomy. At this stage, these are climate change mitigation and adaptation objectives covering activities such as building renovation and the manufacture of wind turbines.

$$EGS = \sum_{i=1}^n \left(\frac{\text{Amount invested}_i}{\text{Portfolio AuM}} \times EGS_i \right)$$

To determine whether these activities are effectively aligned with the taxonomy, they will have to meet the taxonomy's technical criteria precisely, not adversely affect the taxonomy's other objectives – also known as DNSH (Do No Significant Harm) – and comply with minimum social safeguards. We are not currently disclosing the green share (or taxonomy alignment) due to the limited availability and quality of the data at our disposal.

Intensity of induced emissions (known as the carbon footprint) of the portfolio: The intensity of a company's emissions is calculated by dividing the greenhouse gas emissions generated by its business (Scopes 1, 2 and 3) by its value.

To calculate the carbon footprint of our funds, we use the weighted average of the carbon intensities of the companies in the funds.

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

Portfolio saved emissions intensity: A company's saved emissions intensity is calculated by dividing its saved emissions by its value. They 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.

$$\text{Emissions intensity portfolio savings} = \sum_{i=1}^n \left(\frac{\text{Value of the investment}_i}{\text{Net assets of the fund}} \times \frac{\text{Carbon emissions saved Scopes 1, 2 and 3}}{\text{Company value}_i} \right)$$

Carbon Impact Ratio (CIR): The CIR is the ratio of a company's saved emissions to its induced emissions. This indicator is used to assess the relevance of a company's activities in addressing climate change challenges. The higher the CIR, the more GHG emissions the company saves in relation to what it induces, and therefore the more relevant its activities are in the transition to a low-carbon economy.

$$\text{CIR of the portfolio} = \sum_{i=1}^n \left(\frac{\text{CO}_2 \text{ emissions saved}_i}{\text{CO}_2 \text{ emissions induced}_i} \times \frac{\text{Weight of the company in portfolio}_i}{\text{in portfolio}_i} \right)$$

Biodiversity indicator

MSAppb* per billion euros of enterprise value: This indicator measures the impact of a company (or portfolio) on biodiversity. It is expressed as MSAppb* (Mean Species Average part per billion) per billion euros of enterprise value. MSA is an indicator ranging from 0% to 100% measuring the preservation of an ecosystem, provided by the GLOBIO model (Global Biodiversity Model For Policy Support). An MSA equal to 100% corresponds to a primary forest, while an MSA of 0% corresponds to a car park. MSAppb* presents the loss of biodiversity over a standardised surface area and makes it possible to aggregate the various impacts of a company or portfolio, on land and water, over different time horizons (present and future impacts).

$$\text{MSAppb* of company A allocated to the portfolio} = \frac{\text{MSAppb per billion euros of enterprise value}}{\text{of enterprise value}} \times \text{amount invested} \times 10^{-3}$$

This report was 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 accuracy of the information provided in it. This verification work covers between 20% and 50% of the consolidated data, which does not eliminate the risk of not detecting any significant misstatements.

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Better Way is a consultancy that supports investors and the companies in their portfolios with their responsible or impact investing approach, from defining a strategy through to implementation and assessment.

Better Way has been supporting La Financière de l'Échiquier since 2020 in the annual evaluation of its impact approach, both in terms of its funds and the management company's strategy.

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Important information

The information contained in this report should not be construed as investment advice, a solicitation to invest or an encouragement to operate in financial markets. Investors are urged to familiarise themselves with the KIID and prospectus, available at www.lfde.com understand the risks associated with the fund and the costs to be borne before taking any investment decision.

The Fund is mainly invested in equities and therefore carries a risk of capital loss. It is also exposed to equity risk, discretionary management risk and currency risk.

Investors or potential investors are notified that they may obtain a summary of their rights and also file a claim using the procedure stipulated by the management company. This information is available in the country's official language or in English on the "Regulatory Information" page of the management company's website: www.lfde.com

Investors should also note that the management company may decide to terminate the promotional agreements for its mutual funds in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The inclusion of sustainability criteria by the UCITS is **significantly engaging according to the definition of the Autorité des Marchés Financiers in its doctrine 2020-03**. The sustainability objective complies with the provisions of **Article 9 of the SFDR**. The securities mentioned in this report were included in the portfolio at 31/12/2022

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

The proprietary ESG (Environment, Social, Governance) data and the Climate and Biodiversity Maturity scores are the latest available, bearing in mind that the analyses are updated by the La Financière de l'Échiquier teams at least every two years.

They are based on the latest public documentation available at the time of the analysis (annual reports, etc.),

i.e. by 2020 at the latest. There is a one-year time lag, due to the deadlines to which companies are required to report their data. Other data on the impact of companies, unless otherwise indicated, refer to the 2022 financial year. The 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 make it possible to attribute the cause of a change to the fund's financing actions or to the actions of the companies in the portfolio. In this report, we analyse the expected effects of the investments made, as well as the effects of the companies' actions on their stakeholders – employees, customers, local communities neighbouring the sites where they operate, etc. – based on date reported by companies.

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

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

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