



PUBLIC TRANSPARENCY REPORT

2023

La Financiere de l'Echiquier

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

La Financière de l'Échiquier (LFDE) signed up to the UN PRI in 2008. We have a long-standing commitment to our heritage, which is rooted in our history because we are convinced of the power of responsible investment for financial markets and more widely of sustainability companies. We know that the financial industry has a major responsibility and believe that it can play a leading role in providing solutions to this collective challenges. Experience has also taught us that the most responsible and virtuous companies are the best performers over the long term. This is apparent in the SRI & Performance study we have been conducting for over a decade. Our convictions align with our vision of risk management for our clients. The Freshfields report commissioned by the UN demonstrated that ESG considerations were essential to the reliability of financial performance estimates and therefore to fiduciary duty. They resonate with our desire to invest by incorporating the principle of double materiality into our investment choices. LFDE's role is clear, and we are working actively to incorporate this principle into all our investment decisions.

Our long-standing commitment was established more than 15 years ago and reflects our rigorous standards and our desire to anticipate the changing concerns of society and our clients. For the last 30 years, we have attached particular importance to the quality of governance at investee companies—a concept we apply across all our company's business lines. As a result, we introduced enlightened climate governance as part of the corporate Climate & Biodiversity strategy that we adopted in 2021. Designed in partnership with the consulting firm "I Care", this strategy is broken down into nine commitments to mobilize businesses and customers, going beyond the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The starting point was training in finance and climate issues for LFDE's Board of Directors and Executive Committee, as well as for all our teams, so that climate issues are integrated into all our business lines and decision-making processes. A cross-functional Climate and Biodiversity Committee representing all the business lines is responsible for monitoring the progress of projects in this area. As the urgency of climate change requires companies to adapt their business models, we are paying closer attention to what investee companies are doing to prevent climate change, and how we can support them. We set high standards for ourselves and others alike.

We are also increasing our climate expertise by incorporating these issues into all our asset management activities. We are implementing investment strategies to help meet the colossal challenge of keeping global warming below 2°C and achieving carbon neutrality. We have extended our commitment to net zero by 2050 to a portion of LFDE's assets, with an intermediate target of reducing the carbon footprint by 2030. These commitments are part of our membership of the Net Zero Asset Managers initiative, which we joined in 2020. This demanding and transparent global initiative, co-constructed with companies, aligns with our commitments and actions to combat climate change and achieve carbon neutrality.

We are convinced that our stewardship can make a difference. Our commitment involves regular dialog and meetings dedicated to ESG issues with investee companies, with a particular focus on climate risks. Individual engagement involves sharing areas of progress that are monitored over time, while collective and shareholder engagement focuses specifically on climate issues.

In practice, LFDE exercises its role as a responsible investor in three ways. First, by adopting a responsible approach to asset management through the ESG Integration line of funds. Second, a stronger commitment within our SRI solutions through our Sustainable Convictions line of funds. Third, our Impact Investing line of funds, which seeks to maximize the positive environmental and social impact of investment decisions.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

LFDE intends to be a driving and innovative force, helping to build sustainable, impact-based finance, meet the challenges of climate change and preserve biodiversity. The specific skills we are developing in-house are broadening our expertise. In 2022, as in previous years, our actions have encouraged our ecosystem to adopt SRI and impact investing, in favor of the climate and biodiversity. We have stepped up training for our employees, offering workshops on the “Fresque du Climat”, an interactive training course run by the Responsible Investment Research team.

We have also encouraged all our employees to deepen their extra-financial expertise by offering them the opportunity to take the CFA ESG exam. Since 2020, 17 employees obtained this demanding certification. LFDE also offers employees the opportunity to obtain the French securities regulator’s Certification in Sustainable Finance, which 31 employees have done since 2022. This is a sign that ESG issues are firmly rooted within our company and are now part of the management team’s day-to-day work. It demonstrates the credibility of our team’s responsible investment approach.

We have also strengthened our climate commitments. We published our first Climate and Biodiversity Strategy in 2021 and released our first Climate & Biodiversity Report in 2022. We also committed to the Net Zero Asset Manager initiative and organized our first Climate & Biodiversity Meetings. As part of our stewardship activity, we are particularly attentive to the so-called “Say on climate” resolutions.

We also intend to step up our commitment to impact investing. LFDE broadened its approach to impact investing in 2022, with the launch of Echiquier Health Impact for All, the first social impact fund in our line. This fund, classified as Article 9 under European SFDR regulations, was created after several months of research in partnership with the impact consultancy company Better Way. It aims to invest in listed companies around the world whose innovations help to improve access to healthcare. It is based on the four dimensions of access to healthcare identified by the WHO: availability, accessibility, affordability, and adaptability. The implementation of an impact-oriented investment process and its own governance ensure that all the companies in the portfolio have a positive impact on access to healthcare.

As our ambition is to help change the rules, our commitment to sustainable finance was also reflected in 2022 by our active contribution to work with other investors to help improve the French government’s SRI label, as well as participating in working groups on regulations, including EET, PAI, MiFID2 and the SFDR pre-contractual appendix, identifying areas where simplicity, understanding and transparency can be improved.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In the next two years, we plan to strengthen our commitment to 3 main themes:

- Sustainable finance regulations: after an initial interpretation and application of the regulatory texts, in the coming years it will be important to work on integrating regulatory constraints more thoroughly into the day-to-day management of our funds. We are working to further integrate double materiality into our analysis of companies. Regarding negative externalities, we would like to study in greater depth the different ways in which our funds can take PAIs into account, establishing fund management constraints for some of them. We will also refine our definition of sustainable investment, to be enriched by Tocqueville Finance SA’s contributions, which LFDE will absorb in 2024. Concerning European taxonomy, we’ll work with data providers and companies to obtain quality data on taxonomy alignment. We will then be able to define how to integrate this information into our analysis of companies, and also consider making minimum taxonomy alignment commitments for some of our funds.

- Another important project for the coming years will be the decarbonization of our investments in order to respect our NZAM commitments. In fact, LFDE committed to reduce the weighted average carbon intensity of its “Impact” and “Sustainable Convictions” range of funds by 50% by 2030 compared with 2020. Our aim is to provide our employees with the best possible training to achieve the objectives mentioned above. We will therefore continue our training program through the “Fresque du Climat” and our proprietary training program “L'Ecole du Climat” launched in 2022. We will also continue to train our customers through these programs to raise awareness on climate change. We will also educate our investment team to new tools helping them to manage the carbon footprint of their funds (by setting them precise decarbonization trajectories), work with extra financial rating agency to consolidate the quality of climate data available, and gradually extend our policies to exclude polluting sectors.
- In early 2024, LFDE will integrate a new investment team and new investment strategies from Tocqueville Finance SA. One of LFDE’s most challenging projects in the coming year will be to harmonize the practices of these two responsible investment players at entity level (New LFDE) and to share common vision with its new shareholder LBP AM. The new group (LBP AM and New LFDE) will capitalize on already shared values and ambitious objectives as responsible investors and PRI signatories. We will harmonize our practices, taking the best of both approaches. As a group, we will emphasize on training new teams in order to build a common culture of sustainable finance and address the challenges of climate change and biodiversity.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Olivier de Berranger

Position

Chief Investments Officer

Organisation's Name

La Financiere de l'Echiquier

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	30	12	2022

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 11,147,883,911.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

Additional information on the exchange rate used: (Voluntary)

EUR/USD : 1.0622

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	77.12%	0%
(B) Fixed income	15.63%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	7.25%	0%
(J) Off-balance sheet	0%	0%

(I) Other - (1) Percentage of Internally managed AUM - Specify:

We consider as other our Asset allocation (funds of funds) expertise and our quantitative strategies.

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA 0%

(D) Active – corporate 100%

(E) Securitised 0%

(F) Private debt 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

(C) Fixed income – corporate (1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct stewardship

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active	(12) 100%
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STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.

Stewardship, excluding (proxy) voting
(K) Other

Other category is composed of funds, derivatives and cash. We are not in capacity to conduct stewardship (especially ETF issuers) with fund managers and derivatives issuers.

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: We consider as other our Asset allocation (funds of funds) expertise and our quantitative strategies.	<input type="radio"/>	<input checked="" type="radio"/>

ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

Describe why your organisation does not currently incorporate ESG factors into your investment decisions.

Internally managed
(O) Other

We do not have enough resources to incorporate ESG factors into the investment decisions for 100% of our Asset Allocation range funds. We incorporate ESG factors in specific cases thanks to our proprietary methodology called "SRI maturity". This expertise represent 6,15% of our Asset under management. Please find more details below:

The Asset Allocation management team, made up of a number of manager-analysts, supported by Responsible Investment (RI) Research team, is responsible for the extra-financial analysis of both the funds and the management companies that manage them. It adopts a qualitative extra-financial assessment methodology, carried out 100% in-house with the help of the RI Research team.

To carry out this assessment, our analysts rely on the ESG documentation of the fund and the management company, which is publicly available. publicly available ESG documentation (in particular, the ESG policy of the management company voting and commitment report, extra-financial reporting, etc.). They also also review ESG documents provided on request by the management company concerned as well as articles published in the press. Our analysts meet regularly with the fund managers and SRI managers to clarify any outstanding points.

We do not integrate ESG factors into our quantitative strategy (1.2% of our asset under management) because the strategy is not adapted to our ESG integration methodology.

ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	91.89%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	8.11%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	100%

FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

(2) Fixed income - corporate

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	100%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

(2) Fixed income - corporate

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	0%
(C) A combination of screening approaches	100%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

93%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

45.24%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) **Finansol**
- (M) **FNG-Siegel Ecolabel (Germany, Austria and Switzerland)**
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) **Le label ISR (French government SRI label)**
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) **Towards Sustainability label (Belgium)**
- (AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
 - (B) Specific guidelines on human rights (may be part of guidelines on social factors)
 - (C) Specific guidelines on other systematic sustainability issues
- Specify:
- Specific guidelines on biodiversity preservation
 - (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(B) Guidelines on environmental factors

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(C) Guidelines on social factors

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(D) Guidelines on governance factors

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(E) Guidelines on sustainability outcomes

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://cdn.lfde.com/upload/partner/ClimateandBiodiversitystrategy.pdf>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

(H) Specific guidelines on other systematic sustainability issues

Add link:

<https://cdn.lfde.com/upload/partner/ClimateandBiodiversitystrategy.pdf>

(J) Guidelines on exclusions

Add link:

https://cdn.lfde.com/upload/partner/2023_PolitiquedExclusion_EN.pdf

(K) Guidelines on managing conflicts of interest related to responsible investment

(L) Stewardship: Guidelines on engagement with investees

Add link:

https://cdn.lfde.com/upload/partner/2023PolitiquedeVote_EN.pdf

(M) Stewardship: Guidelines on overall political engagement

Add link:

https://cdn.lfde.com/upload/partner/2023PolitiquedeVote_EN.pdf

(N) Stewardship: Guidelines on engagement with other key stakeholders

Add link:

https://cdn.lfde.com/upload/partner/2023PolitiquedeVote_EN.pdf

(O) Stewardship: Guidelines on (proxy) voting

Add link:

https://cdn.lfde.com/upload/partner/2023PolitiquedeVote_EN.pdf

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

Our responsible investment policy has identified several sustainability risks that may affect our investments and our capacity to deliver the highest financial return. (You can find more details in the following document:

https://cdn.lfde.com/upload/partner/202201_PolitiqueSFDRLFDE_RisquesdedurabilitEN.pdf)

The sustainability risks we address come under three major themes:

- Sustainability risks related to Governance: High-quality governance can change a company's destiny. This has been our conviction for more than 30 years and is why we place particular emphasis on corporate governance in the companies we invest in, as well as the men and women who run them. Seeking performance through investments in companies where good governance practices and excellent management teams promote social and environmental initiatives that create value for all stakeholders, is essential. We therefore make sure we understand their culture and their risks.
- Sustainability risks related to the Environment: At La Financière de l'Echiquier, we are convinced that climate change and the decline in biodiversity has and will have a major impact on our society and companies. These issues must therefore be an integral part of our analysis of companies' environmental risks. This analysis must provide an understanding both of the company's exposure to these risks and how it anticipates, manages and mitigates them.
- Sustainability risks related to Social issues: The identification of social risks is vital to a company. Neither industrial nor service companies can develop without the commitment of the men and women in its workforce. For this reason, we need to include social risks in our analysis of the risk set confronting a company: human capital, human rights, health and safety, etc. Detailed analysis of these points allows us to verify the truthfulness and high quality of the employment policies in place.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%**

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent**

Specify:

LFDE's chief investment officer have formal oversight over and accountability for responsible investment. He directly oversees LFDE's Head of Responsible Investment Research and personally validate every major responsible investment policy evolution.

- (C) Investment committee, or equivalent
- (D) Head of department, or equivalent**

Specify department:

LFDE's Head of Responsible Investment Research coordonate responsible investment at company level.

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>

(K) Stewardship: Guidelines on overall political engagement

(L) Stewardship: Guidelines on engagement with other key stakeholders

(M) Stewardship: Guidelines on (proxy) voting

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

(A) Yes

Describe how you do this:

Policy activities of LFDE's employees regarding sustainable Finance are reviewed by the head of responsible investment research and the head of compliance to ensure that we are aligned with our stewardship policy and the 6 principles of the PRI.

(B) No

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

The Responsible Investment Research team (4 members) is in charge to guarantee the good implementation of responsible investment across the company. They are also in charge of writing all responsible investment related policies.

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation
- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

(2) Senior executive-level staff, investment committee, head of department or equivalent

(A) Specific competence in climate change mitigation and adaptation

(B) Specific competence in investors' responsibility to respect human rights

(C) Specific competence in other systematic sustainability issues

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://cdn.lfde.com/upload/documents/SFDRPC-EN-INT-FR0010863688.pdf?sand=1689577428>

- (B) Disclosures against the European Union's Taxonomy

Link to example of public disclosures

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations
- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

https://cdn.lfde.com/upload/partner/202306_TransparencyCodeAFG-FIR_EN.pdf

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) **Not applicable; we do not have a strategic asset allocation process**

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(2) Fixed income

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

LFDE engages individually with companies, mainly by determining areas of improvement, formally defining these areas and presenting them to management. LFDE conducts its individual engagement approach as follows:

- For SRI-labelled equity funds: When an ESG analysis is completed, the fund manager or analyst who follows the company determines a certain number of areas of improvement. These areas of improvement are the environmental (including climate change), social and governance practices of the company which LFDE would like to see improve. We want the goals we share with the company to be realistic, measurable and auditable. These areas of improvement are formalised in writing and sent to the company. 20 During the follow-up meeting, which takes place on average every two years, we assess with management the progress achieved relative to the objectives set (i.e. the areas of improvement achieved, partially achieved or not achieved), and together redefine new areas of improvement. In addition to this formal biennial review, for our Impact funds in particular we make it a point to monitor their areas of improvement more frequently.
- For SRI-labelled bond and diversified funds and ESG-integration funds: Unlike SRI-labelled equity funds, engagement with companies is strongly recommended but not systematic. Areas of improvement are systematically defined by the relevant fund manager or analyst when each ESG review is completed. These areas of improvement are also formalised in writing but are not systematically sent to the company. They are, however frequently discussed during periodic meetings with management teams, since ESG issues are increasingly discussed with investee companies. In the following cases, companies are usually informed of their areas of improvement:
 - LFDE holds a substantial stake in the company and the company is geographically proximate.
 - Unlisted companies • Companies with an ESG rating below 6,0/10
 - Companies rated B by ratings agencies
 - The ESG issues identified are material: During the ESG review, if one or more areas of improvement involve ESG issues that are particularly important to the company, the company will be informed of these areas of improvement.
 - Consultation with stakeholders: It is not uncommon for fund managers and analysts to interact with other stakeholders in the company. If certain common concerns on material issues emerge, then it is important that we as shareholders discuss these concerns with the company's management.
 - Post-AGM engagement: When engagement at the annual general meeting has already been made on issues that were identified as 'areas of improvement' during the ESG review, it is not uncommon for these issues to be discussed with the company to emphasise their importance.

In its effort to continuously improve its responsible investment approach, LFED aims to strengthen its individual engagement practices and systematically inform companies of their areas of improvement and thus manage all of its funds in a consistent manner. To this end, the RI Research team monitors the percentage of areas of improvement that are sent to companies out of the total number determined each year.

In addition to its individual engagement with companies, in 2019 LFDE strengthened its collaborative engagement efforts with other investors. This approach, which is complementary to individual engagement, enables LFDE to:

- Engage on issues that are difficult to address individually
- Target several companies in the same sector simultaneously

- Make its voice heard with companies with which individual engagement would not be effective
- Engage with companies excluded from its investment universe to support them in their transition (e.g. thermal coal companies).
- We select the collaborative engagement initiatives in which we wish to participate in accordance with our responsible investor policy and approach.

LFDE systematically exercises its voting rights at the shareholder meetings of the companies it invests in.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

In 2019 LFDE strengthened its collaborative engagement efforts with other investors. This approach, which is complementary to individual engagement, enables LFDE to:

- Engage on issues that are difficult to address individually
- Target several companies in the same sector simultaneously
- Make its voice heard with companies with which individual engagement would not be effective
- Engage with companies excluded from its investment universe to support them in their transition (e.g. thermal coal companies)
- We select the collaborative engagement initiatives in which we wish to participate in accordance with our responsible investor policy and approach.

Engaging with companies is a long-term and time-consuming process. To optimise its effectiveness, LFDE prioritises the allocation of its resources on a case-by-case basis and in accordance with the following criteria:

- Geographic region and proximity: LFDE is a long-term investor that has historically - and still today - been mainly exposed to European companies. This proximity with European issuers of securities plays a key role in our engagement decisions, since it ensures a higher probability of success. We therefore favour engagement with European companies which offer this proximity.
- The materiality of ESG events that require an urgent need for progress on ESG issues, such as controversies, climate transition plan, violations of international standards, etc.
- The size of the investment in the company
- Alignment with our responsible investor commitments
- The most carbon-intensive companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 2
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 1
- 4
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?

Contributing to improving the practices of companies and our stakeholders is a long-term process. For its implementation, we have chosen to establish a clear and relevant organisation in order to optimise our contribution within our means. In the same way as for voting, the organisation of engagement is decentralised at La Financière de l'Echiquier. Each manager and analyst engage with the companies he or she monitors financially and extra-financially. The manager or analyst then has responsibility for the engagement relationship for all of La Financière de l'Echiquier's holdings in that company. We are convinced that it is essential to have in-depth knowledge and long-term monitoring of companies in order to understand the issues at stake and to evaluate the improvement of their practices. The SRI dedicated team is in charge to ensure that every investment team follows the company stewardship principles.

All information concerning individual and collective commitment is shared within our collective management team through our database, internal meetings or through the various information channels.

As an example, we frequently (systematically for our SRI labelled funds) send areas of progress to the companies we are invested, we monitor their progress on these topics at least every two year. Our conclusions are systematically available to the whole investment team through our internal data bases.

Regarding collaborative stewardship the SRI dedicated team is in charge to coordinate the relation between LFDE's teams and third parties. What's important to have in mind is our escalation strategy (clearly stated in our stewardship policy), is used when a material engagement has not been successful. After having assessed the evolution of corporate practices related to the areas of improvement sent, we can take further action : in the AGM by our vote, by collaborative engagement, by reducing or exiting the position and less frequently by filling shareholder resolutions.

Please note that all our practices on such topic are described in our stewardship policy (voting and engagement policy) available on our website.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

The objectives of LFDE's individual and collaborative engagement efforts are to:

- Get companies to adopt best practices in terms of their governance, compliance with international standards, and responsibility towards their employees, society and the environment, including the fight against climate change and the loss of biodiversity.
- Encourage companies to be more transparent, to enable us to gain a better understanding of their governance and CSR strategy.
- Help companies improve the measurement of their impacts. In its effort to establish a quality shareholder engagement relationship,

LFDE strives to comply with the following best practices:

- Define objectives that are measurable, verifiable and time-bound (with intermediate and final deadlines) to enable more accurate monitoring of performance and ensure that the impact of our engagement is as measurable as possible.
- Monitor, whenever possible, the progress that companies have made toward their objectives. If we feel that the company's trajectory is insufficient in some areas, we will re-engage with the company on these issues.

LFDE annually publish an Voting and Engagement report (publicly available on LFDE's website) to report on our stewardship activity and its results.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes
- (B) Yes, for the majority of (proxy) votes

Add link(s):

<https://cdn.lfde.com/upload/documents/INVENTAIREVOTE-EN-INT-FR0010321810.pdf?sand=1689598131>

- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) **Within one year of the AGM/EGM**
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company		
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

o

o

(A) Yes, we publicly disclosed the rationale - Add link(s):

<https://cdn.lfde.com/upload/documents/INVENTAIREVOTE-EN-INT-FR0010321810.pdf?sand=1689598131>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

LFDE prefers postal voting but, depending on circumstances, reserves the right to vote directly at shareholder meetings or to authorise the company's Chair to vote on its behalf. Exceptionally, it may also appoint a proxy.

Voting rights are exercised in partnership with ISS (Institutional Shareholder Services), the world leader in corporate governance and responsible investment solutions. Each year, ISS informs LFDE of the most recent developments in voting requirements and practices and of any changes it has made to its own voting policy. This annual review enables us to improve our shareholder voting policy, maintain high standards and ensure that our voting is consistent with our values.

Throughout the year, ISS handles the placing of LFDE's orders with its depositaries. ISS also reviews the resolutions to be voted on and provides specific recommendations, in accordance with the principles of our voting policy.

These recommendations provide fund managers and analysts with an initial analysis of the resolutions to assist them in voting in accordance with our voting policy. The person who will exercise the vote is responsible for reviewing these recommendations in light of the company's specific situation and challenges. In some cases, this person may decide to vote against the recommendation and therefore against the voting policy. Such cases are very rare and when the fund manager or analyst votes he or she must systematically substantiate the exceptional characteristic that justifies deviating from the voting rule.

In the effort to achieve its objective of voting at every shareholder meeting, LFDE has implemented a system for closely monitoring voting activity. To ensure maximum vigilance, this monitoring is the collective responsibility of the following stakeholders:

- The Asset Management Assistant: During the annual shareholder meeting season, fund managers and analysts receive an email every Monday from the Asset Management Assistant (or if unavailable from the Product Management team) that summarises all the meetings to be voted at over the next 10 days, to enable them to identify the meetings where they are to vote.

- ISS: Fund managers and analysts are registered on the Proxy Exchange platform and are linked with the funds for which they are responsible. For each shareholder meeting of a company that is monitored by a fund manager or analyst, the latter will receive an e-mail alert every day starting five days before the meeting and until votes have been exercised.
- The RI Research and Middle office teams: One person from each of these two teams checks on a daily basis to make sure that the voting process is running smoothly, and contacts the analysts and fund managers concerned directly in cas of of a non-voted AGM that is approaching its deadline, as well as ISS in the event of technical problems.

Due to the number of intermediaries involved (which include ISS, the centralising agent Broadridge, our depositaries and sub-depositaries), in some very rare cases we may not be able to vote for technical reasons. LFDE has adopted a best-effort approach and in such cases and shall not be held responsible.

Our service provider ISS keeps all voting data for each resolution. These data are aggregated by portfolio and for LFDE in general. LFDE uses these data to inform its clients of the exercise of its shareholder votes each year with full transparency. Two examples of this are the annual report on shareholder voting and engagement and exhaustive inventories of the votes, available on our website.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one



(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal



(C) Publicly engaging the entity, e.g. signing an open letter



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
 - o (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters**
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups**

Describe:

In 2021 and 2022, the head of LFDE's responsible investment research team participate to the policy makers engagement regarding the French SRI Label. The objective was to propose The aim was to propose a number of changes to the label's specifications to the public authorities.

- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

<https://cdn.lfde.com/upload/partner/DROITSVOTE-EN-00-ALLFUNDS-2022.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

- TOTAL ENERGY - ENCOURAGING THE TRANSPARENCY OF THE TRANSITION PLAN AND ITS ALIGNMENT WITH THE PARIS AGREEMENT

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager**

(2) Primary focus of stewardship activity

- (1) Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In 2022, LFDE continued its dialogue with TOTALENERGIES and in particular took part in the tabling of two resolutions at the Group's general meeting. These resolutions were tabled by two coalitions of investors, each led by one of the company's Climate Action 100+ representatives. This commitment is in line with that already made since 2020 through this same initiative and our bilateral commitment. Indeed, participation in this type of resolution filing is part of our escalation policy if we consider that the results of our individual commitment are insufficient.

One of these was a request for greater transparency on information relating to its decarbonisation strategy. It was finally withdrawn ahead of the AGM, after the Group's Board of Directors accepted a majority of the requests included in the resolution. It called for the publication of the information needed to assess the alignment of their transition plan with a scenario compatible with the Paris Agreement.

The other concerned setting targets for reducing greenhouse gas emissions, in line with the Paris Agreement. The resolution was not put on the AGM agenda by the Board of Directors.

(B) Example 2:

Title of stewardship activity:

- AIR LIQUIDE - AN ENVIRONMENTAL COMMITMENT THAT IS BEARING FRUIT

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

AIR LIQUIDE is present in several of the portfolios of our SRI-labelled funds. In March 2020 we shared with the company our desire to see the company measure all of its Scope 3 greenhouse gas emissions and to publish the results of this exercise. During our review of the company's ESG rating, which includes an assessment of the progress already made, we noted that the company had indeed published all the scopes of its greenhouse gas emissions in its annual report.

In 2022, when we updated the Group's ESG rating, we re-engaged with the company on environmental, social and governance issues. We asked the company to disclose the proportion of its sites with environmental certification. We also encouraged them to appoint an independent director with expertise in the Asia region or in energy transition solutions, and to communicate the results of their employee satisfaction surveys.

(C) Example 3:

Title of stewardship activity:

- DIPLOMA - IMPROVING REMUNERATION PRACTICES

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

For several years now, we have been working with DIPLOMA to improve its remuneration scheme, both at the time of our ESG analyses and during the AGM season. In 2022, we continued our long-term commitment to this issue. We were invited by the company to a meeting dedicated to the subject in order to express our point of view on the existing scheme. We again encouraged the company to introduce more ambitious and progressive non-financial criteria for awarding remuneration.

(D) Example 4:

Title of stewardship activity:

- CDP - NON-DISCLOSURE CAMPAIGN: AN ENGAGEMENT FOR MORE TRANSPARENCY ON ENVIRONMENTAL IMPACTS

- (1) Led by
- (1) Internally led
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Since 2020, LFDE has been taking part in the Carbon Disclosure Project's (CDP) Non-Disclosure Campaign. This campaign encourages companies to respond to CDP questionnaires on the subjects of climate change, forests and water. These questionnaires provide investors with standardised data enabling them to compare the environmental performance of companies, particularly in terms of their carbon footprint. During the 2022 commitment campaign, we engaged directly with 32 companies and supported the engagement of other players as co-leads with 81 companies. The results of our engagements have been quite positive. More than a quarter of the companies we approached as leads or co-leads agreed to answer the CDP questionnaire.

(E) Example 5:

Title of stewardship activity:

- KEMIRA - AN HISTORY OF COMMITMENT

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

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, particularly by reducing their water consumption. Following a successful pre-investment engagement, we became shareholders in KEMIRA in early 2022. Subsequently, we continued our engagement by meeting with the CSR Director and the Quality & Environment teams. In February 2022, we organised a progress review with KEMIRA's CSR Director to review the ESG progress areas shared in 2021. Those relating to reducing staff turnover and setting up a materiality matrix were achieved. The meeting also provided an opportunity to formulate more specific areas for progress on climate and biodiversity: 1. Define targets for reducing water use and waste production 2. Measuring the temperature of the water leaving the plants 3. Define targets for reducing scope 3 GHG emissions 4. Implement a responsible palm oil sourcing policy At the end of 2022, we met again with the CSR Director and the Head of the Quality and Environment teams, as well as their experts in water, biodiversity and CO2. For several months now, studies have been carried out to measure the temperature of water leaving the plants, in direct connection with our commitment to their impact on biodiversity. These exchanges have been an opportunity to develop long-term thinking on the challenges of biodiversity in the value chain, physical risks and the valuation of product impact. The company's responsiveness in our discussions and its strong commitment to progress convinced us to make this a long-term commitment.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We recognize the double materiality for us of climate related risks. Climate related risks impact the companies we invest in and we as responsible investors can influence the companies we are invested in to participate reducing the climate related risk causes. We identified thanks to Carbon4Finance data the laggards

We also identified opportunities.

- In 2020 LFDE launched a fund called Echiquier Climate & Biodiversity Impact Europe. This fund was initially dedicated to investing in players participating in the climate transition, a major issue for LFDE. In 2021, we significantly strengthened its investment process so that it takes into account the challenges of preserving biodiversity, a subject on which LFDE has invested a great deal. As long-term investors, we firmly believe that the financial sector has a crucial role to play in combating climate change and biodiversity loss. It was therefore vital for us to be able to offer investors a solution that would enable them to contribute, at their own level, to the transition to a low-carbon economy and the preservation of natural capital.

In a nutshell, Echiquier Climate & Biodiversity Impact Europe aims to contribute to carbon neutrality and biodiversity preservation by supporting listed companies that provide solutions, demonstrate best practices or are embarking on their transition. Our management philosophy is therefore in line with the Paris Agreement, whose main objective is to limit global warming to well below 2°C by 2100. This rigorous, ambitious approach means we can invest in all sectors of the economy. While the energy transition and the decline in biodiversity are risk factors, they also represent a breeding ground for opportunities, which we want to seize. Thanks to our proprietary "Climate and Biodiversity maturity" score the fund's objective is to identify the company which will benefit of the climate transition.

- We use Carbon4Finance data to identify the main polluters within and outside our portfolios. It can also allow us to identify the company least ready to the climate transition.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We are aware that our investment horizon is shorter than the materiality of the risks related to climate change (Medium and long run when it comes to physical risk and transition risk). Therefore, when we perform our ESG analysis (including climate analysis) we also take into account long-run material issues and processes the company has implemented to face such risks (ocean rise...). It is of utmost importance that companies operating in sectors that are not aligned with a 1.5°C world (such as Oil & Gas activities for instance) adapt their business models to limit the risks of stranded assets.

Since 2021, LFDE analyses and publishes its investments physical risks assessment. Global warming is leading to climate disruption and an increase in the number of natural disasters affecting corporate assets and activities. There are seven such disasters, or indirect climatic hazards:

- Increase in average temperature,
- Change in frequency/intensity of heat waves,
- Change in frequency of droughts,
- Change in frequency/intensity of extreme rainfall,

- Rising sea levels,-Change in frequency/intensity of storms,
- Changing precipitation patterns.

Indirect climate hazards are consequences of direct hazards and are included in the assessment of their risks. For example, fires are a consequence of more frequent droughts.

In our overall risk analysis, it is essential to assess the level of risk associated with these hazards for the companies in our portfolio. The exposure of companies and entities varies according to their geographic allocation, as well as specific criteria such as population density, landtake or the general state of infrastructure.

Please note that we also have developed an internal methodology called "climate maturity" helping us to assess such risks. We systematically apply this methodology to analyse the most important pollutants of our investments (in terms of CO2 emissions and MSAppb*).

- o (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

LFDE is planning for 2023 to systematically integrate physical risk analyses to its overall risk review. The physical risk indicator measures companies' exposure to various climate hazards. This indicator for a company is constructed as follows:

- Description of business sector vulnerability (OPEX, CAPEX, revenue) and creation of climate vulnerability scores for each sector,
- Quantification of change in climate hazards and calculation of scores for each hazard,
- Quantification of the company's exposure to climate risks, based on business sectors and locations,
- Adjustment for aggravating circumstances (flood zone, etc.).

The physical risk score is based on 100 points:

- A score of 0 indicates a total absence of exposure to physical risks,
- A score of 100 represents maximum exposure.

A score is given to each company for each hazard.

LFDE also launch in 2020 an investment fund seeking long-term performance through exposure to European equity markets via companies that stand out for their level of progress in taking their climate and biodiversity issues into account, their good governance, and the quality of their social and environmental policy (ESG), Echiquier Climate & Biodiversity Impact Europe. An analysis of companies' climate and biodiversity issues is conducted for each issuer through a proprietary methodology called Climate and Biodiversity Maturity. This seeks to identify and quantify the level of progress made by a company in taking climate and biodiversity issues into account, helping to minimise the risks associated with the investment and to maximise the opportunities that the company may capitalise on in this area. The Climate and Biodiversity Maturity score is on a scale of 0% to 100% and is awarded to each issuer.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

According to the reports of the IPCC, the International Energy Agency (IEA) and the United Nations, in a scenario aiming to contain the rise in the average temperature of the planet to 1.5°C or at least well below 2°C, the share of thermal coal in the world's energy mix will have to decrease. According to the IEA's "Sustainable Development" or "Net Zero Emissions by 2050" scenarios, the conclusion is indeed clear: coal demand must be reduced by around 2,000 Mtoe¹⁰ by 2030. According to a UNEP report¹¹, coal production should be reduced by 11% per year between 2020 and 2030 to meet the climate objectives. The problems associated with coal go beyond the climate, with significant impacts on air quality and biodiversity. Only thermal coal activities are concerned. Metallurgical coal is not covered at this stage as it is mainly used for the production of coke for the steel industry and there are very few viable alternatives in the steel making process.

LFDE excludes from all of its investments companies generating more than 5% of their turnover from thermal coal mining. Also excluded are companies generating more than 20% of their turnover from other thermal coal activities (exploration, transport, logistics, engineering, operations). LFDE also excludes companies whose thermal coal-based electricity generation exceeds 20% of their energy mix, whose thermal coal production exceeds 10 million tonnes/year, whose installed capacity of thermal coal-fired power plants exceeds 5GW or those actively involved in lobbying for thermal coal. For the Sustainable Convictions Equity funds, the threshold for companies active in coal-related transport and exploration activities has been lowered to 5%. For more information, please see LFDE's 2021 exit strategy for thermal coal. This provides for a phaseout of thermal coal by 2030 at the latest, by no longer financing any company that derives a proportion of its turnover from such activities (0% threshold).

(B) Gas

Describe your strategy:

LFDE's policy distinguish conventional and unconventional hydrocarbons.

- CONVENTIONAL HYDROCARBONS : Hydrocarbons are formed during a very long process of decomposition of organic matter. Their progressive covering by layers of sediments, then the physical phenomena of burial and increase in pressure and heat lead to their decomposition into kerogen, then into hydrocarbons. Initially formed in a "Source rock", the permeability of intermediate rocks leads to its migration towards "reservoir rocks". When the process of extracting these hydrocarbons can be done with so-called conventional vertical drilling methods - which occurs when the process of formation of the hydrocarbons has not been altered - we speak of conventional hydrocarbons (such as oil and gas...). According to IPCC and IEA recommendations, the current sustained rate of hydrocarbon exploitation is not compatible with a climate trajectory below 2°C. Natural gas can, in certain specific cases, be used as a transitional fuel - regulated by the European taxonomy - in the case of replacing a coal-fired power plant with a gas-fired one. On the other hand, the risk of "lock-in"¹² is not neutral, as are the risks related to the gas supply chain.

LFDE excludes companies involved in the conventional hydrocarbons sector from its Sustainable Convictions Equity funds and Impact Investment funds. This includes companies generating more than 5% of their turnover from the extraction, refining, trading, distribution, sale of equipment or services for the exploration and production of oil and natural gas or the generation of electricity from conventional hydrocarbons. This also includes electricity generation companies with more than 5% of their installed capacity in fossil fuels.

- UNCONVENTIONAL AND CONTROVERSIAL HYDROCARBONS : Unconventional hydrocarbons differ from their conventional counterparts in that their formation process has been altered, making them difficult to exploit. Their extraction requires the use of so-called unconventional methods, such as hydraulic fracturing. The energy produced from these hydrocarbons is then referred to as unconventional fossil fuels. When extraction is carried out using conventional methods but under particular conditions, generating increased risks for local ecosystems, we speak of controversial fossil fuels. The process of extracting non-conventional and controversial hydrocarbons often requires more energy and water, emits more greenhouse gases and can have significant impacts on natural ecosystems (deforestation, oil spills, etc.).

LFDE adopted in December 2021 an exit policy on non-conventional and controversial hydrocarbons. As of July 2022, for all Sustainable Convictions and impact investment funds, LFDE has implemented two exclusion criteria: 1) Exclusion of companies producing more than 10% of their total hydrocarbon production from unconventional and controversial hydrocarbons (as a cumulative % of total fossil fuel production). 2) Exclusion of companies with more than 5% of their short-term expansion plans¹³ in unconventional and controversial hydrocarbon projects (as % of total expansion). Within our policy, the unconventional hydrocarbons considered are: shale oil and gas, tight oil and gas (using hydraulic fracturing methods), oil sands, heavy and extra-heavy oil, coalbed methane. The controversial hydrocarbons considered are ultra-deep oil and gas (> 1,500 meters) and hydrocarbons from Arctic oil and gas fields. As of December 2024, these exclusions will apply to all LFDE ESG Integration funds. Finally, by 2030 at the latest, La Financière de l'Echiquier will exit from non-conventional and controversial hydrocarbons by no longer financing companies whose turnover is derived from such activities (0% threshold).

(C) Oil

Describe your strategy:

LFDE's policy distinguish conventional and unconventional hydrocarbons.

- CONVENTIONAL HYDROCARBONS : Hydrocarbons are formed during a very long process of decomposition of organic matter. Their progressive covering by layers of sediments, then the physical phenomena of burial and increase in pressure and heat lead to their decomposition into kerogen, then into hydrocarbons. Initially formed in a "Source rock", the permeability of intermediate rocks leads to its migration towards "reservoir rocks". When the process of extracting these hydrocarbons can be done with so-called conventional vertical drilling methods - which occurs when the process of formation of the hydrocarbons has not been altered - we speak of conventional hydrocarbons (such as oil and gas...). According to IPCC and IEA recommendations, the current sustained rate of hydrocarbon exploitation is not compatible with a climate trajectory below 2°C. Natural gas can, in certain specific cases, be used as a transitional fuel - regulated by the European taxonomy - in the case of replacing a coal-fired power plant with a gas-fired one. On the other hand, the risk of "lock-in"¹² is not neutral, as are the risks related to the gas supply chain.

LFDE excludes companies involved in the conventional hydrocarbons sector from its Sustainable Convictions Equity funds and Impact Investment funds. This includes companies generating more than 5% of their turnover from the extraction, refining, trading, distribution, sale of equipment or services for the exploration and production of oil and natural gas or the generation of electricity from conventional hydrocarbons. This also includes electricity generation companies with more than 5% of their installed capacity in fossil fuels.

- UNCONVENTIONAL AND CONTROVERSIAL HYDROCARBONS : Unconventional hydrocarbons differ from their conventional counterparts in that their formation process has been altered, making them difficult to exploit. Their extraction requires the use of so-called unconventional methods, such as hydraulic fracturing. The energy produced from these hydrocarbons is then referred to as unconventional fossil fuels. When extraction is carried out using conventional methods but under particular conditions, generating increased risks for local ecosystems, we speak of controversial fossil fuels. The process of extracting non-conventional and controversial hydrocarbons often requires more energy and water, emits more greenhouse gases and can have significant impacts on natural ecosystems (deforestation, oil spills, etc.).

LFDE adopted in December 2021 an exit policy on non-conventional and controversial hydrocarbons. As of July 2022, for all Sustainable Convictions and impact investment funds, LFDE has implemented two exclusion criteria: 1) Exclusion of companies producing more than 10% of their total hydrocarbon production from unconventional and controversial hydrocarbons (as a cumulative % of total fossil fuel production). 2) Exclusion of companies with more than 5% of their short-term expansion plans¹³ in unconventional and controversial hydrocarbon projects (as % of total expansion). Within our policy, the unconventional hydrocarbons considered are: shale oil and gas, tight oil and gas (using hydraulic fracturing methods), oil sands, heavy and extra-heavy oil, coalbed methane. The controversial hydrocarbons considered are ultra-deep oil and gas (> 1,500 meters) and hydrocarbons from Arctic oil and gas fields. As of December 2024, these exclusions will apply to all LFDE ESG Integration funds. Finally, by 2030 at the latest, La Financière de l'Echiquier will exit from non-conventional and controversial hydrocarbons by no longer financing companies whose turnover is derived from such activities (0% threshold).

- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water

- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General
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Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios
- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General
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Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

LFDE daily monitor its products weighted average carbon intensity, their physical risks exposure and the portfolio climate scenario alignment (through the CIA score produce by Carbon4Finance).

(2) Describe how this process is integrated into your overall risk management

We closely monitor our investment funds climate indicators evolution through our ESG data hub "ESG Connect". We are particularly focused on the top 5 issuers in terms of carbon emissions and carbon intensity.

Our Responsible Investment Research team and our compliance team ensure that our funds with climate-related objectives of benchmark overperformance (in terms of carbon intensity) respect their objectives.

The identification of climate related risks is an important part of our environmental assessment of issuers.

- (B) Yes, we have a process to manage climate-related risks
- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

(A) Exposure to physical risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
- (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(B) Exposure to transition risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
- (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(C) Internal carbon price

(D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
- (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
- (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(F) Avoided emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
- (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(G) Implied Temperature Rise (ITR)

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

(3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

Specify:

Carbon Impact Ratio

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

(3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

(C) Scope 3 emissions (including financed emissions)

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

- **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://cdn.lfde.com/upload/partner/Rapportstrategieclimatetbiodiversite-EN.pdf>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets**

- (B) The UNFCCC Paris Agreement

- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)

- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

- (E) The EU Taxonomy

- (F) Other relevant taxonomies

- (G) The International Bill of Human Rights

- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

- (I) The Convention on Biological Diversity

- (J) Other international framework(s)

- (K) Other regional framework(s)

- (L) Other sectoral/issue-specific framework(s)

- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries

- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

To assess human right context and prevent LFDE from being exposed to human rights violations, we implemented three kinds of measures :

- Exclusions: On a normative basis, we exclude companies that are the subject of controversies which MSCI ESG Research considers to be very severe. This list includes companies that have been found to be in violation of one or more of the ten principles of the United Nations Global Compact.

- ESG analysis and controversy score: Through our proprietary rating model, we systematically analyze the level of severity and occurrence of controversies, particularly in terms of human rights.

- Collaborative commitment: LFDE participates in the PRI collaborative social engagement campaign ADVANCE, in favor of human rights and social issues.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
 - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

(A) Workers

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(B) Communities

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(C) Customers and end-users

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

(D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available.

(B) Media reports

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(E) Data provider scores or benchmarks

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses. LFDE systematically uses carbon emissions data from Carbon4Finance to assess issuer's climate related risks.

(F) Human rights violation alerts

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses. We also receive from MSCI ESG Research sytematic alerts concerning potential controversies, including human rights violation alerts.

(G) Sell-side research

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internaly issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(I) Information provided directly by affected stakeholders or their representatives

Provide further detail on how your organisation used these information sources:

LFDE systematically analyse internally issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

(J) Social media analysis

Specify:

LFDE systematically analyse internally issuer's corporate governance quality using all informations available. We also use third parties reports or research in case of controversies or thematic analyses.

Provide further detail on how your organisation used these information sources:

(K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year**

Explain why:

We have not identified any companies in our investment activities where we could have directly or through our influence over investees, for people affected by negative human rights outcomes connected to our investment activities to access remedies during the reporting year.

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

o

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

o

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)

LFDE's ESG integration strategy is reviewed at least every year to integrate the more recent ESG related research and trends. To be able to stay aware of the last advances in ESG related research LFDE participate to several working groups with other investors.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

We divested from Voltalia, one of France's leading developers of renewable energy plants with international operations. This decision was motivated by the deterioration in the quality of governance: the shareholder family has increased its influence on the Board of Directors, thereby undermining what were already inadequate checks and balances, and the related-party agreements with the shareholder family remain in force. Despite several attempts of engagement, we feel it is impossible to establish a long-term dialogue with the company. Making an impact through engagement with companies is the very essence of an impact investing process. When this is not possible, our potential for impact is limited, leading us to divest.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(2) for a majority of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(3) for a minority of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

o

POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

We have overweighted IBERDROLA because of the quality of their ESG profile and their good control of environmental and social risks. This company is also very receptive to dialogue and to our commitment approach. The company delivered a good financial performance over 2022 which heavily benefit to our funds thanks to the overweight.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

FIXED INCOME (FI)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

(2) Corporate

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons

(1) for all of our AUM

(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?

(2) Corporate

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but does it not include scenario analyses

(1) for all of our AUM

(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets

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PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

(2) Corporate

(A) We incorporate material environmental and social factors

(B) We incorporate material governance-related factors

(C) We do not incorporate material ESG factors for the majority of our fixed income investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?

(2) Corporate

(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)

(B) Yes, we have a framework that differentiates ESG risks by sector

(1) for all of our AUM

(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector

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(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?

(2) Corporate

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(1) for all of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?

(2) Corporate

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process

(3) for a minority of our AUM

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(1) for all of our AUM

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways - Specify:

Every LFDE's fund has both sectoral and normative exclusions and a minimum ESG rating constrains. These constrains significantly influence the portfolio construction.

POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

(2) Corporate

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(1) for all of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(1) for all of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Corporate

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.

Following our ESG analyses in 2022 we decided to underweight the company CLARIANE which operate retirement home. The probability that ESG risks will have a negative impact on the financial performance of the company's securities. This possibility has indeed materialised.

On the other hand we overweighted ENERGIA DE PORTUGAL and IBERDROLA.

We have overweighted EDP and IBERDROLA because of the quality of their ESG profile and their good control of environmental and social risks. These companies are also very receptive to dialogue and to our commitment approach.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

- (A) Sustainability outcome #1
- (B) Sustainability outcome #2
 - (1) Widely recognised frameworks used to guide action on this sustainability outcome
 - (1) The UN Sustainable Development Goals (SDGs) and targets
 - (2) The UNFCCC Paris Agreement
 - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
 - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
 - (5) The EU Taxonomy
 - (6) Other relevant taxonomies
 - (7) The International Bill of Human Rights
 - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
 - (9) The Convention on Biological Diversity
 - (10) Other international, regional, sector-based or issue-specific framework(s)
 - (2) Classification of sustainability outcome
 - (1) Environmental
 - (2) Social
 - (3) Governance-related
 - (4) Other
 - (3) Sustainability outcome name
 - Carbon emissions
 - (4) Number of targets set for this outcome
 - (1) No target
 - (2) One target
 - (3) Two or more targets
- (C) Sustainability outcome #3
- (D) Sustainability outcome #4
- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: Carbon emissions

(1) Target name

(2) Baseline year

(3) Target to be met by

(4) Methodology

(5) Metric used (if relevant)

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy**
 Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited**
- (C) Listed equity**
 Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited**
- (D) Fixed income**
 Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Our internal control department regularly audit LFDE's processes and data control process to ensure the veracity our the information we communicate externally. Our internal control function also works closely with our IT department and our Responsible Investment team to ensure the ESG data quality.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
 - Sections of PRI report reviewed
 - (1) the entire report**
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year