

# IMPACT REPORT ECHIQUIER POSITIVE IMPACT EUROPE

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2021



# intentionality

Echiquier Positive Impact Europe aims to help generate measurable social and environmental benefits in meeting the UN's Sustainable Development Goals (SDGs).

## Methodology

9 targeted SDG "solutions"

## Governance

80% of the **members** of the Board of Directors of the Echiquier Impact SICAV are **independent**

## Objectives

2 **ex-ante impact objectives** are used to determine a portion of managers' **variable compensation**

## Sharing of value

€525,000 donated to the **Primonial Group Foundation** for 2021

# Actions to change the world

Echiquier Positive Impact Europe has an impact philosophy based on three pillars that form the core of the fund's strategy

# additionality

Our impact fund's added value lies in its active, long-term commitment to helping companies improve their impacts. We also aim to participate in developing impact investing on listed markets.

## A patient investor

3 years and 8 months **average holding time** for portfolio companies

## Engagement

36 companies were **subject to an engagement approach** in 2021 (of which 27 were in the portfolio as of 31/12/2021)

## Success

62% of the areas **for improvement** sent to companies before 2021 were **achieved or partially achieved**

## Sectoral contribution

10 **working groups** on impact investing in listed equity markets in which we participated in 2021

# measurability

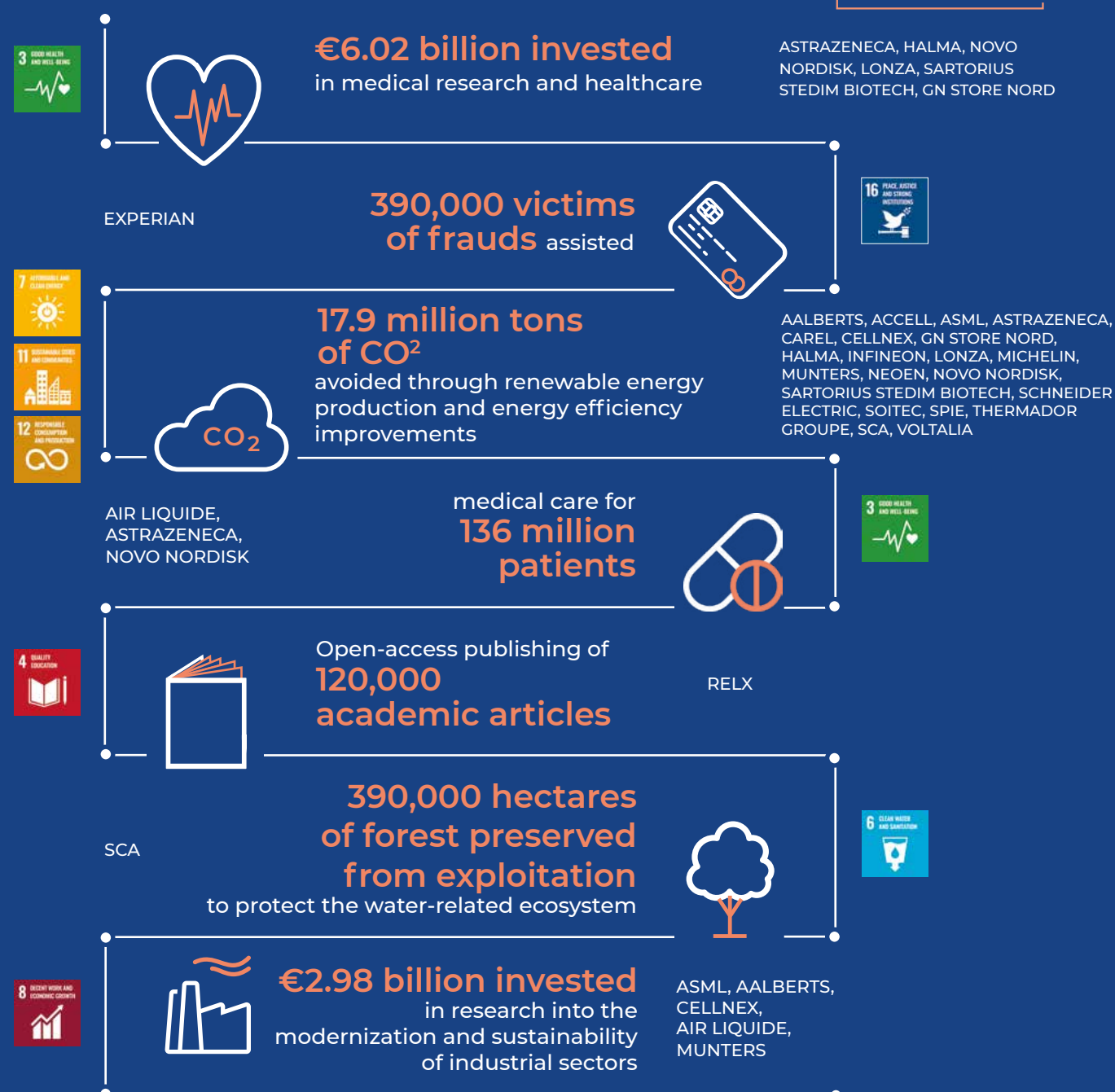
Measuring the positive and negative impact of the fund and the companies in the portfolio allows us to assess the quality of the system as a whole and provide the end investor with transparent information on performance.

## Measuring the impact of portfolio companies

The companies in the portfolio contribute in particular to the following 9 SDGs through their activities, products and services:

73.5%

of turnover of companies invested in the fund contributes to one or more of the 9 business-oriented SDGs



Investors attention is drawn to the fact that their investment in the sub-fund does not have a direct impact on the environment and society. Rather, the sub-fund seeks to select and invest in companies that meet the precise criteria set out in the management strategy.

Sources: Corporate Communication, LFDE, Carbon4 Finance. Data as of 31/12/2021.

The aggregated figures presented above are based on information provided by the companies, either in their extra-financial reports or during discussions with LFDE staff. Only the tons of CO<sub>2</sub> saved are provided by Carbon4 Finance (with a coverage rate of 93%). Details on these data and the calculation methods used are provided in Appendix 3.



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## Important information

Throughout this report, the abbreviation 'EPIE' will be used to refer to the Echiquier Positive Impact Europe fund. From a methodological point of view, the term "impact" used in this report does not refer to a scientific definition that would make it possible to attribute a change to the fund's financing actions or to the action of portfolio companies. The purpose of this report is to disclose the resources committed by the fund and to estimate the effects on the investments made. It also aims to report on portfolio companies' contributions to the UN Sustainable Development Goals, based on content and data as of 31/12/2021, as disclosed publicly by those companies.

 For more information on the independent verification conducted by Better Way on this report, please refer to Appendix 4.

## Foreword

Olivier de Berranger  
Deputy Managing Director in  
charge of Asset Management



## Time to act

The world's major balances are shifting, and reports on the condition of our planet and its ecosystems just keep coming, each more alarming than the last. **But there is still time to act.** We remain confident that **finance has a crucial role to play** in directing capital towards the most responsible companies. We are convinced of the powerful role that impact investing can plan on the financial markets.

As a pioneer in listed impact investing, La Financière de l'Échiquier (LFDE) continues its quest to make an impact and in 2021 adopted **a rigorous and innovative impact doctrine**, which reflects our unique and demanding positioning and sets a framework for our impact investments.

As a precursor fund launched in 2017, Echiquier Positive Impact Europe continues to write its history with the European companies it selects and supports. In 2021, **it strengthened the standards of its investment process** and formalized its ex-ante impact indicators. It also stepped up its quest for social impact in deciding **to involve some of its clients in choosing a project with a high social impact**, to which we provide additional financial support by donating a portion of the fund's management fees. Through their involvement, which we oversaw, an association committed to social impact, **Excellence Ruralité Foundation**, was chosen. It is helping to revitalize peripheral France by developing a new model of schools adapted to the needs of rural areas.

The Echiquier Positive Impact Europe management team is committed first and foremost as a **team that accompanies its portfolio companies over time**, sharing with them the extra-financial progress areas that are monitored over time. We never lose sight of the fact that progress in companies' environmental and/or social policies is due above all to their management teams. However, we believe that it is the duty and responsibility of investors to share their expertise and to help accentuate their positive impacts and reduce their negative externalities in serving the common good.

**2021 was an eventful year**, a year of achievement and doubt, of progress towards a more sustainable model, and of individual and collective commitments. **This fourth annual impact report traces the progress made** over the year and measures the positive and negative impacts achieved with regard to each company and to each of the United Nations' 9 Sustainable Development Goals (SDGs), on which its investment strategy is based.

Our impact range has expanded with **the birth of a third impact fund**, launched at the end of 2021, LFDE's first solidarity fund. We will continue to devote all our energy to the service of impact investment and companies.



# Impact of the fund

## Listed impact investment

Impact investing on listed markets is the new frontier of sustainable finance. To stand out from approaches that invest primarily in companies with the best environmental, social and governance practices, this new form of investment must be able to go even further and demonstrate to its investors its positive impact over time.

To this end, and similar to impact investment practices on private markets, listed impact investment is dynamically structured around its three characteristics of Intentionality, Additionality and Measurability.

Echiquier Positive Impact Europe's approach is based on these three pillars. It is aligned with the principles set out in LFDE's impact doctrine, which themselves are **in line with the strict definition of impact investment produced by FIR and France Invest, as well as the latest work of Finance for Tomorrow.**

We are aware of the difficulties of integrating an impact approach into portfolio management. The result achieved is a testament to our commitment and is part of our continuous process of improvement.

These 3 concepts are closely linked:

### measurability

Measuring the positive and negative impact of the fund and portfolio companies makes it possible to assess the quality of the mechanism as a whole and to report the fund's performance transparently to the end-investor. To be reliable and of high quality, such measurement must be carried out annually, in partnership with independent experts. The results of this measurement inform the investment decisions.

### intentionality

The intention to generate a positive environmental and/or social impact is the starting point of any impact investment approach. Several components of intentionality are essential, including the definition of ex-ante impact objectives and indicators, robust governance, and dedicated internal resources.

### additionality

As a responsible investor, the fund must provide actual, unique and differentiating added value to invested companies. This is called additionality. Active, long-term engagement with companies should enable them to improve or increase their net impact, their environmental and social performance, and their governance.

» For an impact fund, the annual publication of the impact measure is an opportunity to refine the impact strategy, the specific objectives of the fund and engagement with companies over time.

This is a continuous process of improvement that feeds the fund's intentionality and additionality.

# Our vision of impact investing

These three characteristics of impact investing are present at every stage of the investment process of **Echiquier Positive Impact Europe**.



# Listed impact investment & SFDR Article 9?

Since March 10, 2021, the European Sustainable Finance Disclosure Regulation (SFDR) has established a classification of financial products in order to improve transparency on investment funds' ESG approaches, to better evaluate them and to avoid greenwashing practices.

According to SFDR, funds with a **sustainable investment objective** that seek to have a measurable positive impact on the environment and society can be classified as "**Article 9**". This differs from funds classified as "Article 8", which merely promote environmental and social characteristics.

## Why is the EPIE fund legitimately classified as "Article 9"? The fund meets the 3 conditions required by SFDR

### To contribute to an environmental or social objective

✓ **Environnemental and social objective** » EPIE wants to achieve the United Nations Sustainable Development Goals (SDGs) by supporting European companies whose activities work towards these goals. 100% of the companies are subject to a proprietary impact filter. [»p. 10 & 13](#)

✓ **Taxonomy eligibility** » By supporting companies that provide solutions to several environmental SDGs, EPIE invests in **companies whose activities are eligible for the European taxonomy**. A special reporting process is devoted to this. [»p. 25 & 28](#)

✓ **Alignment with the impact thesis** » **Ex ante impact indicators** have been developed to support the impact thesis and are linked to a **variable compensation** supplement for managers. [»p. 26](#)

✓ **Mesuring the achievement of targets** » **A set of indicators** are monitored ex-post, such as the temperature of the portfolio and the rate of staff turnover. EPIE is even committed to outperforming the all scopes CO2 intensity of its benchmark. [»p. 25](#)

### Do not cause significant environmental and social harm

The choice of each portfolio company is based on 3 complementary filters that ensure that our investments do not cause such harm through our investments:

✓ **Exclusions** » EPIE has a strict sectoral and **normative exclusion policy** to reduce its exposure to social and environmental harm related to the SDGs. [»p. 12](#)

✓ **ESG Analysis** » The systematic analysis of each company allows us to invest only in companies **that are in control of their environmental and social impacts**. This analysis takes into

account the main negative impacts. [»p. 12](#)

✓ **Impact analysis** » The EPIE Impact is a **net score** that integrates social and environmental externalities of companies at all levels of their business activities in connection with the 17 SDGs. **It allows** the selection of only those companies that have a significantly greater positive impact on the environment than those that have a negative impact. [»p. 10 & 13](#)

### Demonstrate good governance practices

Governance is at the heart of our analysis:

✓ **Good Governance Practices** » A **minimum ESG score** of 6.5/10 (62% of which is based on governance) is necessary to integrate EPIE's portfolio, ensuring good corporate governance practices (sound management structures, remuneration, etc.). [»p. 12](#)

✓ **Governance and Controversies** » Particular attention is paid to the analysis of controversies, which often originate from poor governance. EPIE is committed to achieving **a lower ESG controversy score than its benchmark**. [»p. 11 & 12](#)

**For more information, please refer to EPIE's pre-contractual documentation.**



# Contribution to SDGs: a proprietary methodology



**Intentionality**, (noun): The investor's intentional willingness to contribute to a measurable social and/or environmental benefit at the same time as a financial return\*.

In light of this definition, the objective of **Echiquier Positive Impact Europe (EPIE)** is to generate attractive risk-adjusted returns by investing in European companies whose activities have a positive impact in achieving the United Nations' Sustainable Development Goals (SDGs).

## What is the philosophy behind this fund?

As a pioneer in Socially Responsible Investment, La Financière de l'Echiquier wanted to give a new twist to its strategy in 2017 by launching EPIE, its first listed impact fund. The aim of this fund is to identify companies making a specific contribution to the various SDGs, both through their products and services and through their cutting-edge initiatives or structuring internal practices.

It is important to think in terms of net contribution in order to capture both the negative and positive externalities of companies.

## Rigorous use of the Sustainable Development Goals framework through a target-by-target analysis

We believe that the UN's SDGs provide an **excellent international framework for cross-thematic impact analysis on listed markets**. However, the proliferation of impact investing and SDGs could limit calculations to the "positive" exposure of portfolio companies to sustainable issues that are only loosely related to the SDGs.

To address this issue and to raise its standards, EPIE has a solid methodology in place to analyze companies' **net contribution** to the specific targets of the SDGs. This makes it possible to define precisely which activities contribute to each SDG and how.



**Decent work and economic growth**

Given the robustness of our methodology, within the portfolio, only **5 out of 37 companies** are identified as contributing to SDG 8 through their products and services.

SDG 8 is a typical example of an SDG that needs to be read carefully in order to be interpreted correctly. Every company could claim to contribute to SDG 8 to the extent that it employs people and thus contributes to economic growth. But at the level of the SDG's individual targets, the criteria are more specific, including:

- ♦ **8.2. ECONOMIC PRODUCTIVITY:** through diversification, technological modernisation and innovation: SAP contributes to this SDG by offering software that significantly improves the efficiency of its customers' production processes and their productivity.
- ♦ **8.10. ACCESS TO FINANCIAL AND INSURANCE SERVICES:** In the portfolio, Experian contributes to this SDG through its unique software that enables individuals to understand how to improve their credit score and thus facilitate their access to finance.

\* Source: GIIN

## A net impact score capturing both the positive and negative contributions of companies to the SDGs

Through its ability to create jobs, invest in research and development, and improve access to essential goods and services, the private sector has significant potential to help achieve SDGs. In our methodology, we capture this potential in two ways:



### In the Solutions Score, based on the analysis of products and services

Among the 17 SDGs, LFDE has selected nine business-oriented ones. This contribution is measured on a net basis in order to capture any products and services that have a negative impact on one or more of these nine SDGs:



For each of these 9 SDGs we have mapped the activities that contribute positively and those that contribute negatively. The distribution of the company's turnover in these activities gives a Net Score out of 100.



### In the Initiatives Score, based on the analysis of social and environmental practices

The objective of this second level of contribution is to highlight the leading social and environmental practices of companies contributing to the SDGs or to penalise practices that contribute negatively to one or more SDGs. LFDE has mapped out these practices for each of the 17 SDGs.

The average of these two Net Scores gives the overall score, the Net SDG Score, ranging from -100 to +100. Our scoring system allows us to identify the most virtuous companies by ensuring that they do not significantly harm other SDGs, through either their products and services, or their activities.

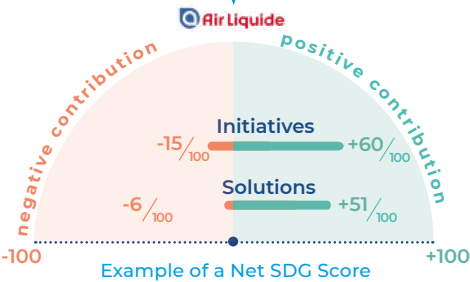
## CLOSE-UP OF METHODOLOGICAL DEVELOPMENTS IN 2021

As impact investing is in the process of structuring and evolving, our processes are undergoing **continuous improvement** in order to maintain our high standards and to achieve the most innovative and rigorous approach possible.

In 2021, our major task was to redefine and strengthen the criteria for awarding points under the Initiatives Score. To do this, we defined target-by-target indicators for each of the 17 SDGs.

To these indicators we have attached demanding thresholds allowing for the awarding of bonuses and malus.

The equally weighted sum of these points results in the Initiatives Score.



EXAMPLE

SDG	TARGET	INDICATOR	THRESHOLDS
	<b>1.2:</b> Make medicines, vaccines and diagnostics more accessible to people in low- and middle-income countries.	Ranking at Access to Medicine Index	1. If in the TOP 5 of the ranking = <b>Bonus 10 pts</b>  2. If in the FLOP 5 of the ranking = <b>10 pts malus</b>

# 2 A closer look at our investment approach

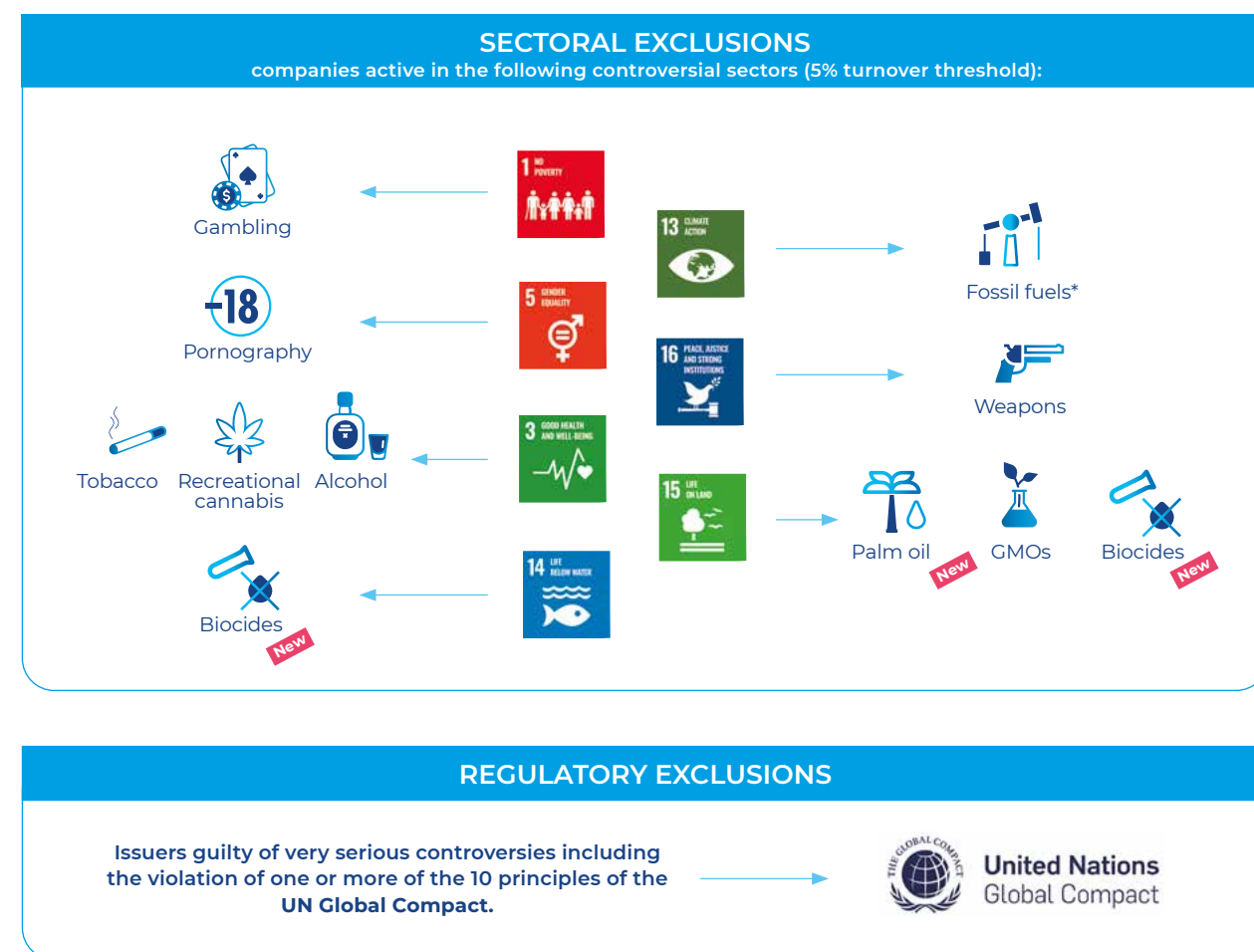
Echiquier Positive Impact Europe's formalized investment process is structured in five complementary stages. Impact research is fundamental in being ex-ante, pro-active and systematic.

## 1 IDENTIFYING COMPANIES ACCORDING TO THEIR IMPACT THESIS

Impact is the starting point for generating investment ideas. The Fund proactively seeks to identify companies whose impact is consistent with its impact thesis, i.e., companies that make a significant contribution to the UN's Sustainable Development Goals (SDGs).

## 2 EXCLUSION FILTER

The exclusion filter is the safeguard for activities that contribute most negatively to the SDGs. This first filter excludes companies involved in the **16** most harmful **activities and sectors** that contribute negatively to the SDGs, as well as companies with the most controversial practices.



\*including non-conventional and controversial fossil fuels, nuclear and coal

## 3 ESG FILTER

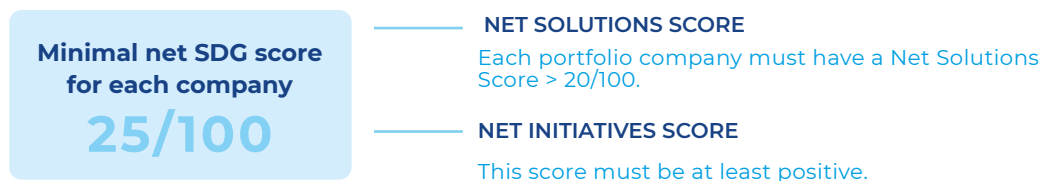
EPIE assesses the ESG quality of companies, focusing on the materiality of specific indicators. Particular emphasis is placed on governance analysis. The minimum ESG score threshold of 6.5/10 makes it possible to exclude companies with poor governance and extra-financial risk management. It is not enough to market products and services with a high positive impact if the company does not act responsibly in the day-to-day running of its business and in its relations with its stakeholders.



\* Source : MSCI ESG Research

## 4 IMPACT FILTER

The Net SDG Score is an average out of 100 of the Solutions Score and the Initiatives Score to assess a company's net contribution to the SDGs. Selling products and services with a high positive impact is not enough if a company does not act responsibly in its day-to-day business dealings and in its relations with its stakeholders.



## 5 FUNDAMENTAL FINANCIAL ANALYSIS FILTER

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

# 3 A governance for impact

Since the creation of Echiquier Positive Impact Europe in 2017, we have been committed to providing our impact funds with their own governance, capable of supporting this innovative listed impact investment project over time. Such governance is essential to ensure the intentionality of the fund and to enable the sustainable implementation of its strategy.

“ Dialogue between these different governance bodies helps to improve the fund’s impact practices ”

Increased dedicated resources and mobilization of teams to deploy this strategy.

Internal

## The Management Team

Composed of four managers and analysts who combine strong financial and extra-financial skills with a strong conviction on impact, with a total of over 56 years of experience. The team places impact at the heart of each of its investment decisions with a focus on supporting companies to improve their ESG performance and impact.

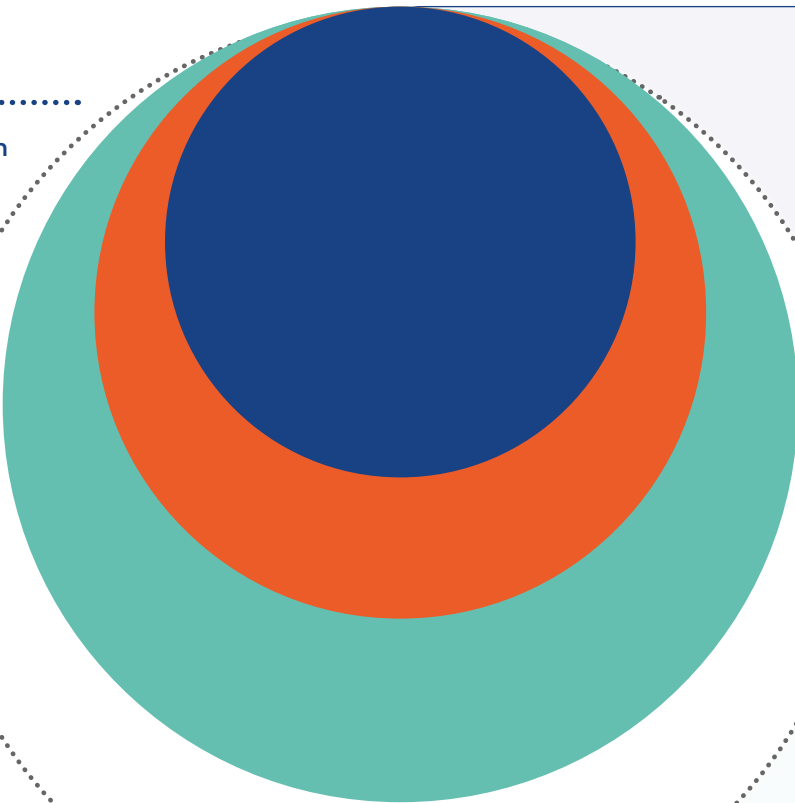
## The Responsible Investment Research Team

The team is made up of four people who are independent of the management team and provide support for the management of impact funds. The team vouches for the proprietary methodologies used and their use in researching companies. It challenges the management team and provides ideas for impact investments. This team is also involved in the selection of projects financed by the Primonial Group Foundation, as it holds a permanent seat on the Education Committee. The Responsible Investment Research team is also very active in numerous working groups on the topic of impact investing.

## The Board of Directors

Composed of five experienced professionals, most of whom are independent (80%). Their complementary profiles provide the management team with in-depth expertise on the environmental and social impacts of investments. The Board's mission is to advise and challenge the work of the IR management and research team on their methodology, management approach, reporting and impact assessment. In 2021, the Board members met six times (including two remuneration committees) and discussed various topics, from donating a portion of the management fees to defining ex-ante impact indicators, including the launch of Echiquier Health Impact for All. Our directors are highly committed, with an attendance rate of 100% at plenary meetings.

In addition to the work of our Board, we benefit from an external perspective on our approach during our annual impact monitoring and reporting exercise. **Better Way**, a consultancy specializing in impact investing, has worked with us for three years. Its expert view constantly stimulates our vision of impact investing on listed markets.



**Adrien Bommelaer**  
Team Leader - Manager  
25 years of experience  
4 years @ LFDE



**Luc Olivier**  
Manager  
4 years of experience  
4 years @ LFDE



**Paul Merle**  
Manager  
18 years of experience  
1 year @ LFDE



**Marion Cohet Boucheron**  
Analyst  
9 years of experience  
1 year @ LFDE



**Coline Pavot**  
Head of RI research  
7 years of experience  
4 years @ LFDE



**Valentin Vigier**  
SRI Analyst  
5 years of experience  
1 year @ LFDE



**Antoine Fabre**  
SRI Analyst  
2 years of experience  
2 years @ LFDE



**Fanny Herbaut**  
SRI Analyst  
1 year of experience  
1 year @ LFDE



**Thibault Couturier**  
Independent Director  
○ «Habitat and Humanisme», Finansol  
△ CSR, SRI, Philanthropy  
□ Private Banking



**Sophie L'Helias**  
Independent Director  
△ Governance, CSR, Legal, Diversity,  
Climate, UN Global Compact



**Faty Dembele**  
Independent Director\*  
△ Impact Investing, SRI  
□ Private Equity, Asset Management



**Bertrand Merveille**  
Non-Independent Director\*  
○ LFDE, AMF  
△ Internal Control, Philanthropy  
□ Asset Management



**Antoine de Salins**  
Independent Director\*  
△ Climate, Institutional investors,  
Impact Investing  
□ Financial Sector

○ Organisations    □ Sectors    △ Areas of expertise

40%  
women

80%  
independent

“ An independent Board member is one who is free from conflicts of interest and who contributes, through their expertise and freedom of judgement, to the Board's ability to fulfil its duties. ”

Source: French Institute of Directors.

\* In accordance with corporate governance best practices :

Faty Dembele is considered independent since June 2020, 5 years after leaving her position as an SRI analyst at LFDE.

Bertrand Merveille is considered non-independent by virtue of his status as a director of La Financière de l'Echiquier.

Antoine de Salins is Associate Director of the consulting firm I Care, which assisted LFDE's teams from 2019 to 2021, particularly in the deployment of its climate strategy. Given the insignificant amounts and the one-off nature of these services, and after validation by our Compliance and Internal Control Officer, we decided to maintain his status as an independent director.

Continuous improvement in the quality of governance of our impact fund is one of our major concerns.



# 4 Sharing value with the Group Primonial Foundation



Since its creation, EPIE has had a two-fold intention: to generate positive impacts through its investments and to share the value created with the Group Primonial Foundation, to which EPIE is currently the main contributor. It shares value through a mechanism of donating a portion of the management fees.

In 2021, EPIE's 2020 donation contributed to:

**SDG 4** **Target 4.1** The Fondation Espérance Ruralités is helping to revitalize peripheral France by developing a new model of schools adapted to the needs of rural areas.

For the year 2020, an additional exceptional donation of €25,000 was made to the Foundation, to be allocated to a solidarity project selected by EPIE's private customers from among three proposals submitted by the Foundation.

In the 2nd quarter of 2021, clients voted to allocate this endowment to the **Fondation Espérance Ruralités**.

**SDG 5** **Target 5.5** The Maisons des Jeunes Talents program was designed by the Group Primonial Foundation to overcome the obstacles encountered by students from modest backgrounds who are admitted to preparatory classes for the Grandes Ecoles in Paris. Its mission is based on three types of action: awareness, preparation, accommodation and support. 51 students received support in 2020/2021.

**SDG 10** **Target 10.2** Le République is a solidarity restaurant in the heart of Marseille, where people in difficulty pay a token one euro for their meal and 50% of the tables are reserved for them. The restaurant also employs 16 people on integration programs in need a second chance.

**SDG 8** **Target 8.6** The Résidence Sociale à Orientation Educative (RSOE) is an experimental scheme run by Apprentis d'Auteuil in Toulon. It aims to keep young people without family support from dropping out socially or professionally. It offers 360 degree support to 43 young people, thanks to a committed and multidisciplinary team.

In total, **45% of the Foundation's budget in 2022 will come from the donation of part of EPIE's 2021 management fees.**

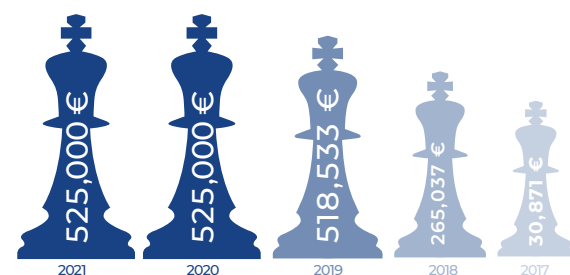
€ 25,000 to support **4<sup>th</sup> grade pupils in France** for 1 year

€ 418,000 for **30 students** housed and supported in 2021-2022

€ 40,000 to open a **solidary restaurant**

€ 42,000 to support **18 young people** towards comprehensive and sustainable integration

**= € 525,000**



**Donating a portion of EPIE SICAV management fees**

Every six months, the portion of management fees destined for the Foundation is paid into an account that is available at any time to finance solidarity projects.

Source: LFDE - Data as of 31/12/2020.

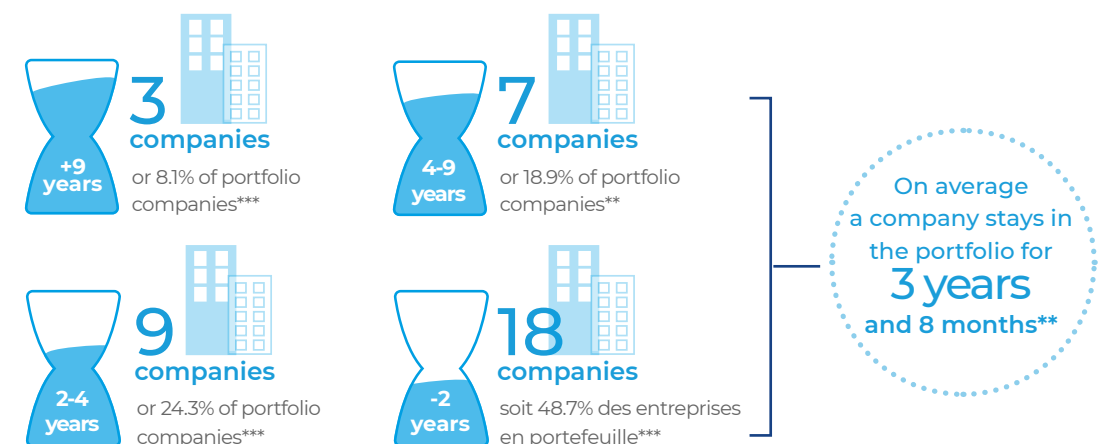
# 1 A patient investor



**Additionality**, (noun): Additionality is seen as a specific and direct action or contribution by the investor that enables the invested company or funded project to increase the net positive impact generated by its activities. It answers the question: "what difference would it have made if the asset had not been financed by this specific investor?"

Additionality is one of the essential characteristics of an impact investment, which for Echiquier Positive Impact Europe is based on four main aspects.

As an impact investor, EPIE is a patient shareholder with long-term holdings in companies. The breakdown of portfolio companies by length of ownership, as of 31/12/2021, is as follows:



Impact investment does not mean passive investment. The management team may decide to sell a company for financial reasons, but also in the event of controversy or insufficient impact. Here is a look at some of the divestments made in 2021:

## CONTROVERSY, DIVESTMENT AND ENGAGEMENT!

### PHILIPS

We divested Philips, a leading healthcare technology company following the announcement of a multi-million recall of breathing and sleep apnea devices due to potential health risks to users. We continue to engage with the company, particularly on the quality of its crisis communication and the implementation of corrective practices.

## POSITIVE IMPACT IN A SECTOR WITH NEGATIVE CONTRIBUTION?

### amadeus

We sold our positions in Amadeus, a provider of technology solutions for the travel industry, including hotels, air and rail transport. The group's software helps reduce CO2 emissions significantly from the airline industry by optimizing passenger flows and shortening journeys. However, Amadeus contributes to increasing air traffic, making the impact of its software questionable. This point, which led to our divestment, was initiated several months ago with the Board of Directors of the SICAV Echiquier Impact.

\* Source: A strict definition for listed and non-listed companies, FIR & France-Invest, 2021

\*\* Unweighted average of the holding period of portfolio companies as of 31/12/2021

\*\*\* Calculation formula = (number of securities entering in 2021 + number of securities exiting in 2021) / (2 x average number of securities in portfolio in 2021)

Source: LFDE - Data as of 31/12/2021

## 2 An investor committed to supporting companies

Shareholder engagement has been at the heart of our relationship with companies for many years, particularly in the context of our impact funds. Engagement takes many forms and drives our dialogue with companies. We are fully aware that we are not solely responsible for the progress made by the companies in which we invest. However, we do our utmost to provide the support they need and play a key role in guiding them towards change. There are various opportunities for dialogue with companies throughout the year on a range of extra-financial issues, including impact investing.



### The different stages of engagement by LFDE

In 2021, EPIE is:

#### Annual General Meeting (AGM) period

We are committed to voting at 100% of AGMs. We pay particular attention to environmental and social resolutions. The period before and after AGMs can also be a time of dialogue with the companies – pre-AGM to clarify certain resolutions and post-AGM to inform them of our opposition and encourage them to progress.

♦ **4 pre-AGM engagements**, including:

♦ **8 post-AGM engagements** including:

♦ **100% of AGM votes**

♦ **16.7% voted against** (or abstained)

♦ **1 environmental and social resolution** voted and supported **at the AGM of 1 company**:

EXAMPLE

**cellnex** At the 2021 Cellnex AGM, an extra-financial resolution was put to the vote. We voted in favor of the resolution, which concerned the validation of the CSR report. Improvements have been made since previous years: the report is more complete, and climate indicators are available with a track-record, making it possible to appreciate the company's trajectory.

#### Collaborative engagement

Complementing our individual commitment by partnering with other investors in collaborative engagement on specific issues sends an even stronger signal to the management of the invested companies.

♦ **3 collaborative engagement campaigns** on climate and biodiversity targeting **18** portfolio companies:

» **“Non-Disclosure” campaign of the CDP**

- **“Lead engagement”** with **6** companies:



- **“Co-Lead” engagement** with **9** companies:



» **Active participation in Climate Action 100+**

with contribution to the working group dedicated to

**PHILIPS**

» **Participation in the campaign “Sourcing of Conflict Minerals” in the semi-conductor sector** within the framework of the **UN PRIs**.

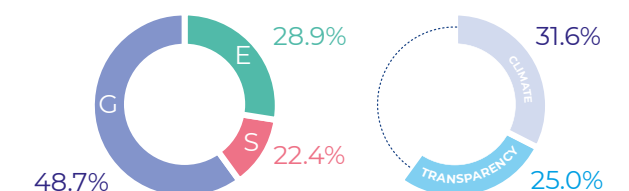
- The engagement is intended to improve the transparency of sector companies in their procurement.

**2 EPIE companies** were involved:

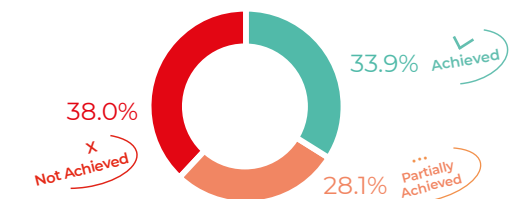
#### ESG and Impact Analysis

In the course of our analysis, we engage in a systematic dialogue with the companies in which we invest, sharing with them several specific areas of progress. These constitute extra-financial objectives, which we monitor on an ongoing basis.

♦ **76 areas of progress** transmitted to **23** companies:



♦ Of the **172** areas of progress transmitted before 2021 to **40** portfolio companies during 2021:



#### Other opportunities

Outside of this scope, we engage with companies on an ongoing basis and in a variety of ways throughout the year to support them in their efforts towards greater responsibility and impact.

♦ We continue to engage with companies from which we divest. This may be the case following controversies.

♦ We organise an annual multi-stakeholder engagement seminar on climate and biodiversity, bringing together companies, investors and experts.

♦ We respond to their requests when they wish to establish their materiality matrix.

♦ **Worldline** In 2021, we responded to requests from Worldline to contribute to the update of their materiality matrix.

This meeting was an opportunity to discuss topics such as the impact of the company's products and their employee retention policy. These exchanges also allowed us to share our expectations on the evolution of their CSR policy.



### 3 An investor committed to supporting companies



Thermador Groupe is a French distributor of fluid-circulation equipment in the building and industrial sectors. Interactions with the company, in which we have been a shareholder since 2020, are recurrent and several engagement actions took place in 2021.

**G** In the run-up to the 2021 AGM, we contacted the group to help them better understand the views of investors and to help them alter some of their resolutions at the next AGM. The discussion focused on the need to **improve the transparency of the compensation scheme for senior management**. We set up a working group on this subject, composed of an expert from Proxinvest (a voting advisory agency), the directors in charge of the compensation committee, and one (or more) representatives of La Financière de l'Echiquier. This commitment has borne fruit, with significant improvements in the transparency of the compensation scheme having been noted at the 2022 AGM.

**E** 2021 was also a year of engagement on climate issues. We asked Thermador Groupe to **answer the CDP's "Climate Change" questionnaire**. We received a positive response, as the group has included this action in its 2022 CSR objectives. In addition, the Thermador Group actively contributed to the workshop on European taxonomy at the LFDE Climate and Biodiversity Meetings 2021.

**E** Our engagement to **measuring the impact of the company's products** continued into 2021. We asked the group to analyze the environmental and social contribution of its products, so it could disclose its contribution to the SDGs in terms of revenue and, in the medium term, its alignment with the European taxonomy. Thermador Groupe's approach to this issue has been exemplary. Following our recommendations, in-depth work was undertaken on measuring the positive contribution of some of its 80,000 products and its scope 3 in partnership with a consulting firm specializing in environmental issues, I-Care.

Our site visit in October 2021 was again an opportunity to discuss these commitments, for which the company's progress is undeniable.

In addition to traditional extra-financial issues, environmental and social impacts is a strong theme of engagement within EPIE, in line with its impact thesis. These are central to the various stages of engagement with companies. Here is a look back at two stories of engagement that marked the year 2021.



Neoen is a French producer of solar and wind renewable energy. With operations in more than 15 countries, it is a pioneer in energy storage technologies. We have been shareholders of Neoen since its IPO in 2018, and have initiated a strong commitment from the outset. Dialogue with the company was particularly rich in 2021.

We met with its management team in 2021 as part of the update of our ESG analysis. We then defined and shared three areas of progress with the company.

**G** Increasing the size of the Board of Directors to raise the proportion of independent directors

**G** Joining the United Nations Global Compact

**E** Publish environmental metrics on their operations, including recycling rates and energy efficiency.

At the company's request, we discussed with it our recommendation to **join the United Nations Global Compact**. This enabled us to explain the importance of this initiative for responsible investors, as well as its role in supporting companies' CSR initiatives, based on the support of a community of committed companies.

We were also one of 18 stakeholders asked to **contribute to the development of its materiality matrix**. This was an opportunity to explain our methodology of ESG analysis and determining the contribution to the SDGs. In particular, we addressed the issues that we believe are key for Neoen, for which we would like to see strong action taken, including procurement, employee retention, relations with local communities and product end-of-life management. We expressed our vigilance on the management of biodiversity issues, especially when implementing solar farms, an issue that is correctly addressed by the company.

Our commitment to Neoen is long-term, and we are closely monitoring the progress made.

#### The Climate and Biodiversity Meeting by LFDE

For this first edition of the Climate and Biodiversity Meetings, La Financière de l'Echiquier brought together experts, companies and clients in order to mobilise its entire ecosystem, to stimulate the exchange of better practices and identify concrete areas of work to fight against climate change and preserve biodiversity.

This event is part of the ambitious climate and biodiversity strategy adopted by LFDE in early 2021. It allows us to consolidate our commitment towards all of our stakeholders.

On this occasion, 3 workshops were organised:

- 1. EUROPEAN TAXONOMY:** In addition to the theoretical update on the subject, these discussions allowed companies to exchange on the difficulties encountered. More particularly, the investors highlighted the educational role that companies should play in this respect.
- 2. BIODIVERSITY:** The topics discussed included: the additional cost of investing in favor of biodiversity compared to less committed competitors, the consideration of these issues at the highest decision-making level and the difficulty of accessing quality data to measure and communicate its impact.
- 3. CLIMATE STRATEGY:** This workshop provided an opportunity to review the main challenges of developing an ambitious climate strategy, both in terms of reporting, the necessary resources to mobilisation, governance and external visibility.

Participating companies:



## 4 Committed to impact investing

The increasing integration of ESG criteria in asset management, and, more recently, the attention devoted to companies' environmental and social impacts in decision-making, have redirected some capital flows towards those companies that are the most virtuous in these respects. This momentum is also driven by the various stimulus plans in favor of green growth and certain regulations, such as the European taxonomy.

These new variables have enriched managers' investment decisions but could lead to the overvaluation of certain assets considered "green" or "impact", or whose contribution to the UN Sustainable Development Goals is highly visible. Therefore, as managers of impact funds, we are particularly alert to the risk of a "green bubble" or "rainbow bubble" (in reference to the SDGs).

Since its creation, in order to avoid this market concentration and to diversify its portfolio, EPIE has adopted a unique stance in selecting companies in which it invests. This stance allows us to value companies whose impacts are not always identified by the market. To do this, we select companies according to two types of impact: **direct** or **indirect**.

Companies with indirect impacts are often funded less by impact investors. Our funding therefore supports their strategy towards greater impact at the heart of their business model and operations. We transparently disclose our classification of each portfolio company in Appendix 1.



### ADIDAS IN AN IMPACT FUND?

Adidas is a very good example of an **indirect impact** company. Adidas has worked hard in recent years to reduce the impact of its products throughout its value chain. It is committed to reducing the environmental impact of its products through eco-design by integrating more and more recycled materials and natural raw materials. For example, Adidas has developed Parley Ocean Plastic, a material created from recycled plastic waste that has been collected from islands, beaches and coastlines to prevent ocean pollution. Adidas is committed to ensuring that by 2025, 90% of its products on the market will be considered sustainable, which means that they have superior environmental characteristics compared to traditional items due to the materials they are made of.

## 5 Active participation in developing impact investing on listed markets

### Impact investing on listed markets is on the rise

As this practice is not yet mature, we believe that it must be deployed within a demanding framework, inspired, for example, by practices in the non-listed universe. A quality framework will allow these investments to develop with full credibility and will encourage the redirection of financial flows towards companies that address environmental and social issues. To this end, our teams are actively involved in contributing to market discussions in order to promote the best practices of listed impact investment.

### In 2021, we participated in 10 working groups, including:



#### Impact Investing in Listed Equities by the Global Impact Investing Network (GIIN)

This think tank brings together some 60 investors to discuss the transposition of the GIIN's main features of Impact Investing, initially designed for unlisted markets, to listed markets. We participated in the working sessions of this group in 2020 and 2021.



#### A common definition of impact by Finance For Tomorrow

In 2021, the French Ministry of Finance and the Economy mandated Finance for Tomorrow to continue the impact-definition work begun by FIR and France Invest in 2020. Several working groups have been set up. LFDE participated in discussions within the working group on defining impact in order to share our exacting vision. This work led to the publication of a common definition of impact finance.

### Education and external outreach

We believe that we also have a role to play in raising awareness of impact investing among our clients and enabling the growing product offering to find its market. To this end, we have developed a number of educational innovation in recent years:



#### The SRI School by LFDE

This programme, designed to raise our client's awareness of responsible finance, has trained **more than 600 people in 2021** and **more than 1,700 since it was introduced in 2019**!



#### The Podcast "Un pied devant l'autre"

This educational podcast on sustainable finance features a variety of experts who aim to provide step-by-step guidance to listeners wishing to align their values with their investments. 8 episodes have already been released, including one specially dedicated to impact finance, with already **more than 4,300 listenings**!



#### The press coverage

2021 was marked by **more than 160 press articles** and several **events** dedicated to ECBI and impact. A great visibility which marks the growing importance we give to these subjects.

### A growing impact range



Contributing to the growth of impact investing in listed markets also involves our participation to the development of this offer. It is based on an innovative and evolving **impact doctrine** that reflects our demanding positioning. Our range of impact funds has welcomed two new strategies in recent months:

**Echiquier Impact et Solidaire\***, a solidarity impact mutual fund with the Finansol label. It supports actors who contribute to the UN's SDGs, either in its

listed pocket (via investments similar to those of EPIE), or in its unlisted pocket via the investment of a maximum of 10% of its assets in Amundi Asset Management's unlisted impact fund "Finance et Solidarité".

**Echiquier Health Impact for All\*** invests in companies in the health sector around the world that promote access to health. The impact methodology of this fund was created in collaboration with Better Way.

\*Investing in financial markets involves a risk of capital loss. For more information on these funds, please refer to the prospectus available on the La Financière de l'Echiquier website.



# Positive contribution to the SDGs

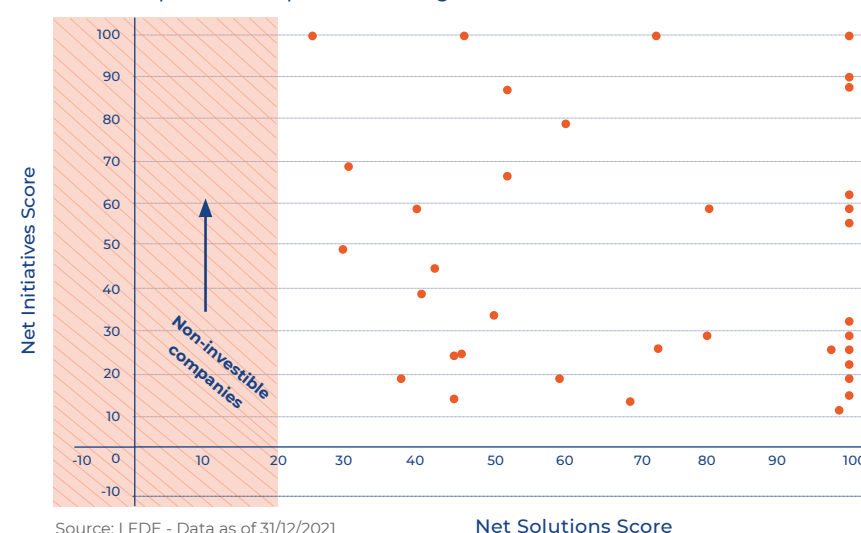


**Measurability**, (noun): Impact measurement or measurability refers to the assessment of the social and/or environmental externalities of investments, in light of the impact objectives intentionally pursued by the investor\*.

Through its investments, EPIE aims to contribute to meeting the United Nations' Sustainable Development Goals (SDGs). Impact assessment can be carried out on an aggregate basis at the portfolio level, or individually at the level of each company. This step is essential, as accountability to end-investors is of paramount importance for impact investors.

The **SOLUTIONS SCORE** and **INITIATIVES SCORE** (described on page 11) provide the framework for proprietary analysis. The average of these two scores is called the "SDG Score".

Breakdown of portfolio companies according to their Solutions and Initiatives scores



## Climate impacts of companies at portfolio level

	Weighted average CO2 intensity (in tCO2e)	Weighted average emissions saved intensity (in tCO2e)	Eligible green share	Climate trajectory
Portfolio	152.7★	12.4	53%★	2.1°C★
Index	189.7	15.1★	40%	2.9°C

Source: Carbon4 Finance - Data as of 31/12/2021 with a coverage rate between 91 and 99% - See methodology in Annex 2

★ = best performance

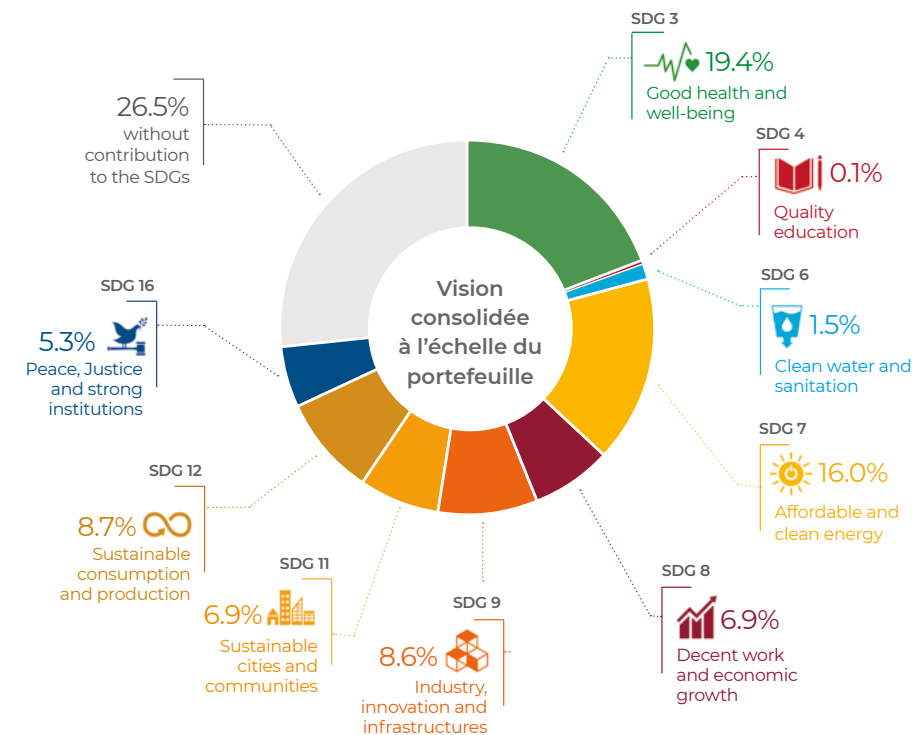
### COMMITMENT

EPIE is committed to having a weighted average CO2 intensity according to Carbon4Finance's WACI method (Weighted Average Carbon Intensity) that is lower than its benchmark.

\* Source: A demanding definition for listed and non-listed companies - FIR & France-Invest - 2021

## If Echiquier Positive Impact Europe were a company...

... **73.5%** of its turnover would contribute positively to the nine business-oriented SDGs (vs. 75% in 2020 and 75.4% in 2019).

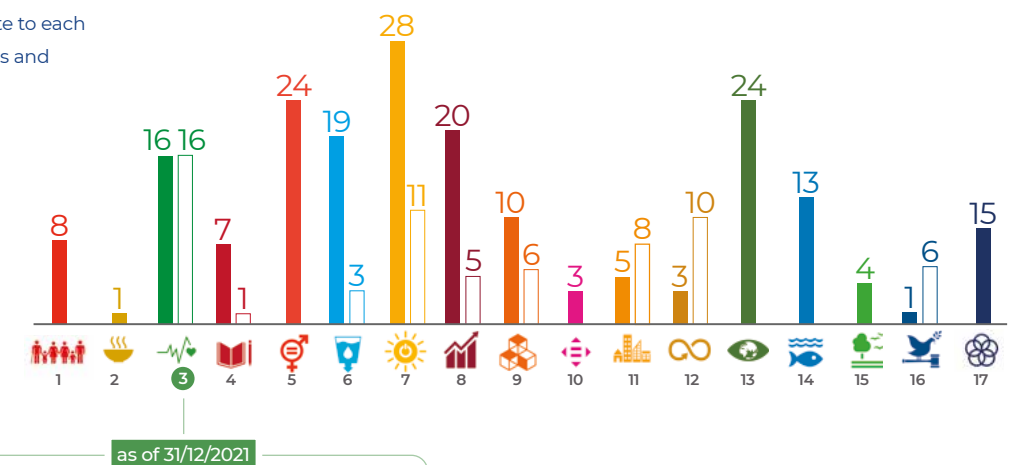


**Methodology :** For each SDG, the proportion of turnover generated by a company is multiplied by the company's weighting in the portfolio. These contributions are then aggregated per SDG.

**Reading key :** "If Echiquier Positive Impact Europe were a company, 19.4% of its turnover would contribute to SDG 3.»

Number of companies that contribute to each SDGs through their products, services and initiatives:

Score Initiatives : ■  
Score Solutions : □



**16 portfolio companies** are contributing to the achievement of SDG 3 through their initiatives. For example, they have implemented prevention campaigns on topics such as alcohol and communicable diseases among civil society, or harmonised employee benefits in all countries where they operate.

**16 portfolio companies** contribute to SDG 3 through their products and services, whether by offering treatments for various diseases, insurance products or by developing medical equipment.

\* Source: LFDE - Data as of 31/12/2021

## 2 Ex ante Impact Targets and Compensation

### Aligning managers' financial interests with the impact approach

In 2021, in order to remain at the forefront of market practices, we integrated ex-ante **impact objectives into the variable compensation policy of the managers of our impact funds**. These objectives will be measured over a three-year period. This approach, inspired by non-listed investments, aims to reinforce EPIE's intentionality and align our interests with those of our clients, on the impact thesis of the fund. The **two impact objectives are equally weighted**.

The portion concerned, which corresponds to a variable compensation supplement, is indexed to the ex-ante impact objectives and operates in a **progressive and linear manner with a minimum threshold** from which the managers will start to receive a part of this variable compensation.

For example, if the Solutions Score is increased by 5 to 6 points, they will receive half of the envelope linked to this objective. They will not receive anything below that. Any methodological revision with consequences on the metrics linked to the ex-ante objectives must be approved in advance by the Board of Directors of the Echiquier Impact SICAV.

Over a 3-year period (2022/24) the objectives are:

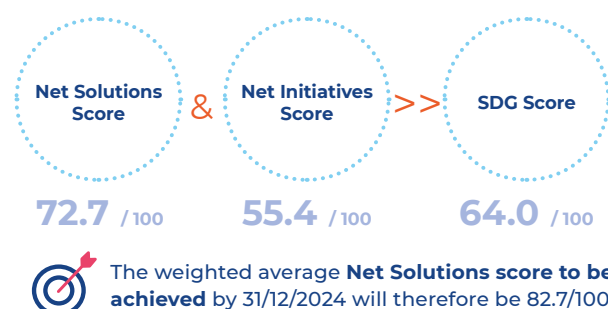
1  
10pts  
increase in the portfolio's weighted average **Net Solutions Score**

2  
10cases  
successful engagement involving on the impact

### How far along are we in achieving our objectives?

The aim of this approach is to encourage managers to improve the Solutions Score of the companies in their portfolios, by committing them to their contributions to the SDGs. Each year, the impact report will disclose our progress in achieving these objectives. As the starting point for measuring these targets is 31/12/2021, this year's report will be the **starting point for monitoring**.

#### 1. Starting point of the EPIE Solutions Score as of 31/12/2021



#### 2. Starting point for EPIE commitment cases on 31/12/2021



#### What is a successful engagement case?

The successful engagement must enable the company to make progress on one of the **dimensions of impact**, the Solutions Score. LFDE's contribution to the success of the engagement must be demonstrated, in particular through the transcription of discussions between the company and the management team, as well as their recurrence. The achievement of this objective will be **monitored** and **validated independently** by the Board of Directors of the Echiquier Impact SICAV fund and the LFDE IR Research team.

# Impact of Investee Companies

We have decided to illustrate the impact of the companies invested in through a series of "SDG Zooms". These aim to highlight the contribution of companies in the Echiquier Positive Impact Europe portfolio to the 9 SDGs used in the Solutions Score as of 31/12/2021. Each focuses on the real-world case of a company and illustrates its contributions to the SDG in question. These focuses present the intentionality, additionality and measurability of each company's contribution.

The information presented is taken from the latest company publications or from the analysis and dialogue of LFDE's teams with these companies. Unless otherwise indicated, the data used refer to the 2021 financial year. Such data may vary over time.

The ESG scores as well as the Solutions and Initiatives Scores are the latest available, as the analyses are updated every two years. The same applies to the percentage of turnover contributing to the SDGs, which is the one collected at the time of the analysis. Given the periodicity of the analyses, the oldest underlying data relates to the 2019 financial year.

We also wanted to go further in the analysis of the positive contribution of portfolio companies to the SDGs by presenting, in tabular form, the analysis by target, carried out by the LFDE teams, for each of the companies.

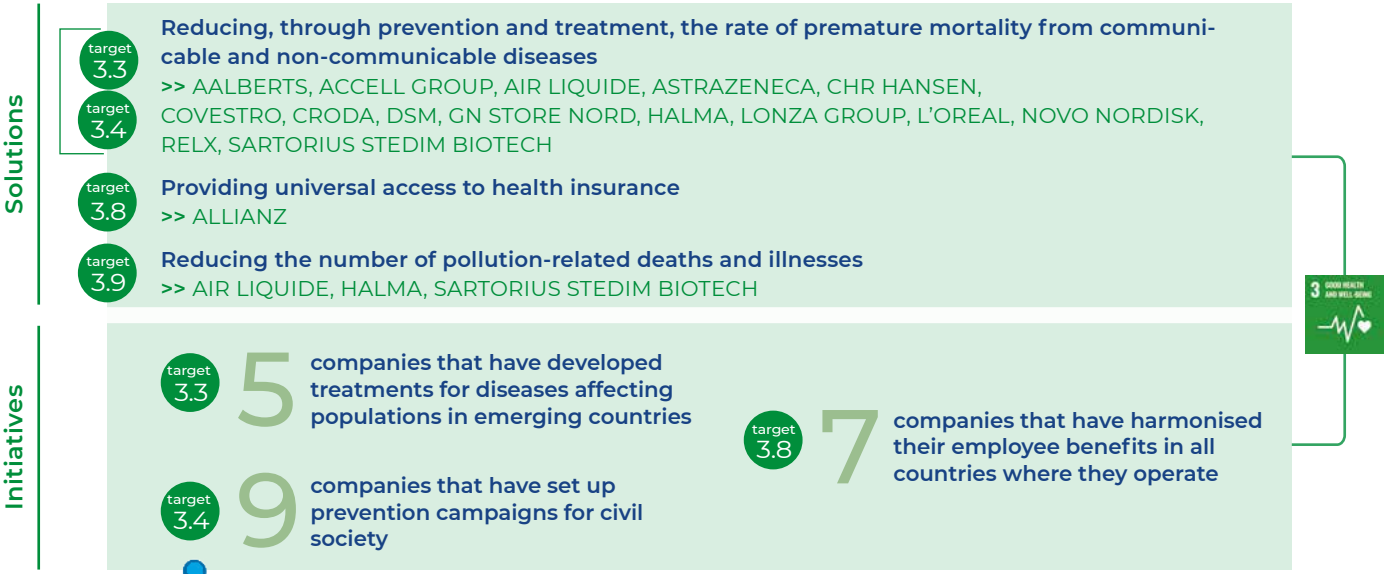
The negative contributions to the SDGs made by some portfolio companies are also included in a dedicated insert.

Investors' attention is drawn to the fact that their investment in the sub-fund does not have a direct impact on the environment and society. Rather, the sub-fund seeks to select and invest in companies that meet the precise criteria set out in the management strategy.

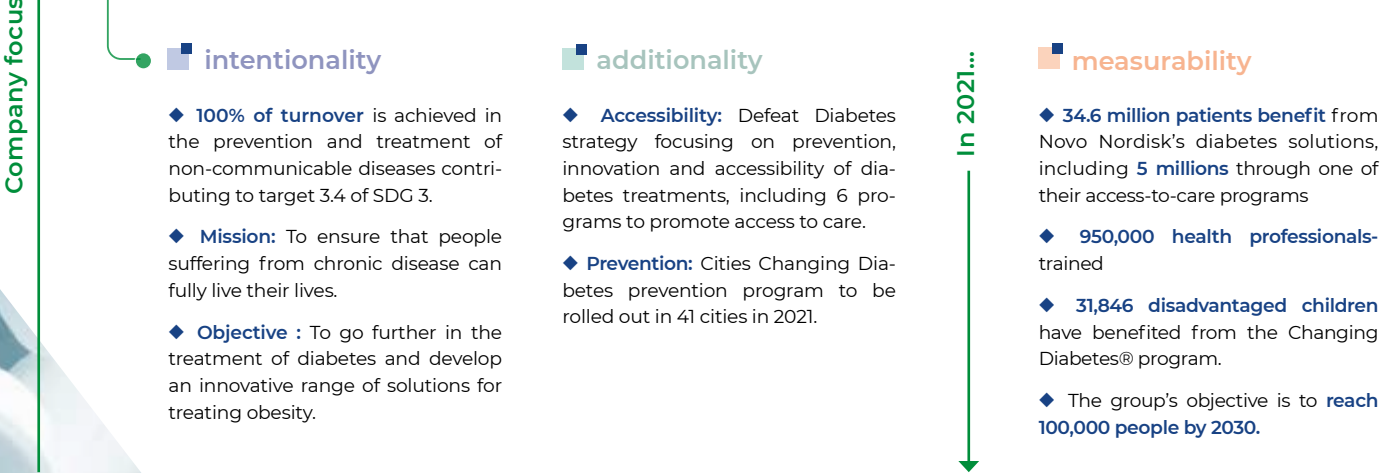
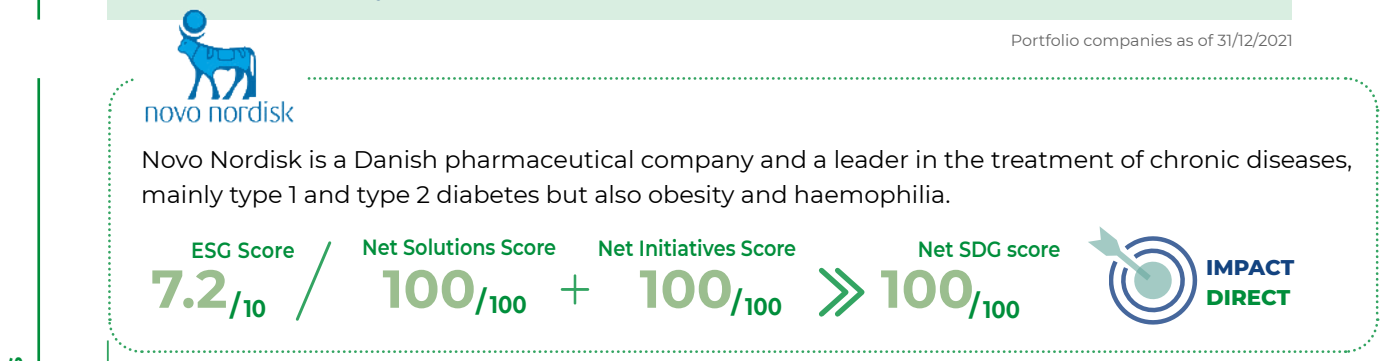


# Good health and well-being

The companies EPIE invests in contribute to...

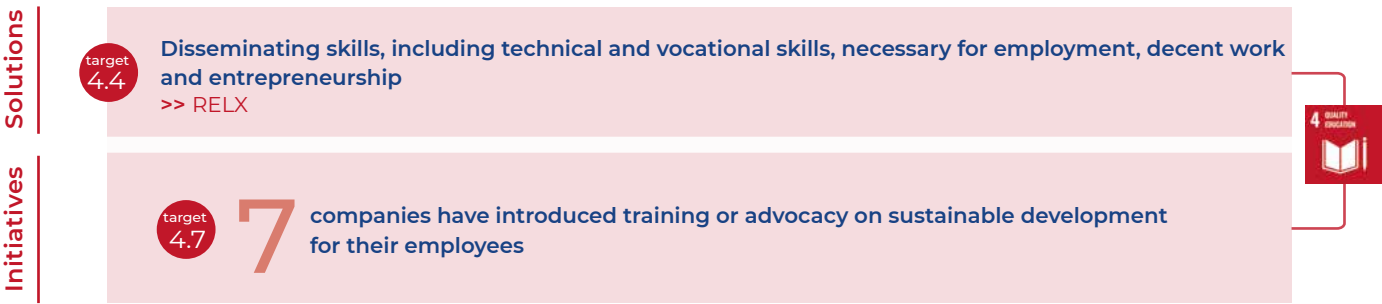


Portfolio companies as of 31/12/2021

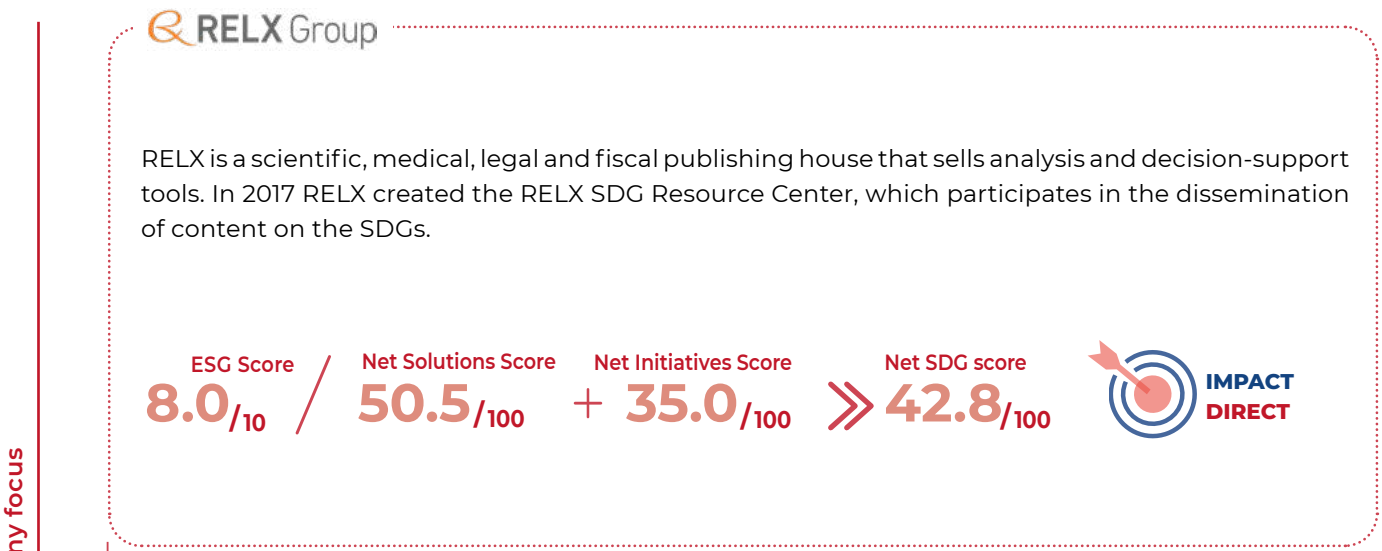


# Quality Education

The companies EPIE invests in contribute to...



Portfolio companies as of 31/12/2021



# Clean water and sanitation

The companies EPIE invests in contribute to...

Solutions

- target 6.1** Ensuring universal and equitable access to affordable drinking water  
 >> THERMADOR GROUPE
- target 6.3** Improving water quality  
 >> THERMADOR GROUPE, Vow
- target 6.4** Rationalizing water use  
 >> AALBERTS, THERMADOR GROUPE

Initiatives

**target 6.4** **19** companies have made significant investments to reduce water consumption in their production processes or at their suppliers

Portfolio companies as of 31/12/2021

## VOW

Vow develops technologies for waste recovery, in particular in the course of water purification, waste that it then converts into a valuable raw material. Its solutions make it possible to reduce the negative impact of certain highly polluting industries such as fishing, aquaculture and cruises.

ESG Score **6.6/10** / Net Solutions Score **100/100** + Net Initiatives Score **+30.0/100** >> Net SDG score **65.0/100** 

Vow's products and services also contribute to the following SDGs: **SDG 12** 

### intentionality

- ◆ **65% of turnover** comes from the sale of products for the treatment of wastewater, food waste and sludge, especially for marine and aquaculture industries, thus meeting target 3 of SDG 3.
- ◆ **Objective:** To be a leading provider of technologies for decarbonising industrial processes, producing CO2-neutral energy and cleaning up the oceans.

### additionality

- ◆ **Maintenance and durability:** Throughout the life of its products, Vow offers tailor-made maintenance to guarantee the reliability and longevity of its systems. This accounts for almost 11% of its turnover.
- ◆ **R&D:** 19.1% of revenue is spent on R&D, i.e., approximately €8.7 million. This expenditure is aimed in particular at continuing the development of its system for converting waste into energy by microwave-assisted pyrolysis (MAP).

In 2021...

### measurability

The company's contribution to SDG 6 is not currently reported in much detail or in the impact measures of the company's annual report.

As such, we have initiated a dialogue with the management team to help them put in place indicators that will allow us to better understand and communicate the contribution of their products to this SDG

## Negative contribution

**voltalia**

**Voltalia has been charged a 5-point penalty in its Initiatives Score for its use of water in water-stressed areas to build its power plants.**

## Spotlight

Vow is participating in the GloLitter Partnerships project, led by the United Nations Global Compact. The project aims to help developing countries reduce marine plastic waste from the shipping and fishing sectors.

# Clean and affordable energy

The companies EPIE invests in contribute to...

Solutions

- target 7.1** Providing reliable, affordable energy services  
 >> VOLTALIA
- target 7.2** Producing and distributing renewable energy  
 >> INFINEON, NEOEN, SPIE, SCHNEIDER ELECTRIC, THERMADOR GROUPE, VOLTALIA
- target 7.3** Developing solutions to improve energy efficiency  
 >> AIR LIQUIDE, CAREL INDUSTRIES, COVESTRO, INFINEON, MUNTERTS, SOITEC, SCHNEIDER ELECTRIC, THERMADOR GROUPE

Initiatives

**target 7.2** **17** companies make significant use of renewable energy

**target 7.3** **22** companies are investing to reduce their energy consumption and that of their suppliers

Portfolio companies as of 31/12/2021

## CAREL

Carel Industries designs, produces and distributes software and hardware for refrigeration and temperature control. Its cooling solutions help to improve its customers' energy efficiency.

ESG Score **6.6/10** / Net Solutions Score **99.0/100** + Net Initiatives Score **+5.0/100** >> Net SDG score **52/100** 

### intentionality

- ◆ **99% of turnover** is achieved through innovative solutions to better control temperatures, contributing to the improvement of energy efficiency, in line with target 3 of SDG 7.
- ◆ **Objective:** to contribute to climate change mitigation by reducing direct and indirect CO2 emissions.

### additionality

- ◆ **Energy efficiency:** Carel offers innovations in adiabatic humidification, which allows humidity to be produced using less energy than isothermal humidification. The new range of ultrasonic humidifiers, «humSonic», developed by Carel Industries, offers energy savings of up to 90% compared to ordinary steam generators.

In 2021...

### measurability

- ◆ **5.867 GWh saved** by Carel Industries' customers over the year, compared to a standard reference situation.
- ◆ **1.6M tonnes of CO2 avoided** thanks to the energy savings made by Carel Industries' products.

## Negative contribution

**SPIE**

**SPIE has a malus in its Solutions Score, equivalent to the percentage of its turnover generated by its involvement in fossil fuel projects.**

**7% of the revenue**

## Spotlight

SPIE is also committed to reducing its internal CO2 emissions. To achieve this, it aims to move towards a renewable energy supply, representing 67% of the group's total consumption.



# Decent work and economic growth

The companies EPIE invests in contribute to...

Solutions

- target 8.2** A high level of economic productivity  
-> ESKER, SAP
- target 8.3** Promoting policies that focus on the development of SMEs  
-> RELX
- target 8.8** Promoting safety at the workplace and ensuring the protection of all workers  
-> HALMA
- target 8.10** Broadening access to banking, financial and insurance services for all  
-> EXPERIAN

Initiatives

**target 8.5** **23** companies creating sustainable, decently paid jobs



Portfolio companies as of 31/12/2021



Esker develops paperless solutions that free companies from tedious and time-consuming tasks, increasing efficiency and developing new skills through higher value-added activities.

ESG Score **7.2/10** / Net Solutions Score **96.0/100** + Net Initiatives Score **25.0/100** >> Net SDG score **60.5/100** **INDIRECT IMPACT**

Company focus

## intentionality

- ◆ **96% of the turnover** is generated by its cloud-based business process automation platform, which strengthens relationships between companies, suppliers, customers and employees, thereby contributing to target 2 of SDG 8.
- ◆ **Mission:** To strengthen relationships between suppliers, customers and employees of companies and to promote a better work experience.

## additionality

- ◆ **R&D:** 10.5% of turnover was spent on R&D in 2021.
- ◆ **Innovation:** Held Tech Days to promote knowledge sharing and innovation among employees.
- ◆ **Eco-design:** Raising employee awareness of eco-design. Choice of data center hosts that are transparent about their ecological footprint and committed to the environment.

In 2021...

## measurability

**Customer satisfaction:** Net Promoter Score (NPS) de 62 sur 100. The vast majority of Esker customers recommend Esker products for their efficiency gains.

The company's contribution to SDG 8 is not yet well detailed due to a wide variety of customers, which makes it difficult to consolidate the impacts of Esker's products. However, the company continues to work on a reliable impact measure, and we continue to dialogue with Esker to help it assess the contribution of their products to the SDGs.

## Negative contribution



**SCA has been charged a 5-point penalty on its Initiatives Score, due to the downward trend in its recruitment.**

## Spotlight

The Esker Junior Academy offers young people from secondary schools in disadvantaged areas an opportunity to participate in a program to learn how to develop a software solution, from the R&D phase through implementation at the customer's premises. This helps students gain access to the job market, while increasing the supply of technical profiles available on the job market and raising Esker's profile among this audience.

# Industry, innovation and infrastructure

The companies EPIE invests in contribute to...

Solutions

- target 9.1** Building sustainable, resilient and accessible infrastructure  
-> ASML, CELLNEX
- target 9.2** Contributing to the development of a sustainable and job-creating industry  
-> WAVESTONE
- target 9.4** Modernizing and making more sustainable the industrial sectors through innovation and R&D  
-> AALBERTS, AIR LIQUIDE, ASML
- target 9.5**

Initiatives

**target 9.5** **10** companies have an R&D/turnover ratio 20% higher than the average in their sector



Portfolio companies as of 31/12/2021

## ASML

ASML is a Dutch manufacturer of lithography machines for producing semiconductors used in manufacturing many products with a positive environmental impact, such as electric vehicles and renewable energy products.

ESG Score **8.1/10** / Net Solutions Score **100/100** + Net Initiatives Score **65.0/100** >> Net SDG score **82.5/100** **INDIRECT IMPACT**

Company focus

## intentionality

- ◆ **100% of the turnover** is generated by manufacturing lithography machines that reduce the size of semiconductors and their energy consumption, thus contributing to the development of a sustainable industry. Targets 1, 4 and 5 of SDG 9.
- ◆ **Mission:** to free up the potential of people and society by pushing technology to new limits.
- ◆ **Objective:** By 2025, use new machines to reduce energy consumption per wafer by 60% compared to 2018.

## additionality

**Contribution to an innovative ecosystem :** ASML works with a network of external partners and research organisations:

- ◆ **€ 2.5 billion** invested in its own R&D
- ◆ **2,100 hours** of mentoring of innovative start-ups
- ◆ **€ 30.3m** in contributions to innovative projects co-financed by the EU

In 2021...

## measurability

- ◆ **309 lithography systems** sold
- ◆ **23 lithography systems** reconditioned
- ◆ **37% reduction in energy consumption** of the latest NXE wafer lithography systems compared to 2018.

## Negative contribution



**Carel Industries has been charged a 10-point penalty on its Initiatives Score because its R&D/sales ratio is 1%, which is well below the average for its sector.**

## Spotlight

ASML is committed to a circular economy approach by creating a range of refurbished products and by ensuring that its machines are repairable. As a result, more than 90% of the PAS 5500 systems sold are still in use, either overhauled or in their original configuration.

# Sustainable cities and communities

The companies EPIE invests in contribute to...

Solutions

- target 11.1** Ensuring universal access to adequate and safe housing and basic services  
» SCA
- target 11.2** Ensuring universal access to safe, sustainable and affordable transport systems  
» AALBERTS
- target 11.5** Reducing the number of people killed and affected by disasters  
» HALMA
- target 11.6** Reducing the negative environmental impact of cities  
» ACCELL GROUP, COVESTRO, HALMA, INFINEON

Initiatives




**target 8.5** 5 companies have contributed to reducing the environmental impact of cities by promoting ecomobility for their employees

Portfolio companies as of 31/12/2021



SCA is Europe's largest forest owner with 2.6 million hectares of forest. The company produces and sells wood, pulp, paper and cardboard.

ESG Score **7.2** /10 / Net Solutions Score **72.9** /100 + Net Initiatives Score **25.0** /100 » Net SDG score **48.9** /100 

SCA's products and services also contribute to the following SDGs:   

## intentionality

- ◆ **20.3% of turnover** is achieved in the sale of timber from sustainable forests (target 1 of SDG 11).
- ◆ **Mission:** to limit global warming, one of today's greatest challenges. As a forestry company, SCA wants to be part of the solution.
- ◆ **Objective:** To achieve 15 million tons of CO2 saved and/or captured through its activities between 2019 and 2030.

## additionality

- ◆ **R&D:** 31 million euros invested in R&D in 2021.
- ◆ **Optimization of resources thanks to cutting-edge technologies:** 3D scanning to adapt the choice of treatment of the tree when it enters the sawmill, in order to optimize its potential and thus reduce the number of unvalued by-products.
- ◆ **Responsible forest management:** Most of the group's wood supply comes from FSC- or PEFC-certified forests.

## measurability

- ◆ **Planting of 67 additional million trees**
- ◆ **Production of 2.2 million M³ of solid wood**, more than 90% of which is used for long-life wood products
- ◆ **10.5 million tons of CO2 avoided** through the sale of its products and responsible management of its forests.
- ◆ **Biodiversity:** SCA has identified 203 endangered species. The company committed to maintain untouched their habitat which represents 11% of the managed forests.

In 2021...

## Negative contribution

No portfolio company contributes negatively to SDG 11 through its products and services and/or initiatives.



## Spotlight

SCA strives to reduce waste and resource consumption by recovering its waste streams. 96% of SCA's waste is recycled.

# Responsible consumption and production

The companies EPIE invests in contribute to...

Solutions

- target 12.2** Sustainable and rational use and management of natural resources  
» COVESTRO, CHR HANSEN, CRODA, MUNTERS, DSM, MICHELIN, SCA
- target 12.3** Avoiding food waste  
» CHR HANSEN, DSM, MUNTERS, Vow
- target 12.5** Reducing waste production  
» ADEVINTA, ADIDAS, COVESTRO, SCA, Vow

Initiatives


**target 12.6** 1 company has introduced environmentally sound management of chemicals

**target 12.3** 2 companies are fighting against food waste

Portfolio companies as of 31/12/2021

## CRODA

Croda is a chemical company whose products are used in the pharmaceuticals, energy technology and crop protection. Its products, such as biostimulants, improve the quality, yield and shelf-life of crops by using plants' natural processes and responses to stress.

ESG Score **7.8** /10 / Net Solutions Score **54.0** /100 + Net Initiatives Score **85.0** /100 » Net SDG score **69.5** /100 

Croda's products and services also contribute to the following SDGs: 

## intentionality

- ◆ **38% of turnover** is generated by the sale of products whose raw materials are bio-based, thus contributing to target 2 of SDG 12.
- ◆ **Mission:** Smart science to improve lives
- ◆ **Objective :** 75% of bio-based raw materials by 2030, compared to 69% today.

## additionality

- ◆ **R&D:** 50% increase in R&D expenditure compared to 2020. They now account for 3.1% of turnover.
- ◆ **Innovation:** Croda has 579 innovation partners (including 48 new ones in 2021). One of the major areas of work is biotechnology, in developing more sustainable products.
- ◆ **Accessibility of COVID-19 vaccine:** Croda's Indonesian teams provided technical support to local authorities to speed up the import of ingredients for vaccine production.

## measurability

- ◆ Thanks to its biostimulants, adjuvants and seed coatings that stimulate soil yields, Croda makes it possible to use less land for an equivalent harvest. Some 33,734 Ha have been saved (i.e., the net land needed for growing raw materials).

In 2021...

## Negative contribution



Covestro has been charged a 5-point penalty on its Initiatives Score for its inaction in eliminating the chemicals of greatest concern in the manufacture of its products.



## Spotlight

Croda has developed a range of fabric treatment proteins that double the life of treated garments. This technology reduces the impact of the textile industry by reducing CO2 emissions and water consumption as well as significantly reducing the landfill of garments.



# Peace, justice and strong institutions

The companies EPIE invests in contribute to...

Solutions

- target 16.4** Reducing illicit financial flows and organized crime  
 >> RELX, SPIE, VISA, WAVESTONE
- target 16.6** Building effective, accountable and transparent institution  
 >> RELX
- target 16.9** Guaranteeing identity protection, especially on the Internet  
 >> EXPERIAN, INFINEON
- target 16.10** Ensuring public access to information and protecting fundamental freedoms  
 >> INFINEON

Initiatives

- target 16.6** 1 company with a B Corp label and/or with the status of a company with a mission



Portfolio companies as of 31/12/2021

**VISA**

Visa is an American company and a world leader in payment services.

ESG Score **7.1**/100 / Net Solutions Score **100**/100 + Net Initiatives Score **55**/100 >> Net SDG score **77.5**/100 

Company focus

## intentionality

- ◆ **100% of turnover** in payment services contributing to efficient, accountable and transparent institutions, preventing illicit financial flows, crime, fraud and corruption and thus contributing to target 4 of SDG 16.
- ◆ **Mission:** To connect the world with the most innovative, reliable and secure payment network to enable people, businesses and economies to thrive.
- ◆ **Objective:** To help 50 million small and medium-sized enterprises gain access to digital technology by 2023.

## additionality

- ◆ **Accessibility:** Visa has been committed to financial inclusion for several years.
- ◆ **Accessibility:** Between 2015 and 2020, the company provided **500 million unbanked or underserved people** with access to a payment account, supporting the World Bank's goal of providing access to finance for all.

In 2021...

## measurability

- ◆ **164.7 billion** transactions processed on the Visa network,
- ◆ **3.7 billion Visa cards** in use,
- ◆ Visa has helped financial institutions prevent the equivalent of **\$26 billion in fraud** (30% more than in 2020).

## Negative contribution

**No portfolio company contributes negatively to SDG 16 through its products and services and/or initiatives.**
































































































































































## Spotlight

Visa has developed the Practical Money Skills program which provides individuals with free financial education tools and resources for each stage of their life. This program is present in 45 countries. 309 financial institutions were using this program in 2020, benefiting over 1.5 million people.


# Appendices



Appendix 1 ♦ Examining the companies in the portfolio

Company	Country	Weighting in the portfolio*	ESG score	Type of impact	SDG score	Solutions score	Breakdown of the solutions score by target	Initiatives Score	Company description	Environmental and social contribution & Additionality	Year of the security in the portfolio
		3.23%	6.5	Direct	29.7	38.0	10%  3.4 3%  3.5 16%  6.4 8%  7.2 14%  9.4 9%  11.2	20.0	Group of 28 industrial companies active in four end-markets: buildings, industry, automotive and semiconductors.	A large majority of Aalberts' products have an energy and water reduction and efficiency function. Life cycle analyses are carried out internally for some of their products and the group is working on measuring its avoided emissions.	2021
		2.39%	6.7	Indirect	55.0	80.0	8%  3.4 72%  11.5	30.0	European bicycle manufacturer.	Bicycles manufactured by Accel reduce the CO2 emissions of journeys such as deliveries and allow users to exercise, improving their health.	2021
		1.44%	7.3	Indirect	35.5	46.0	46%  12.5	25.0	Company specialised in ad platforms on the Internet.	Adevinta's classified websites, such as Leboncoin, help individuals trade second-hand goods , thus reducing the need to produce new goods.	2021
		2.71%	6.9	Indirect	50.4	30.7	31.7%  12.5 1%  12.5	70.0	The world's leading designer, manufacturer and marketer of sporting goods and equipment.	The company is a pioneer in the eco-design of sports equipment (responsible production, recycled raw materials, etc.) and has set ambitious targets on the subject. Its commitments have a systemic impact on their suppliers and competitors.	2021
		3.17%	4.5	Direct	45.2	45.4	26%  7.3 16%  3.4  3.9 5.6%  7.1 9%  9.4	45.0	World leader in industrial gases for industry and healthcare.	The purity of Air Liquide's medical gases is unmatched and the company has one of the longest track records in the world for integrating into customers' industrial processes.	2010
		3.35%	8.1	Indirect	59.0	53.0	53%  3.8	65.0	World leader in property and damage insurance.	Allianz insures and protects its customers against a wide range of claims, including those related to climate change.	2021
		3.56%	8.1	Direct	82.5	100.0	100%  9.1  9.4  9.5	65.0	Manufacturer of lithography machines essential for the production of semi-conductors.	ASML's lithography machines have the particularity of reducing the size and energy consumption of semiconductors used in the manufacture of electric vehicles and in renewable energies, for example. ASML contributes to an innovative ecosystem through its R&D, mentoring for innovative startups and co-funding of projects with the European Union.	2017
		2.77%	7.3	Indirect	100.0	100.1	100%  3.4	100.0	Pharmaceutical group specializing in non-communicable diseases, offering treatments in seven major therapeutic areas.	Ambitious R&D approach and innovative solutions to treat non-communicable diseases. AstraZeneca's products are of very high quality with a low recall rate.	2018
		2.47%	6.6	Indirect	52.0	99.0	99%  7.3	5.0	Provider of technologies for temperature control and refrigeration.	Carel's technologies enable a considerable reduction in the energy consumption of cooling systems, for example in data centers.	2021
		3.02%	6.9	Indirect	92.5	100.0	100%  9.1	85.0	Company specialized in telecommunication infrastructures, in particular in managing telecommunication masts.	Cellnex connects several telecom operators per antenna, reducing the operating cost and thus the final price for the consumer, allowing better accessibility. It also optimizes the number of antennas and their impact on the environment.	2018
		1.87%	7.6	Indirect	70.5	81.0	52%  12.3  12.5 29%  3.4	60.0	Food and biotechnology company specialising in the manufacture of ingredients, enzymes and probiotics.	The production of enzymes and ferments that slow food breakdown helps in combatting food waste. Chr Hansen has the world's best probiotic re-search database.	2020
		3.32%	7.5	Indirect	50.0	40.0	2%  3.4 20%  7.3 10%  11.2 8%  12.2	60.0	World leader in polymer production.	Polyurethane and polycarbonate are essential polymers for the ecological transition (electric vehicles, building insulation, etc.). Covestro is a low-cost producer owing to technological advances at its factories that make it possible to speed up the ecological transition while minimising expenditure. The group is committed to becoming fully circular.	2020
		4.48%	7.4	Indirect	69.5	54.0	16%  3.3  3.4 38%  12.2	85.0	Chemical company that specializes in ingredients for the cosmetics and health sector.	Croda produces biostimulants that work with the natural processes of plants to protect them from external events and improve their resistance to meet the challenges of world hunger.	2021
		2.22%	7.2	Indirect	60.5	96.0	96%  8.2	25.0	Group specialized in the design of dematerialisation applications.	The group develops dematerialisation solutions that reduce the need for office consumables and improve the efficiency of its customers.	2021
		2.91%	6.5	Direct	41.1	67.2	57.2%  8.1 10%  6.9	15.0	Global credit bureau that has branched out into decision support, database management.	Experian has the world's best financial database. The company has developed unique software to enable individuals to understand how to improve their credit score and therefore facilitate access to financing. It has also instituted a social innovation programme (12% of turnover) for education and financial inclusion in emerging countries	2020
		2.09%	7.6	Direct	40.0	29.9	29.9%  3.4	50.0	Manufacturer of hearing aids.	The hearing aids designed and manufactured by GN enable people with hearing loss to regain their hearing and improve their living conditions.	2021
		2.90%	7.5	Indirect	55.0	100.0	58%  11.5  11.3 28%  9.3  9.3 14%  8.8	10.0	Group specialized in the design, manufacture and marketing of safety equipment.	Conglomerate with dozens of companies offering high quality, essential products in a multitude of niches in safety, quality and health.	2018
		2.52%	7.3	Indirect	80.0	100.0	44%  11.6 13%  6.9  16.0 43%  7.3	60.0	Semiconductor manufacturer.	World leader in power semiconductors, widely used in electric vehicles, renewable energy and rail transport.	2018
		4.24%	7.8	Indirect	70.5	61.0	37%  12.2 24%  3.4	80.0	Manufacturer of ingredients for human and animal nutrition and for the pharmaceutical industry.	It has the largest portfolio of nutritional and pharmaceutical ingredients in the world. Some of its products are used in the production of protective materials for workers.	2017
		2.95%	7.7	Indirect	67.5	100.0	100%  3.3	35.0	Subcontractor for the pharmaceutical industry manufacturing complex molecules.	One of the world's leading companies in its field, manufacturing, for example, vaccines such as COVID-19 for Moderna and cancer treatment drugs for AstraZeneca.	2019
		3.10%	8.2	Direct	63.0	26.0	21%  12.6 5%  3.4	100.0	Industrial group producing cosmetics.	L'Oréal's commitments to biobased production could lead to a change in the design of cosmetics with a systemic effect, reducing the negative externality linked to its products (plastic, biodiversity, natural resources). Some products treat dermatology problems: skin disease, sun protection, pollution protection, etc.	2016
		2.50%	7.5	Indirect	73.0	46.0	46%  11.6	100.0	Family-run group among the world's leading manufacturers and sellers of tyres.	Michelin tyres offer improved grip, shorter braking distances and reduced fuel consumption. Michelin has also put in place a product recycling system to save rubber. The group is also working to reduce waste generated on production sites.	2010
		1.52%	6.6	Direct	57.5	100.0	55%  9.4 31%  12.3 14%  7.3	15.0	Group specialising in air quality management with a wide range of applications: industrial, commercial, agricultural and energy.	By improving the quality, temperature and humidity of the air, its customers are able to reduce their energy consumption but also to generate other positive social impacts (improvement of productivity, product quality, livestock health, etc.). The products marketed by Munters have a long lifespan, and can be repaired and updated.	2020
		1.55%	7.0	Direct	62.5	100.0	100%  7.2	25.0	Producer of renewable energy (solar and wind), with expertise in energy storage.	Group with a presence in over 15 countries; a pioneer in energy storage technology. Particular attention is paid to relations with local communities through a system of participatory project financing.	2018
		4.27%	7.2	Direct	100.0	100.0	100%  3.4	100.0	Pharmaceutical company offering treatment for diabetes, obesity and haemophilia.	Strong innovation drive in the treatment of diabetes (pre-filled injection pen, GLP-1 in oral form) and high product reliability. The company is committed to prevention and product accessibility.	2018
		2.82%	8.0	Indirect	42.8	50.5	32%  16.4  16.6 4%  4.4 13%  8.3 1.5%  3.4	35.0	A scientific, medical, legal and tax publishing house that has expanded into selling information and decision-making tools.	Relx promotes access to academic and scientific research. In particular, the group is developing tools to facilitate the use of research and is developing an open access arm.	2017
		2.30%	6.8	Indirect	82.5	100.0	100%  7.3	65.0	World leader in the manufacture of SOI (Silicon On Insulator) wafers, which are essential for semiconductors.	Soitec's products reduce the power consumption of the technologies in which they are housed (smartphones, cars, data centers, computers, etc.). They also enable better 5G and Wi-Fi connectivity for devices.	2021
		2.24%	7.1	Direct	95.0	100.0	100%  8.2	90.0	The world's leading publisher, developer, manufacturer and distributor of business software.	SAP supports companies of all sizes and industries in their digital transformation with some of the most efficient and comprehensive software in the world.	2010
		2.38%	7.6	Indirect	60.0	100.0	100%  3.3  3.9	20.0	A subsidiary of Sartorius AG, it manufactures, markets and sells integrated solutions for the biopharmaceutical industry, such as the production of biologics (filters, membranes, single-use pouches).	Single-use products for the pharmaceutical industry have significant ecological advantages (energy and water consumption). They also improve the productivity of clients, thereby helping to reduce the prices of biologics and biosimilars. They are also used in more effective treatments for certain cancers and autoimmune diseases.	2018
		4.53%	8.7	Indirect	86.5	73.0	77%  7.2 4%  7.2	100.0	An international industrial group offering solutions for energy management, automation and data centre management.	Its products and services allow Schneider Electric customers to reduce their energy consumption (30% on average) and CO2 emissions. 100% of new projects are in line with carbon neutrality and positive environmental impact targets. The group is heavily involved in the circularity of its value chain.	2020
		1.93%	7.6	Direct	39.5	59.0	5%  11.6 60%  7.2 7%  7.2 1%  16.4	20.0	Service company in the fields of electrical, mechanical and climatic engineering.	Part of its business revolves around energy efficiency in buildings, infrastructure for "clean" vehicles and services for the renewable energy industry. SPIE is therefore a facilitator of the energy transition.	2015
		2.00%	7.2	Direct	49.0	72.9	52.6%  12.5 20.3%  11.1	25.0	Europe's largest forest owner, producing and selling wood pulp, paper, cardboard and timber.	The company's forestry assets are managed responsibly (FSC - or PEFC-certified). The group uses state-of-the-art technologies to optimise the use of natural resources, such as 3D scanning based on artificial intelligence to optimise the log-cutting.	2017
		2.54%	7.2	Direct	40.8	41.5	18.3%  6.1  6.3  6.4 23.2%  7.2  7.3	40.0	Company specialising in the distribution of materials for the circulation of fluids in building and industry.	Products with positive environmental and/or social impacts - energy efficiency, renewable energies, rational use of resources, safety, etc. The group has a proactive approach to ecodesign and prioritising the use of recycled raw materials. Their dynamic after-sales service encourages repair rather than replacement of devices.	2020
		3.40%	7.1	Direct	77.5	100.0	100%  16.4	55.0	The world's leading payment services provider.	A historical approach to financial inclusion, particularly for unbanked people, especially in emerging countries.	2018
		1.49%	6.5	Direct	55.0	100.0	100%  7.1  7.2	10.0	Producer of renewable energy from wind, solar, hydro and biomass installations, which it owns and operates.	In addition to renewable energy generation, the company has developed expertise in energy storage. About 80% of the installed capacity in non-subsidised markets generates electricity at affordable prices.	2020
		0.92%	6.6	Direct	65.0	100.0	53.4%  6.3 46.6%  12.5  12.3	30.0	Leading waste management and wastewater purification company for the marine industry.	Vow develops technologies for waste recovery and water purification, which it converts into valuable raw materials. Its solutions make it possible to reduce the negative impact of certain highly polluting industries such as fishing, aquaculture and maritime cruises.	2021
		1.51%	8.1	Indirect	30.0	45.0	25%  9.2 20%  16.4	15.0	Consulting firm specialized in business transformation and digital security.	An increasing share of turnover derives from data protection, automation and digitalisation. The group is facilitating the digital transformation of many public sector agents thanks to expertise in cybersecurity - a crucial issue given the increase in cybercrime.	2015



-  3  
Good health and well-being
-  4  
Quality education
-  6  
Clean water and sanitation
-  7  
Affordable and clean energy
-  8  
Decent work and economic growth
-  9  
Industry, innovation and infrastructure
-  11  
Sustainable cities and communities
-  12  
Responsible consumption and production
-  16  
Peace, justice and strong institutions

\*Weightings as of 31/12/2021. On the same date, the portfolio also held 1.39% cash.



Appendix 2 ♦ Details on climate methodologies

**2°C alignment:** This indicator positions the portfolio on a temperature scale ranging from 1.5°C to 6°C. At the level of the fund, each company is given a rating (CIA score) depending on its sector of activity, its past climate performance and its decarbonization strategy. This score is then associated with a temperature between 1.5 and 6°C. The table of correspondence between the CIA score and temperatures was constructed on the basis of a study of two universes of companies: a universe representing the current economy (3.5°C trajectory) and a universe representing a low-CO2 economy (2°C trajectory).

**The Eligible Green Share (EGS):** : This indicator is the share of the company’s turnover that comes from activities that can substantially contribute to the achievement of an environmental objective of the European taxonomy. At this stage, these are climate change mitigation and adaptation objectives covering activities such as building renovation and wind turbine manufacturing.

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

For these activities to be indeed aligned with the taxonomy, they will have to meet the taxonomy's technical criteria precisely and not negatively affect the other objectives of the taxonomy – also known as DNSH (Do No Significant Harm). We do not currently report this green share (or taxonomy alignment), due to the limited availability and quality of data available to us.

**CO2 intensity of the portfolio:** The CO2 intensity of a company is calculated by dividing the greenhouse gas emissions incurred by its activity (scope 1, 2 and 3) by its enterprise value. To calculate the CO2 footprint of our funds, we use the weighted average of the CO2 intensities of the companies in the fund.

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

**Portfolio emission savings intensity:** A company's saved emissions intensity is calculated as the ratio of its saved emissions to the company's value. These saved emissions are the sum of the emissions avoided by the company's products and services (compared to a baseline scenario) and the emissions reduced by improving the efficiency of a production process.

$$\text{Portfolio emission savings intensity} = \sum_{i=1}^n \left( \frac{\text{Value of the investment}_i}{\text{Net assets of the Fund}} \times \frac{\text{Scope 1, 2, and 3 carbon emissions}}{\text{Enterprise value}_i} \right)$$

All of these indicators are provided to us by Carbon4 Finance. To find out more about the methodologies used, go to their website at: <https://www.carbon4finance.com/>

Appendix 3 ♦ Details on impact measures

In the introductory chart to this report (page 3), we sought to illustrate the contribution of portfolio companies to the 9 business-oriented SDGs. These 9 SDGs are an integral part of EPIE's company selection process and are reflected in the Solutions Score. For this purpose, we collected the impact indicators communicated by the companies on 31/12/2021 and relating to their activities for 2021.

Amount of R&D in medical research and healthcare (in €)		ASTRAZENECA	9,310,000
		GN STORE NORD NORD	78,000,000
		HALMA	21,690,000
		LONZA	172,450,000
		NOVO NORDISK	5,630,000,000
		SARTORIUS STEDIM BIOTECH	110,500,000
Number of people who received support after fraud		EXPERIAN	390,000
Number of beneficiaries of health solutions		AIR LIQUIDE	1,800,000
		ASTRAZENECA	100,000,000
		NOVO NORDISK	34,600,000
Number of open-access academic publications		RELX	120,000,000
Hectares of forest preserved		SCA	390,000,000
Amount of R&D in the modernisation and sustainability of the industry (in €)		AALBERTS	148,950,000
		AIR LIQUIDE	304,000,000
		ASML	2,500,000,000
		CELLNEX	10,000,000
		MUNTERS	15,500,000
Tons of CO2 saved (Source: Carbon4 Finance)			

AALBERTS	864,491,8	HALMA	56,269,5	SARTORIUS S.BIOTECH	121,2
ACCELL	348,745,9	INFINEON TECH.	415,941,8	SCHNEIDER ELECTRIC	7,192,702,0
ASML	525,700,1	LONZA	38,919,1	SOITEC	21,953,9
ASTRAZENECA	1,543,9	MICHELIN	2,887,901,3	SPIE	479,192,1
CAREL INDUSTRIES	21,0	MUNTERS	25,092,3	SCA	1,083,949,6
CELLNEX	3,693,6	NEOEN	1,747,557,8	THERMADOR GROUPE	25,1
GN STORE NORD	67,802,9	NOVO NORDISK	1,081,1	VOLTALIA	2,123,330,6

Investors' attention is drawn to the fact that their investment in the sub-fund does not have a direct impact on the environment and society. Rather, the sub-fund seeks to select and invest in companies that meet the precise criteria set out in the management strategy.

This report was co-constructed with independent experts from Better Way. Better Way provided a critical view of the methodologies and contents and checked the figures in order to assess the accuracy of the information provided in the report. Its checks covered between 20 and 50% of the consolidated data, which does not eliminate the risk of not detecting any significant anomaly.

In addition, the information used in the preparation of the document was obtained from various external sources. LFDE and Better Way have neither sought to demonstrate the reliability of these sources nor verified this information. Accordingly, neither LFDE nor Better Way offers any guarantee (express or implied) as to the accuracy, completeness or adequacy of the information contained in this publication.



Better Way is a consulting firm that assists investors and their portfolio companies in their responsible or impact-oriented approach, from strategy definition to concrete implementation and evaluation.

Since 2020, Better Way supported La Financière de l'Echiquier in the annual evaluation of its impact approach, both in terms of its funds and the investment management strategy.

Elodie NOCQUET - Clara DENIAU - Victor SUREL  
For more information, go to: <https://www.Better Way.net/>

## Important information

The information provided in this report does not constitute investment advice, an investment proposal or a solicitation of any kind to enter into financial market transactions. Investors are encouraged to read the KIID and prospectus available at:

[www.lfde.com](http://www.lfde.com) in full in order to understand the risks and fees associated with investing in the fund prior to making any investment decision. The fund is primarily invested in equities, so it presents a risk of capital loss and is also exposed to equity, discretionary management and currency risks.

Investors or potential investors are informed that they can obtain a summary of their rights and also file a claim, in accordance with the procedure provided by the management company. This information is available in the official language of the country or in English on the «Regulatory Information» page of the management company's website at [www.lfde.com](http://www.lfde.com).

Furthermore, the investor's attention is drawn to the fact that the management company may decide to terminate the marketing arrangements of its collective investment undertakings in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The fund takes non-financial criteria into account in a **manner that is significantly binding according to the definition of the Autorité des Marchés Financiers (AMF) in its Doctrine 2020-03.**

The non-financial objective complies with the provisions of Article 9 of the SFDR. The companies mentioned in this report were invested in as of 31.12.2021.

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

Proprietary ESG (Environment, Social, Governance) data, as well as the UN Sustainable Development Goals Scores are the latest available, as the analyses are updated at least every two years by La Financière de l'Echiquier. They are based on the latest public documents available to us.

The latest available has been used at the time of the analysis

(annual reports in particular), i.e., for the 2019 financial year. This one-year delay is due to the deadline for the disclosure of data by companies. The other data on the impact of companies, unless otherwise indicated, will be taken from the 2021 financial year.

From a methodological point of view, the term "impact" (as used in this report) does not have a scientific definition allowing for a specific change to be attributed to the fund's financing activities or action taken by the companies in the portfolio. Here we analyse the expected effects of our investments as well as the effects of actions taken by companies on their stakeholders (employees, clients, local communities living next to premises, etc.), based on data published by the companies.

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

**Investors are advised that investing in the subfund does not generate a direct impact on the environment and society; instead, the sub-fund seeks to select and invest in companies that meet the specific criteria defined in the management strategy.**

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