

## Ecofi Investissements

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	⚙	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	✓	Private	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

# Ecofi Investissements

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1	Select the services you offer.
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☒ Fund management

	% of assets under management (AUM) in ranges
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- ☐ <10%  
☐ 10-50%  
☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

	% of assets under management (AUM) in ranges
--	--

- ☒ <10%  
☐ 10-50%  
☐ >50%

☐ Other, specify

☐ Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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France

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- ☒ 1  
☐ 2-5  
☐ 6-10  
☐ >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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	FTE
--	-----

60

OO 03	Mandatory	Descriptive	General
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OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes  
☒ No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		6	691	316	254
Currency	EUR				
Assets in USD		8	775	602	220

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☐ Approximate percentage breakdown to the nearest 5% (e.g. 45%)  
☒ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	0
Fixed income – corporate	>50%	0
Fixed income – government	<10%	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0

Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Ecofi Investissements' parent bank Crédit Coopératif is a leading financial institution in the social economy.

Ecofi Investissements has been active in Socially Responsible Investment (SRI) and solidarity- based fund management for more than 25 years. Our older core SRI fund, Epargne Ethique Actions, dates back to January 2000.

Responsible investing is a central pillar of Ecofi Investissements' development strategy and answers both to :

- a broad definition that seeks to integrate Environmental, Social and Governance (ESG) analysis across almost all our portfolio investments;
- and a core definition applying a stricter ESG screening process in the core SRI and solidarity based funds.

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below.
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*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

### Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

### RI implementation directly or via service providers

Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

**Closing module**

- ☒ Closing module

# Ecofi Investissements

## Reported Information

### Public version

### Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes  
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes  
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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Responsible investing is a central pillar of Ecofi Investissements' investment strategy and answers both to :

- 1- a broad definition integrating Environmental, Social and Governance (ESG) criteria across 65 % of our mainstream portfolio investments;
- 2- a core definition applying a stricter ESG screening process in the core SRI and solidarity based funds.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- ☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<http://www.ecofi.fr/fr/nos-expertises-gestion-engagee/isr>

- ☐ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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- ☒ Yes  
☒ Yes, all  
☐ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Voting policy	<a href="http://www.ecofi.fr/sites/default/files/files/Politique_de_vote_Ecofi_Investissements.pdf">http://www.ecofi.fr/sites/default/files/files/Politique_de_vote_Ecofi_Investissements.pdf</a>
Engagement report	<a href="http://www.ecofi.fr/sites/default/files/publications/rapport_de_vote_et_de_dialogue_septembre2012.pdf">http://www.ecofi.fr/sites/default/files/publications/rapport_de_vote_et_de_dialogue_septembre2012.pdf</a>
Broad SRI funds - Transparency code	<a href="http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_responsables.pdf">http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_responsables.pdf</a>
Core SRI funds - Transparency code	<a href="http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf">http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf</a>
RI TRANSPARENCY REPORT	<a href="http://www.ecofi.fr/sites/default/files/publications/pri_report_ecofi-investissements_2014.pdf">http://www.ecofi.fr/sites/default/files/publications/pri_report_ecofi-investissements_2014.pdf</a>
List of SRI funds	<a href="http://www.ecofi.fr/sites/default/files/publications/liste_des_opcvm_isr_responsable.pdf">http://www.ecofi.fr/sites/default/files/publications/liste_des_opcvm_isr_responsable.pdf</a>

☐ No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM



<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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Our responsible investment policy applies to 65 % of our AUM

[http://www.ecofi.fr/sites/default/files/publications/liste\\_des\\_opcvm\\_isr\\_responsable.pdf](http://www.ecofi.fr/sites/default/files/publications/liste_des_opcvm_isr_responsable.pdf)

<http://www.ecofi.fr/fr/qui-sommes-nous/chiffres-cles> (gestion engagée)

Our voting policy applies to 100 % of our listed equity .

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

<b>OA 04.2</b>	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The current policy was adopted in 2011 and is completed by a mapping of the risks of conflicts of interests.

It relies on the following steps:

- 1 - identification and cartography of situations /events that may impact our clients' interests;
- 2 - definition of the procedures and actions to be implemented to manage these conflicts ;
- 3- information of the clients when the measures taken are insufficient to guarantee the full protection of their interests.

☐ No

## Objectives and strategies

<b>OA 05</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>OA 05.1</b>	Indicate if your organisation sets objectives for its responsible investment activities.
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☒ Yes

<b>OA 05.2</b>	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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☒ At least once per year

☐ Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☒ Quarterly
- ☐ Biannually
- ☐ Annually
- ☐ Every two years or less
- ☐ It is not reviewed
- ☐ No

## Governance and human resources

**OA 08****Mandatory****Gateway/Core Assessed****General****OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify  
 Head of SRI management

- ☒ Oversight/accountability for responsible investment
- ☒ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☐ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number
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3

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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### Select all that apply

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
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- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Ecofi investissements has participated in three PRI engagement groups: Palm oil, Fracking, Clinical Trial transparency.

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ CDP Forests
- ☒ CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
French SIF

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced
- ☐ Shareholder Association for Research and Education (Share)  
☐ United Nations Environmental Program Finance Initiative (UNEP FI)  
☐ United Nations Global Compact  
☐ Other collaborative organisation/initiative, specify  
☒ Other collaborative organisation/initiative, specify

Chaire Finance et Développement Durable: <http://www.idei.fr/fdir/>

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic  
☒ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Ecofi Investissements is a sponsor of this academic research team on SRI.

- ☒ Other collaborative organisation/initiative, specify  
 Phitrust: <http://www.phitrust.com/>

Your organisation's role in the initiative during the reporting year (see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced
- ☐ Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- ☒ Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☐ Wrote and published in-house research papers on responsible investment
- ☐ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

**OA 11.3**

Additional information. [Optional]

Sponsor of the Chaire Finance et Développement Durable: <http://www.idei.fr/fdir/>

Several participations as spokespersons to SRI conferences

Disclosure of Responsible investment practices : quarterly reports for core SRI funds including comments on ESG performance of all companies invested in our core SRI and solidarity-based portfolios.

# Ecofi Investissements

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
----------	---

### Strategies

- ☐ Passive
- ☒ Active – quantitative (quant)

	% of internally managed listed equities
--	---

☒ <10%

#### Report on your strategies that represent <10% of listed equities

- ☐ Yes
- ☒ No
- ☐ 10-50%
- ☐ >50%

- ☒ Active – fundamental and other active strategies

	% of internally managed listed equities
--	---

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
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- ESG integration is primarily realised with **SRI quantitative filters applied to 65 % of our assets under management.**

Since the signature of the PRI in 2009, we set up two **different levels of SRI filters** that both have an impact on portfolios construction and management:

- SRI core filter called "Engagé"** : our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, ~ 40% of our investment universe.
- SRI broad filter called "Responsible"**: our mainstream funds apply a less stringent SRI filter that ringfences the worst SRI rated issuers with exposure limits or, if necessary, exclusion. It impacts ~ 30 % of investment universe.

Those two quantitative SRI filters are based upon **ESG data and ratings provided by two main agencies: Vigeo and Sustainalytics.**

- This quantitative approach is completed by an **inhouse qualitative analysis of companies** in portfolios and an **internal release of information on environmental, social and corporate governance matters.** A



review of sectorial ESG matters and news is integrated to our regular financial reviews in equity and bonds managers' meetings.

- All portfolio managers (mainstream + core SRI) have access to an **ESG database and SI inhouse tool** which report the **ratings, controversies and detailed ESG performance of companies as well as the detailed ESG ratings of portfolios**. These ratings are updated once a month and the changes in ratings are communicated to portfolio managers by the SRI team.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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#### LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> <div>90</div>
--	---

- ☐ Thematic + integration strategies
- ☒ Screening + thematic strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> <div>10</div>
--	---

- ☐ All three strategies combined
- ☐ No incorporation strategies applied

#### Total actively managed listed equities

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

We believe that the analysis of ESG performance, combined with an analysis of the controversies companies are facing, allows us a better understanding of companies and a better evaluation of the risks we take as equity investors.

Therefore, we have decided to integrate ESG criteria in our investment processes through a core and a broad SRI filter for the majority of our assets under management.

**LEI 03.3**

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

We include in the thematic strategy :

**-solidarity-based equity funds** (impact investing): integrate our core SRI filter to the selection of "solidarity-based" companies;

**-social and environmental thematic equity funds**: integrate our broad SRI filter to the selection of companies that provide eco or social benefits by generating a significant share of revenue from an environment-related activity (such as renewable energy production, natural resource management or energy efficiency) or social related activity (such as education, social care).

**LEI 03.4**

Additional information. [Optional]

In addition, our subsidiary, **Champlain**, is specialised in thematic equity funds (AUM as of 14.12.30: 40 millions €) : <http://www.financieredechamplain.fr/>

**LEI 04**

Voluntary

Additional Assessed

PRI 1

**LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- ☐ Raw ESG company data
- ☒ Company-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Screened stock list
- ☒ ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

**LEI 04.2**

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

**\* Our ESG information external providers are twofold:**

- ESG research providers (Vigeo, Sustainalytics)
- Sell-side SRI analysts (Natixis securities, SGCIB, Kepler-Cheuvreux, Oddo Securities)

**\* Use of ESG information from research providers:**

1-SRI core filter called "*Engagé*": our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, ~ 40% of our corporate investment universe.

2-SRI broad filter called "*Responsable*": our mainstream funds apply a less stringent SRI filter that ringfences the worst SRI rated companies with exposure limits or, if necessary, exclusion. It impacts ~ 30 % of corporate investment universe.

Those two SRI filters are based upon ESG data and ratings from two main agencies (Vigeo and Sustainalytics) and are **mixing Best-in-class (through a filter on companies ESG performance) and Best-in-universe (through a filter on controversies faced by companies) approaches.**

- This approach is completed by an **inhouse qualitative analysis of companies** in portfolios and an internal release of information on environmental, social and corporate governance matters. A review of sectorial ESG matters and news is integrated to our regular financial reviews in equity and bonds managers' meetings.

- All portfolio managers (mainstream + core SRI) have access to an **ESG database and SI inhouse tool** where companies and countries are rated on their overall ESG performance and the ESG controversies they face. These ratings are updated once a month and the changes in ratings are communicated to portfolio managers.

<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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☒ Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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We incentivise brokers by rating them according to the quality of their ESG research.

☐ No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

☒ We have a systematic process to ensure the information is made available.

☐ We occasionally make this information available.

☐ We do not make this information available.

☒ (Proxy) voting

☐ We have a systematic process to ensure the information is made available.

☒ We occasionally make this information available.

☐ We do not make this information available.

<b>LEI 05.2</b>	Additional information. [Optional]
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The SRI team presents to fund managers the engagement actions and their results.

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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### Type of screening

☒ Negative/exclusionary screening

### Screened by

- ☒ Product
- ☐ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

	Description
	<ul style="list-style-type: none"> <li>Investments in companies commercialising controversial weapons are forbidden.</li> <li>Investments from companies facing a certain level of <b>controversies</b> (as rated by Sustainalytics) are excluded from our core SRI portfolios or ring-fenced in our broad SRI portfolios: pollution or human rights or business ethics incidents, class actions, penalties, trials etc.</li> </ul>

- ☒ Positive/best-in-class screening

#### Screened by

- ☐ Product
- ☐ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
	<p>Our SRI screening is based upon the ESG performance and ratings of companies and countries. Vigeo and Sustainalytics provide us with detailed ESG analysis and ratings of over 2000 companies worldwide.</p> <p>Environmental, Social and Governance criteria account for 1/3 each of the global ESG rating of companies. The criteria and their weight in the overall rating depend on the sector.</p> <p>For all sectors, we have decided to <b>overweight in the global ESG rating of companies</b> :</p> <p>- <b>quantitative</b> ESG criteria (quantitative results versus qualitative criteria linked to politics or means implemented by companies) as a "reality check" of the real ESG performance of companies beyond their communication (eg. CO2 emissions, % of turnover; workers accidents rate);</p> <p>- <b>ESG criteria linked to our CSR policy</b> ("Ecofi Touch") : diversity, supply chains and customers, tax responsibility and quality of the board.</p> <p>The screening on ESG performance is completed by a screening on controversies faced by companies.</p>

- ☐ Norms-based screening

**LEI 06.2**

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The SRI selection processes for corporates and countries have been refined in 2011-2012. They are the result of a collaborative internal working group involving portfolios managers (both listed equity and fixed income), the SRI research team and sales persons. A new ESG research provider, Sustainalytics, has been contracted.

We notify changes to clients and beneficiaries through our Transparency Codes available on our website: <http://www.ecofi.fr/fr/publications>.

**LEI 07****Mandatory****Core Assessed****PRI 1****LEI 07.1**

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 08****Voluntary****Additional Assessed****PRI 1****LEI 08.1**

Indicate which processes your organisation uses to ensure that fund criteria are not breached

- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
  - ☒ Systematic
  - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

**LEI 08.2**

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

The SRI core or broad fund managers are prevented to invest in companies that do not respect our 2 levels of SRI filters: in most cases, the **IT system will block the purchase of stocks** that do not comply with them.

If the rules of the SRI filters are nevertheless breached, the SRI research team and the fund managers involved receive **an alert sent directly by the IT system. Another alert is sent by the middle office and control department**. Following these alerts, fund managers have to make their portfolios comply with the ESG filters.

In case of a **change in the ESG rating of a company or in the level of the controversy it faces**, the fund managers are informed by the SRI research team and the IT tool on a monthly basis. Following these alerts, fund managers have one month to make their portfolios comply with the new controversies.

## (B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
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**LEI 09.1** Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- ☐ Environmentally themed funds
- ☐ Socially themed funds
- ☒ Combination of themes

**LEI 09.2** Describe your organisation's processes for sustainability themed funds. [Optional]

Our fund "**Ecofi Enjeux Futurs**" (ex Développement Durable) invests in companies which activity or products respond to the challenges of sustainable development. This is to say environmental issues such as climate change / energy efficiency, renewable energy, waste management, water cycle and biodiversity and social issues such as education and health.

We also manage **solidarity-based equity funds invested in "solidarity" companies** (defined by French regulation) which activities are social housing, reintegration of excluded people, micro-entrepreneurship, microfinance, fair trade...

In addition, our subsidiary Financière de Champlain, is specialised in thematic sustainability equity funds: <http://www.financieredechamplain.fr/>

## (C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
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**LEI 10.1** Describe how you integrate ESG factors into investment decision making processes.

**We apply to 65 % of our AUM SRI filters based upon ratings of companies and countries provided by our agencies Vigeo and Sustainalytics:**

**1- SRI core filter called "Engagé":** our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, ~ 40% of our investment universe.

**2- SRI broad filter called "Responsable":** our mainstream funds apply a less stringent SRI filter that ringfences the worst SRI rated issuers with exposure limits or, if necessary, exclusion. It impacts ~ 30 % of investment universe.

**These SRI filters have two components:**

**1st - Best-in-class screening based on ESG performance of companies:** Vigeo and Sustainalytics provide us with the rating of approximately 150 ESG indicators for more than 2000 companies worldwide. Some of those indicators are overweighted:

- 5 indicators reflecting our CSR policy : diversity, board of directors, customers relations, supply chain, tax responsibility;
- the quantitative indicators showing the achievements of companies ("results" indicators versus qualitative indicators such as CO2 emissions, % of turnover or workers accident rate).

**2nd - Best-in-universe screening based on the severity of the controversies** (pollutions, incidents, class actions, penalties etc.) faced by companies : Sustainalytics assesses the importance and the degree of the controversies companies are facing and rates them from 0 until 5 for the most severe controversies.

**Portfolios construction:**

**1- The SRI core filter "Engagé" only allows investments in :**

- best rated companies (decile of ESG global score from 1 to 5)
- and without controversies of levels 4& 5.

**2- The SRI broad filter "Responsable" :**

- excludes investments in companies with level 5 controversies
- and ring-fences investments in : worst rated (decile of ESG global score from 8 to 10) + non rated companies + companies with level 4 controversies.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 12	Voluntary	Additional Assessed	PRI 1
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**LEI 12.1**

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☐ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 12.2**

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**LEI 12.3**

Additional information.

The SRI research team participates to the monthly investment meetings involving equity and fixed income fund managers and reviewing the companies invested.

We developed our own SRI centralised database, accessible by all staff, fund managers and sales. It gives the detailed ESG ratings of more than 2000 companies worldwide and is updated every month.

**LEI 13****Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 1****LEI 13.1**

Indicate into which aspects of investment analysis you integrate ESG information.

- ☐ (Macro) economic analysis
- ☒ Industry analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
  - ☒ Systematically
  - ☐ Occasionally
- ☐ Idea generation
- ☒ Portfolio construction
  - ☒ Systematically
  - ☐ Occasionally
- ☐ Fair value/fundamental analysis
- ☐ Other, specify

## Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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☒ Screening

	Describe any reduction in your starting investment universe or other effects.
--	---

Our two levels of SRI filters apply on more than 65 % of our AUM . They have an impact on the portfolios construction:

**1-For core SRI funds named "Engagé":** the investment universe is reduced, a priori, to the best rated companies, this is to say 60 %.

**2- Thebroad SRI funds named "Responsable"** have to exclude or limit their exposure to :

- the worst ESG rated companies,
- the non ESG rated companies,
- the most controversial companies, which are currently in the energy and banking sectors.

Approximately 30 % of our investment universe is ring fenced.

	Specify the percentage reduction
--	----------------------------------

	%
--	---

40

☐ Thematic

☒ Integration of ESG issues

	Select which of these effects followed your ESG integration:
--	--

- ☒ Reduce or prioritise the investment universe
- ☒ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☐ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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**LEI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- ☒ We disclose it publicly

Provide URL

<http://www.ecofi.fr/fr/nos-expertises-gestion-engagee/isr>

Provide URL

[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_engages.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf)

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

Our Codes de transparence applying to our core and broad SRI funds (engagé& responsable) give detailed information on the way we incorporate ESG criteria in listed equity. They are regularly updated.

[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_engages.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf)

[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_responsables.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_responsables.pdf)

# Ecofi Investissements

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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**Engagement is the sum of actions we lead as a responsible investor in order to influence companies to adopt better environmental, social and governance practices.**

A strict and systematic voting policy and both individual and collective dialogues with companies are part of our Socially Responsible Investment policy.

We believe that engagement is complementary to SRI management in order to protect the long term interest of our investments and therefore of our customers. Besides, this is a way of heightening awareness on ESG issues amongst companies we are investing in.

At Ecofi Investissements, we are practicing engagement through:

#### 1- Vote at Annual General Meetings:

Our **voting policy** is published on our website :

[http://www.ecofi.fr/sites/default/files/files/Politique\\_de\\_vote\\_Ecofi\\_Investissements.pdf](http://www.ecofi.fr/sites/default/files/files/Politique_de_vote_Ecofi_Investissements.pdf)

Of note, our voting policy and guidelines are reviewed annually in order to reflect the evolution of corporate governance codes and market practices.

In applying our voting guidelines, we have to take into account specifics such as regulatory differences amongst countries or size of companies.

Here are its main principles:

- **We vote in all countries and without minimal holding threshold .**

Exceptionnally, Ecofi may not be able to ensure effective voting for some or all of the positions held in a company because of some share-blocking practices in specific countries.

- **We have a high rate of rejection regarding the management resolutions** : the average rate of companies' management resolutions rejected by Ecofi Investissements is 35 %. This figure is to be compared with the average rate of rejection by French asset managers : 17 % according to Association Française de Gestion.

#### 2- Dialogues with companies:

- **Individual dialogue** with companies facing serious ESG controversies;

- and **collective dialogue** (alongside with other investors) on major ESG issues (e.g.: PRI investors groups on palm oil, diversity in boards, fracking, clinical trials transparency).

**Our Report on engagement (2012) is published on our website:**

[http://www.ecofi.fr/sites/default/files/files/Rapport\\_de\\_vote\\_et\\_de\\_dialogue\\_Septembre2012.pdf](http://www.ecofi.fr/sites/default/files/files/Rapport_de_vote_et_de_dialogue_Septembre2012.pdf)

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

#### LEA 02.2 Additional information. [Optional]

**Collaborative engagement** is mainly achieved with the following organisations:

- PRI : coalitions on palm oil, fracking, clinical trial transparency
- FIR / Cordial: <http://www.frenchsif.org/isr/nos-actions/cordial/>
- Phitrust: <http://www.phitrustactiveinvestors.com/index.php?lg=FR>

**Individual engagement** is realised by the SRI Research team with the help of broker Exane SRI team. It is focused on companies facing major controversies (level 4 controversies according to Sustainalytics' rating) which our broad SRI funds are invested in.

Since 2011, we engaged on an individual basis with 30 companies. In 2014, we focused on the banking sector and the business ethics controversies.

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.		

☉ Yes

**LEA 03.2**

Describe how you identify and prioritise engagements.

**- Individual engagement:**

We prioritise individual actions of engagement with companies investees that we believe are not managing properly their ESG risks, such as those facing major controversies (level 4 controversies according to Sustainalytics' rating).

**-Collaborative engagement** actions are chosen according to our values. Examples: diversity on boards, responsible palm oil purchasing, fracking and clinical trial transparency.

In addition, we support international initiatives such as the Carbon Disclosure Project and the Foundation for the Access to medicine (Atmindex).

☐ No

**LEA 04****Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☐ Yes, for all engagement activities

☐ Yes, for the majority of engagement activities

☒ Yes, for a minority of engagement activities

☐ No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

☐ Yes, in all cases

☒ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

We reevaluate the companies, on the specific ESG issues we engaged on, a year or 18 months after the dialogue was initiated.

☐ No

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Core Assessed****PRI 2****LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☐ Yes

☒ No

LEA 06	Mandatory	Core Assessed	PRI 2
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**LEA 06.1** Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
- ☐ Yes, for all collaborative engagement activities
  - ☒ Yes, for the majority of collaborative engagement activities
  - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

**LEA 06.2** Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☐ Yes, in all cases
  - ☐ Yes, in the majority of cases
  - ☒ Yes, in the minority of cases

**LEA 06.3** Describe how you monitor and evaluate the progress of your collaborative engagement activities.

☐ No

### Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Core Assessed	PRI 2,4
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**LEA 07.1** Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

☒ Yes

**LEA 07.2** Indicate what role you play in engagements that your service provider conducts on your behalf.

- ☒ Specify the issues for the engagement
- ☒ Specify the objectives for the engagement
- ☒ Select the companies to be engaged with
- ☒ Participate directly in the engagements with your service provider
- ☒ Actively monitor and review the activities of the service provider
- ☐ Other, specify

☐ No



<b>LEA 07.3</b>	Additional information. [Optional]
-----------------	------------------------------------

The French broker Exane is assisting Ecofi investissements in its process of individual engagement: setting up of meetings with companies' top management, preparation of the questions for meeting and evaluation of the companies responses.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 08.1</b>	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
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Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

<b>LEA 08.2</b>	Additional information. [Optional]
-----------------	------------------------------------

Exane assists us alongside the whole individual engagement process.

<b>General processes for all three groups of engagers</b>			
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<b>LEA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
---------------	------------------	----------------------------	----------------

<b>LEA 09.1</b>	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.
-----------------	---

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Service provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1	Indicate if you track the number of engagements your organisation participates in.
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Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2	Additional information. [Optional]
----------	------------------------------------

We publish a Report on our engagement actions, updated every two years:  
[http://www.ecofi.fr/sites/default/files/files/Rapport\\_de\\_vote\\_et\\_de\\_dialogue\\_Septembre2012.pdf](http://www.ecofi.fr/sites/default/files/files/Rapport_de_vote_et_de_dialogue_Septembre2012.pdf)

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.
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- ☒ We disclose it publicly

	provide URL
--	-------------

[http://www.ecofi.fr/sites/default/files/files/Rapport\\_de\\_vote\\_et\\_de\\_dialogue\\_Septembre2012.pdf](http://www.ecofi.fr/sites/default/files/files/Rapport_de_vote_et_de_dialogue_Septembre2012.pdf)

LEA 15.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

- ☐ Yes  
☒ No

LEA 15.3	Indicate what engagement information your organisation proactively discloses to the public.
----------	---

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☐ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4	Indicate how frequently you typically report engagements information to the public.
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- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☐ Disclosed annually
- ☒ Disclosed every two years or less
- ☐ Other, specify

**LEA 15.5**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

**LEA 15.6**

Indicate how frequently you typically report engagements information to clients/beneficiaries.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☒ Other, specify

When clients specifically ask for this information.

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

## (Proxy) voting and shareholder resolutions

### Overview

LEA 16	Voluntary	Descriptive	PRI 2
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**LEA 16.1**

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

- The **voting policy is updated every year** by the SRI Head of Department : [http://www.ecofi.fr/sites/default/files/files/Politique\\_de\\_vote\\_Ecofi\\_Investissements.pdf](http://www.ecofi.fr/sites/default/files/files/Politique_de_vote_Ecofi_Investissements.pdf)
- The **SRI department is in charge of implementing Ecofi's voting policy** with the willingness to improve the companies' behaviour on ESG matters. This voting policy applies to all stocks owned by our funds.
- We aim at **voting systematically for all our stocks** : we do not have a minimal holding threshold expressed as a percentage of our assets under management or as a percentage of share in companies. Nevertheless, our voting is sometimes prevented by legal costs associated with custodian banks (power of attorney, blocking shares...).
- Our analysis of the companies resolutions is based on two "**proxy providers**" research: **Proxinvest** for the French listed companies and **ECGS** for other listed companies. We now use as well **ISS** in order to better process our voting instructions and cast our votes.
- Ecofi Investments often gives its support to **shareholders resolutions**. For example, Ecofi approves the resolutions asking the split of President and Chief Executive Officer functions.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	Approach		
	<input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.		
	<input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.		
	Based primarily on		
	<input type="radio"/> the service provider voting policy signed off by us		
	<input checked="" type="radio"/> our own voting policy		
	<input type="radio"/> our clients requests or policy		
	<input type="radio"/> other, explain		
	<input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.		
	<input type="radio"/> We hire service provider(s) which make voting decisions on our behalf.		
LEA 20	Voluntary	Additional Assessed	PRI 2
LEA 20.1	Indicate if your organisation has a securities lending programme.		
	<input type="radio"/> Yes		
	<input checked="" type="radio"/> No		
LEA 21	Mandatory	Core Assessed	PRI 2

<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☐ votes in selected markets
  - ☒ votes on certain issues (all markets)
  - ☐ votes for significant shareholdings (all markets)
  - ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 21.2</b>	Additional information. [Optional]
-----------------	------------------------------------

On certain issues such as the following ones, we can vote against the companies' management recommendations and ensure that companies are informed of the rationale:

For example, in the case of the election of the chairman of the Board if he is also CEO, we vote against the management and support shareholders resolutions (for example, Société Générale/Renault).

We give the rationale of our votes when a company is enquiring about it or when we meet the companies through a dialogue.

Finally, our analysts participate physically to the Annual General Meetings of French companies, especially when they face controversies.

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

95

	Specify the basis on which this percentage is calculated
--	--

- ☒ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

**LEA 22.2**

If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

The percentage of votes cast is 100 % when we received the information on time by the depositary banks. In 2014 we voted at 211 AGM to be compared to the 222 companies' stocks held.

We do not use a minimum threshold of equities for voting.

☐ We do not track or collect this information

**LEA 23****Voluntary****Descriptive****PRI 2****LEA 23.1**

Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

☒ Yes, we track this information

**LEA 23.2**

Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> 65
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 35
Abstentions	<div> <div></div> <div>%</div> </div> 0

100%

**LEA 23.3**

For the reporting year, describe your approach towards voting on shareholder resolutions.

Ecofi Investissements often gives its support to shareholders resolutions. Shareholders resolutions are an integral part of the corporate governance process. They enable shareholders to take the initiative on issues which directors may be unwilling to address or where directors may face a conflict of interest.

We assess the resolutions proposed by shareholders considering the following questions: -Is the matter appropriate for the General Meeting? -Is it adequately justified by its proponents? -Is the proposal in the long-term interests of the company and of all stakeholders?

For example, Ecofi approves the resolutions asking the split of President and Chief Executive Officer functions.

☐ No, we do not track this information

LEA 23.4	Additional information.
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In 2014, we voted on 3248 resolutions of which 1139 where votes against the management (35%).

The average voting against management recommendations for the French asset managers is 16 % according to the Association Française de Gestion.

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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☒ We disclose it publicly

	provide URL
--	-------------

[http://www.ecofi.fr/sites/default/files/files/Politique\\_de\\_vote\\_Ecofi\\_Investissements.pdf](http://www.ecofi.fr/sites/default/files/files/Politique_de_vote_Ecofi_Investissements.pdf)

	provide URL
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[http://www.ecofi.fr/sites/default/files/publications/rapport\\_de\\_vote\\_et\\_de\\_dialogue\\_septembre2012.pdf](http://www.ecofi.fr/sites/default/files/publications/rapport_de_vote_et_de_dialogue_septembre2012.pdf)

LEA 26.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
----------	---

☐ Yes

☒ No

LEA 26.3	Indicate the voting information your organisation proactively discloses to the public.
----------	--

	Indicate how much of your voting record you disclose
--	--

- ☐ All voting decisions
- ☒ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

	Indicate what level of explanation you provide
--	--

- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided



**LEA 26.4** | Indicate how frequently you typically report voting information to the public.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

**LEA 26.5** | Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☐ All voting decisions
- ☒ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

**LEA 26.6** | Indicate how frequently you typically report voting information to clients/beneficiaries.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

**LEA 26.7** | Describe any other differences in the information being disclosed. [Optional]

The details of our votes are submitted to clients when asked.

- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

# Ecofi Investissements

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

FI 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	PRI 1
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<b>FI 01.1</b>	Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.
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	Fixed income – corporate
--	--------------------------

### Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

	Percentage of internally managed fixed income - corporate
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- ☐ <10%
- ☐ 10-50%
- ☒ >50%

	Fixed income – government
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### Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

	Percentage of internally managed fixed income - government
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- ☐ <10%
- ☐ 10-50%
- ☒ >50%

FI 02	Mandatory to Report	Voluntary to Disclose	Peering	General
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<b>FI 02.1</b>	Provide a breakdown of your internally managed fixed income investments by credit quality.
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Credit quality	Fixed Income - Corporate
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

Credit quality	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

**FI 02.2**

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate
Primary market (new issues)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Market	Fixed Income - Government
Primary market (new issues)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

## ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
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FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
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Fixed Income - Corporate
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**-ESG integration for corporates is primarily realised with an SRI quantitative filter applied across more than 65 % of our assets under management.**

Since our signature of the PRI in 2009, we set up **two different levels of SRI filters that both have an impact on portfolios construction and management:**

1- **SRI core filter called "Engagé"**: our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, ~ 50% of our investment universe.

2- **SRI broad filter called "Responsable"**: our mainstream funds apply a less stringent SRI filter that ringfences the worst SRI rated issuers with exposure limits or, if necessary, exclusion. It impacts ~ 30 % of investment universe.

**Those two SRI filters are based upon ESG data and ratings from two main agencies (Vigeo and Sustainalytics) and are mixing Best-in-class (through ESG performance) and Best-in-universe (through controversies) approaches.**

- This approach is completed by an **inhouse qualitative analysis** of companies in portfolios and an internal release of information on environmental, social and corporate governance matters. A review of sectorial ESG matters and news is integrated to our regular financial reviews in equity and bonds managers' meetings.

- All portfolio managers (mainstream + core SRI) have access to an **ESG database and SI inhouse tool** where companies and countries are rated on their overall ESG performance and the ESG controversies they face. These ratings are updated once a month and the changes in ratings are communicated to portfolio managers.

## Fixed Income - Government

**-ESG integration for sovereign bonds is primarily realised with an SRI quantitative filter applied across more than 65 % of our assets under management.**

Since our signature of the PRI in 2009, we set up two different levels of SRI filters that both have an impact on portfolios construction and management:

1- *SRI core filter called "Engagé"*: our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, 5% of our investment universe (OCDE + Europe) and ringfences the worst SRI rated issuers (30% of investment universe).

2- *SRI broad filter called "Responsable"*: our mainstream funds apply a less stringent SRI filter that only rules out 5% of our investment universe.

**Those two SRI filters are based upon ESG data and ratings of governments by extra-financial agency Vigeo.**

We also exclude 47 countries considered as **tax havens** by our parent company - Crédit Coopératif.

## Fixed Income - Corporate

### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.		

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 90
---	---

- ☐ Thematic + integration strategies
- ☒ Screening + thematic strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 10
---	--

- ☐ All three strategies combined
- ☐ No incorporation strategies applied

	Total actively managed fixed income - corporate
100%	

<b>FI 04.2</b>	Describe your primary reasons for choosing a particular incorporation strategy.
<p>We believe that the analysis of ESG performance, combined with an analysis of the controversies companies are facing, allows us a better understanding of companies and a better evaluation of the risks we take as equity investors. Therefore, we have decided to integrate ESG criteria in our investment process through a core or broad SRI filter.</p>	

<b>FI 04.3</b>	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]
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We also manage solidarity-based fixed income funds.

## (A) Implementation: Screening

<b>FI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
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### Type of screening

- ☒ Negative/exclusionary screening

#### Screened by

- ☐ Product
- ☐ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

Investments in companies commercialising controversial weapons are forbidden in all our funds.

☒ Positive/best-in-class screening

#### Screened by

- ☐ Product
- ☐ Activity
- ☒ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

	Description
--	-------------

Our SRI screening is based upon the **ESG performance and ratings of companies and countries**.

Vigeo and Sustainalytics are providing us with detailed ESG analysis and ratings of over 2000 companies worldwide. Environmental, Social and Governance criteria account for 1/3 each of the global ESG rating of companies. The criteria and their weight in the overall rating depend on the sector.

For all sectors, we have decided to overweight :

- quantitative ESG criteria (results versus qualitative on politics and means);
- and ESG criteria linked our CSR policy : diversity, supply chains and customers, tax heavens and quality of the board.

The screening on ESG performance is completed by a screening on controversies faced by companies (pollutions, class actions, penalties, trials etc.).

☐ Norms-based screening

<b>FI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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The SRI selection processes for corporates and countries have been reviewed in 2011-2012. They are the result of a collaborative internal working group involving fund managers (both listed equity and fixed income), SRI research team and sales persons. A new ESG research provider, Sustainalytics, has been contracted.

We notify changes to clients and beneficiaries through our Transparency Codes available on our website.

[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_engages.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf)

<b>FI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**FI 07.1**

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**FI 08****Voluntary****Additional Assessed****PRI 1****FI 08.1**

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
  - ☒ Systematic
  - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

**FI 08.2**

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

The SRI core or broad fund managers are prevented to invest in companies that do not respect our 2 levels of SRI filters: in most cases, the IT system will block the purchase of stocks that do not comply with them.

If the rules of the SRI filters are nevertheless breached, the SRI research team and the fund managers involved receive an alert sent directly by the IT system. Another alert is sent by the middle office and control department. Following these alerts, fund managers have to make their portfolios comply with the ESG filters.

In case of a change in the ESG rating of a company or in the level of the controversy it faces, the fund managers are informed by the SRI research team and the IT tool on a monthly basis. Following these alerts, fund managers have one month to make their portfolios comply with the new controversies.

**(C) Implementation: Integration of ESG factors****FI 10****Voluntary****Descriptive****PRI 1**

**We apply to 65 % of our AUM SRI filters based upon ratings of companies and countries provided by our agencies Vigeo and Sustainalytics:**

- 1- *SRI core filter called "Engagé"*: our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, ~ 50% of our investment universe.
- 2- *SRI broad filter called "Responsable"*: our mainstream funds apply a less stringent SRI filter that ringfences the worst SRI rated issuers with exposure limits or, if necessary, exclusion. It impacts ~ 30 % of investment universe.

**The SRI filters for corporates have two components:**

**1st - A Best-in-class screening based on ESG performance of companies:** Vigeo and Sustainalytics provide us with the rating of approximately 150 ESG indicators for more than 2000 companies worldwide.

Some of those indicators are overweighted:

- 5 indicators reflecting our CSR policy: diversity, board of directors, customers relations, supply chain, tax havens;
- the quantitative indicators showing the achievements of companies (results versus qualitative indicators such as politics implemented or measures undertaken).

**2nd - A Best-in-universe screening based on the severity of the controversies (pollutions, incidents, class actions, penalties etc.) faced by companies :** Sustainalytics assesses the importance and the degree of the controversies companies are facing and gives them a level from 0 until 5 for the most severe controversies.

**Portfolios construction:**

- 1- the SRI core filter "Engagé" only allows investments in :
  - best rated companies (decile of ESG score from 1 to 5)
  - and without controversies of levels 4 & 5.
- 2- the SRI broad filter "Responsable" :
  - excludes investments in companies with level 5 controversies
  - and ring-fences investments in : worst rated (decile of ESG score from 8 to 10) + non rated companies + companies with level 4 controversies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 12	Voluntary	Descriptive	PRI 1
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#### FI 12.1

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☐ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

#### FI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

#### FI 12.3

Additional information.

The SRI research team participates to the monthly investment meetings involving equity and fixed income fund managers and reviewing the companies invested.

We developed our own SRI centralised database, accessible by all staff, fund managers and sales. It gives the detailed ESG ratings of more than 2000 companies worldwide and is updated every month.

## Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

☒ Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- ☐ <10%  
☒ 10-50%  
☐ 51-90%  
☐ >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

Our SRI process with regards to Sovereign bonds is based on Vigeo's ratings.

Once more, we apply **2 different SRI filters**:

1- *SRI core filter called "Engagé"*: our specialised SRI and solidarity based funds apply a strict SRI Filter that rules out, a priori, 5% of our investment universe and ringfences the worst SRI rated issuers (30% of investment universe composed of 37 countries (both OECD and Euro Zone countries)).

2- SRI broad filter called "Responsible": our mainstream funds apply a less stringent SRI filter that only rules out 5% of our investment universe.

For Sovereigns, we've decided to overweight:

- quantitative ESG criteria (results versus qualitative on politics and means)
- and ESG criteria linked our CSR policy: governmental effectiveness, corruption, gender equality, education and development aid.

Moreover, we exclude 47 countries from our investment universe because they are considered as tax havens by our parent company - Crédit Coopératif.

The SRI selection process for countries has been refunded in 2011-2012. It is the result of a collaborative internal working group involving fixed income managers, SRI research team and sales persons.

We notify changes to clients and beneficiaries through our Transparency Codes available on our website.

☐ No

FI 13.5	Additional information. [Optional]
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AUM of our core SRI sovereigns bonds portfolios : 175 million euros.

## Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
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### Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
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### Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.2	Additional information.
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Our two levels of SRI filters applied on more than 65 % of our AUM . They have an impact on the portfolios construction.

### For corporates:

1- For core SRI funds named "engagé": the investment universe is reduced, a priori, to the best rated companies, this is to say 60 %.

2- Our broad SRI funds named "responsable" have to limit their exposure to :

- the worst ESG rated companies,
- the non ESG rated companies,
- the most controversial companies, which are currently in the energy and banking sectors.

Approximately 30 % of our investment universe is ring fenced.

**For sovereigns:**

1- For core SRI funds named "engagé": the investment universe is reduced, a priori, to the best rated sovereigns. It means the exclusion of 5% of our investment universe (OCDE + Europe) and the ringfencing of the worst SRI rated issuers (30% of investment universe).

2- SRI broad filter called "Responsible": our mainstream funds apply a less stringent SRI filter that only rules out 5% of our investment universe.

## Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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<b>FI 18.1</b>	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
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- ☒ We disclose it publicly

	Provide URL
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[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_engages.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_engages.pdf)

	Provide URL
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[http://www.ecofi.fr/sites/default/files/publications/code\\_de\\_transparence\\_pour\\_les\\_fonds\\_isr\\_responsables.pdf](http://www.ecofi.fr/sites/default/files/publications/code_de_transparence_pour_les_fonds_isr_responsables.pdf)

<b>FI 18.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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- ☐ Yes  
☒ No

<b>FI 18.3</b>	Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.
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- ☐ Broad approach to ESG incorporation  
☒ Detailed explanation of ESG incorporation strategy used

<b>FI 18.4</b>	Indicate how frequently you typically report this information to the public.
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- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

<b>FI 18.5</b>	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
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- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

<b>FI 18.6</b>	Indicate how frequently you typically report this information to clients/beneficiaries
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- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

<b>FI 18.7</b>	Additional information. [Optional]
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Our Codes de transparence applying to our core and broad SRI funds (engagé& responsable) give detailed information on the way we incorporate ESG criteria in listed equity. They are regularly updated.

Moreover, we disclose to clients a detailed analysis on the ESG performance of companies our core SRI funds are invested in.

## Engagement in fixed income investments

### Fixed Income - Corporate

<b>FI 19</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>FI 19.1</b>	Indicate if you engage with corporate issuers.
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- ☒ Yes

**FI 19.2**

Describe your organisation's approach to engagement in corporate fixed income.

We prioritise individual actions of engagement with companies investees that we consider are facing ESG risks, whatever the asset class is. Those risks are mainly identified through the Sustainalytics rating of controversies.

In 2014, we've had a dialogue with several banks such as Société générale, BNP, Credit Suisse etc. due to the numerous business ethics controversies faced by the sector.

☐ No

**Fixed Income - Government**

FI 20	Voluntary	Descriptive	PRI 2
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**FI 20.1**

Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.

☐ Yes

☒ No